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MARKET ACCESS SECRETARIAT
Global Analysis Report

Sector Trend Analysis
Italy
Fish and Seafood

August 2016

TRADE SUMMARY

- Italy is the sixth-largest market for fish and seafood suppliers in the world, and the third-largest among European Union countries, just behind Spain and France. Italy imported US$5.6 billion worth of fish and seafood products in 2015. Spain, the Netherlands, and Denmark were Italy's top three suppliers of fish and seafood, and the top imported products were prepared or preserved tuna, skipjack or bonito.
- Canada was the 41st largest supplier of fish and seafood products to Italy in 2015, with a value of US$20.5 million (based on Italy's import data). Italy's imports from Canada increased by 7.82% in value from 2014 to 2015. Much of this increase can be attributed to the increment in supplies of Canadian edible seaweeds and other algae (with a 6933.46% growth rate), sea urchins (293.73%) and frozen Pacific, Atlantic or Danube salmon fillets (264.06%).
- Italy ranked 19th among Canada's export destinations for fish and seafood in 2015, representing a 0.32% market share in value terms. The top three Canadian fish and seafood products exported to Italy were live lobster, frozen lobster, and frozen Pacific salmon.
- Processed seafood products increased at a compound annual growth rate of 1.47% from 2010 to 2015. While frozen products were preferred by consumers, chilled fish and seafood products remained key drivers in the growth of the whole processed seafood market.
- Italian consumers are showing greater interest in eco-friendly and organic fish and seafood products.

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CANADIAN PERFORMANCE

- According to Global Trade Atlas, Canada was the 41st largest supplier of fish and seafood products to Italy in 2015, with a value of US$20.5 million (based on Italy's import data). Italy's imports from Canada increased by 7.82% in value from 2014 to 2015. Much of this increase can be attributed to the increment in supplies of Canadian edible seaweeds and other algae (with a 6933.46% growth rate), sea urchins (293.73%) and frozen Pacific, Atlantic, Danube salmon fillets (264.06%).

- Italy ranked 19th among Canada's export destinations for fish and seafood in 2015, representing 0.32% market share. In comparison, the United States received 64.26% of Canada's fish and seafood exports, while China received 10.85%, and Japan received 4.32% in the same year.

Italy's Top Fish and Seafood Imports from Canada, 2013-2015, US$

Commodity HS6	Description	United States Dollars			% Share			% Change
		2013	2014	2015	2013	2014	2015	2015/2014
030622	Live lobster	6,845,835	7,858,234	6,461,151	47.79	41.25	31.45	-17.78
030612	Frozen lobster	3,135,334	5,440,619	6,268,068	21.89	28.56	30.51	15.21
030312	Frozen Pacific salmon	1,135,706	2,017,820	2,932,164	7.93	10.59	14.27	45.31
030551	Cod, dried, not salted, not smoked	940,891	1,352,452	1,897,175	6.57	7.10	9.24	40.28
160530	Prepared or preserved lobster	602,196	454,513	823,342	4.20	2.39	4.01	81.15
121221	Seaweeds and other algae, edible	51,644	7,195	506,058	0.36	0.04	2.46	6933.46
030389	Frozen fish, NESOI*	253,480	211,347	392,749	1.77	1.11	1.91	85.83
030542	Smoked herrings	382,083	360,539	330,219	2.67	1.89	1.61	-8.41
160411	Prepared or preserved salmon, whole or pieces	408,670	659,895	318,048	2.85	3.46	1.55	-51.80
121229	Seaweeds and other algae, NESOI*	295,992	466,111	270,762	2.07	2.45	1.32	-41.91

NESOI: *Not Elsewhere Specific or Indicated.*

BY THE NUMBERS

- Italy is the sixth-largest market for fish and seafood suppliers in the world, and the third-largest among European Union (E.U.) countries, following Spain and France.

- Italy has become a major player in fish farming and bivalves (mussels and clams). However, the Italian aquaculture sector is facing challenges due to strong competition from other countries, such as Greece, Turkey and Malta. Additionally, concerns over marine sustainability have led to the E.U. Common Fisheries Policy setting fishery catch limits for the most significant commercial fish stocks. These limits are shared between the 28 EU members, with allowances for each country determined by historic catch rates. As a result, Italy has to rely on imported products to sustain its growing consumer demand.

Source for all: *Global Atlas, 2015.*

Top Ten Suppliers of Fish and Seafood to Italy and Top Imported Products from Each Country in 2015 (Based on Italy's Import Data)

Rank	Country	Total Import Value (US$)	Top Import Product Supplied	Total Import Value (US$)
	World	**5,571,994,341**	**Prepared/preserved tuna/skipjack/bonito**	**624,116,131**
1	Spain	1,156,423,348	Prepared/preserved tuna/skipjack/bonito	229,346,545
2	Netherlands	370,277,385	Frozen flat fish fillets	49,629,321
3	Denmark	341,585,977	Fresh Atlantic, Danube salmon	43,838,439
4	France	248,567,307	Live/fresh cuttle fish and squid	29,392,426
5	Sweden	238,949,694	Fresh Atlantic, Danube salmon	166,974,215
6	Greece	231,655,499	Fresh seabream	93,486,977
7	Germany	225,444,037	Prepared/preserved fish, whole or in pieces, NESOI*	70,759,822
8	Ecuador	198,309,021	Frozen shrimp and prawns, NESOI*	135,373,313
9	Morocco	194,283,724	Frozen octopus	100,341,553
10	United Kingdom	145,047,189	Frozen Norway lobster	24,051,833

NESOI: *Not Elsewhere Specific or Indicated.*
Source: *Global Trade Atlas, 2015.*

TOP TEN FISH AND SEAFOOD SUPPLIERS TO ITALY IN 2015

All of the figures listed below are in US dollars.

1. Imports from Spain		**2. Imports from Netherlands**	
Prepared/preserved tunas/skipjack/bonito	229M	Frozen flat fish fillets	50M
Frozen cuttle fish and squid	107M	Fresh sole except fillets, livers and roes	30M
Frozen shrimp and prawns, NESOI*	67M	Frozen fish fillets, NESOI*	23M
Frozen octopus	60M	Fresh nile perch fillets	21M
Frozen crustaceans, cooked, etc.	38M	Prepared/preserved fish, whole or pieces, NESOI*	21M
3. Imports from Denmark		**4. Imports from France**	
Fresh Atlantic, Danube salmon	44M	Fresh/live cuttle fish and squid	29M
Smoked Pacific, Atlantic, Danube salmon	42M	Fresh/live oysters	21M
Fish fillets Bregmacerotidae, not smoked	37M	Fresh fish, NESOI*	19M
Frozen Norway lobster	24M	Smoked Pacific, Atlantic, Danube salmon	16M
Fresh fish fillets Fam Bregmacerotidae	19M	Frozen cuttle fish and squid	12M

Source: *Global Trade Atlas, 2015.* ***M:*** *Million.* ****NESOI:*** *Not Elsewhere Specific or Indicated.*

TOP TEN FISH AND SEAFOOD SUPPLIERS TO ITALY IN 2015 (CONTINUED)

All of the figures listed below are in US dollars.

5. Imports from Sweden		**6. Imports from Greece**	
Fresh Atlantic, Danube salmon	167M	Fresh seabream	93M
Fish fillets, dried, salted in brine, not smoked, NESOI*	16M	Fresh seabass	91M
Dried cod, not smoked	10M	Fresh fish, NESOI*	16M
Smoked Pacific, Atlantic, Danube salmon	8M	Fresh/live mussels	5M
Fresh Pacific, Atlantic, Danube salmon fillet	8M	Fresh carp fillets and eel fillets	3M
7. Imports from Germany		**8. Imports from Ecuador**	
Prepared/preserved fish, whole or pieces, NESOI*	71M	Frozen shrimps and prawns, NESOI*	135M
Dried cod, not smoked	33M	Prepared/preserved tunas/skipjack/bonito	58M
Prepared/preserved fish, excludes whole or in pieces, NESOI*	21M	Prepared/preserved fish, excludes whole or in pieces, NESOI*	2M
Fish meal	15M	Prepared/ preserved shrimp and prawns, not in cans	2M
Cod, salted or in brine, not dried or smoked	12M	Frozen rock lobster and other sea crawfish	1M
9. Imports from Morocco		**10. Imports from U.K.**	
Frozen octopus	100M	Frozen Norway lobsters	24M
Prepared/preserved mackerel	35M	Frozen scallops	14M
Prepared/preserved anchovies, whole or in pieces	20M	Smoked Pacific, Atlantic, Danube salmon	13M
Frozen cuttle fish and squid	16M	Fresh/live scallops	13M
Prepared/preserved sardines/sardinella/brisling	8M	Prepared/preserved fish, whole or pieces, NESOI*	12M

Source: *Global Trade Atlas, 2015.* ***M:*** *Million.* ****NESOI:*** *Not Elsewhere Specific or Indicated.*

MARKET SIZES

Fish and seafood products are perceived to be very healthy among Italian consumers and are important components of the Mediterranean diet. Italian cuisine traditionally includes a large variety of fish and seafood dishes. However, consumers' total expenditure on fish and seafood has declined by 1.07% from 2010 to 2015, and expenditure on fish and seafood per capita has decreased by 1.62% over the same period. This contraction of expenditure may be a result of Italy's economic downturn, combined with a growing foreign-born population with varied food choices, and a shift in food preference amongst younger consumers.

Due to the flows of international migrants to Italy, consumers' food preferences are becoming more diversified, which contributes to a shift from the traditional fish-focused Mediterranean diet to other international cuisines. Furthermore, while elder Italian consumers still prefer fish and seafood products that fall within a traditional style of cuisine, younger generations are more likely to try products based on international cooking styles (Euromonitor International, 2015).

Historic Consumer Expenditure on Fish and Seafood in Italy, 2015

Categories	2013	2014	2015	%CAGR* 2010-2015
Total spending (US$ billion)	1,095.78	1,103.19	1,114.50	0.42%
Spending on fish and seafood (US$ billion)	11.27	11.33	11.40	-1.07%
Spending on fish and seafood per capita (US$)	188.80	186.50	187.30	-1.62%
% Spending on fish and seafood/ total	1.03%	1.03%	1.02%	N/A*

Source: *Euromonitor International, 2015.* ***CAGR*:*** *Compound Annual Growth Rate.* ***N/A*:*** *Not Applicable.*

Forecast Consumer Expenditure on Fish and Seafood in Italy, 2015

Categories	2016	2017	2020	%CAGR* 2015-2020
Total spending (US$ billion)	1,134.40	1,166.24	1,277.41	2.77%
Spending on fish and seafood (US$ billion)	11.59	11.90	12.94	2.57%
Spending on fish and seafood per capita (US$)	190.10	194.60	210.20	2.33%
% Spending on fish and seafood/ total	1.02%	1.02%	1.01%	N/A*

Source: *Euromonitor International, 2015.* ***CAGR*:*** *Compound Annual Growth Rate.* ***N/A*:*** *Not Applicable.*

Processed Fish and Seafood Products

Due to the increasing popularity of foods that are healthy while also being convenient, processed seafood products performed favourably at a compound annual growth rate of 1.47% from 2010 to 2015. However, it is expected that this growth will begin to slow down over the next few years due to competition from the fresh fish and seafood sector. Italian consumers have always shown a high interest in fresh fish and seafood because it is perceived to be healthier and to have a more appealing taste. Nevertheless, strong value growth is anticipated for the chilled processed seafood and frozen processed seafood sectors.

Processed Fish and Seafood Retail Sale Volumes in Italy by Segment, 2015
In '000 Tonnes

Category	2013	2014	2015	2016F	2020F	% CAGR* 2010-15	% CAGR* 2015-20F
Total processed seafood	261.74	264.91	267.97	271.89	279.73	1.47%	0.86%
Canned/preserved fish/seafood	143.65	145.23	145.88	147.21	150.31	1.55%	0.60%
Chilled fish/seafood	16.08	17.10	18.02	18.87	21.23	2.93%	3.33%
Frozen processed fish/seafood	102.01	102.58	104.07	105.81	108.19	1.13%	0.78%

Source: *Euromonitor International, 2015.* ***CAGR*:*** *Compound Annual Growth Rate.*

The frozen processed seafood sector maintained stable growth from 2010 to 2015 because of its competitive advantage in quality and in price. However, the chilled fish and seafood sector remained the main growth driver for processed seafood as it is consistent with health and wellness trends and is also popular among gluten-free consumers.

Top 5 Market Shares by Company for Processed Fish* in Italy, 2014
% Breakdown Based on Retail Sale Volumes

Company	2011	2012	2013	2014
Bolton Group	24.7	24.5	24.7	24.6
Pinnacle Foods Group LLC	13	11.8	11.1	12.1
Grupo Calvo	5.1	4.9	4.7	4.6
MWBrands SAS	3.7	4.2	4.3	4.3
Generale Conserve S.p.A.	2.7	3.2	3.2	3.2

***Note:** *Pet food, fish snacks, chilled plain whole, filleted or portioned fish are excluded in the processed fish category.*
***Source:** Mintel Market Size, 2014.*

DISTRIBUTION CHANNELS

Modern grocery channels dominate the distribution of processed and fresh foods in Italy, including the fish and seafood sector. These channels carry a wide range of products and are in a perfect position to offer promotions. Their good performance is primarily due to the vast network of neighbourhood supermarkets, which are popular due to their easy accessibility, and the increasing presence of large hypermarket chains.

Italy's leading grocery distributor in terms of grocery market share is Conad, which is a domestic co-operative system that buys products for retailer co-operatives as well as associated independents. Conad is also represented as a store banner, making it a well-known brand to Italian consumers. The second top grocery distributor is Coop Italia whose operations are firmly based on its hypermarkets, supermarkets, and neighbourhood stores.

Italian consumers like to buy manufacturer branded products that they know and trust. Despite this, the importance of private labels has increased over the last few years, particularly for organic products. The private label products are now offered by all top retailers, and the other grocers are also planning to increase the proportion of private labels in the future by adding more of their own labels to their product ranges.

Italy's Top 10 Grocery Brands in 2015

Retailer	Banner	Store Format	Total Grocery Market Share %
Conad	Conad	Supermarkets & Neighbourhood stores	5.55
Coop Italia	Coop	Supermarkets & Neighbourhood stores	3.53
Esselunga	Esselunga	Superstores	3.16
Coop Italia	Ipercoop	Hypermarkets & Superstores	2.74
Eurospin	EuroSpin	Discount stores	1.82
Schwarz Group	Lidl	Discount stores	1.80
Lillo	MD	Discount stores	1.29
Carrefour	Carrefour Market	Supermarkets	1.09
Auchan	Auchan	Hypermarkets	1.07
Auchan	Simply Market	Supermarkets	1.05

***Source:** Planet Retail, 2015.*

CONSUMPTION TRENDS

After almost seven years of economic crisis, the Italian economy is recovering and consumer expenditure and confidence is building accordingly. However, consumers are more interested in purchasing big ticket items, such as cars and houses, and are spending less on food and clothing.

Italian consumers, especially those belonging to younger generations, are turning to internet retailers. From 2009 to 2014, Internet retail sales per household increased by 108%. The growth in online retailing has primarily been driven by mobile commerce via smartphones and tablets. It is projected that mobile internet retailing will increase by 102% from 2015 to 2018, reaching approximately US$152 per household in 2018 (Fixed exchange rate: 1 USD= 0.902 Euro).

Italian consumers have developed greater environmental awareness over the past few years, which has also affected their spending habits. Consumers are showing great interest in eco-friendly and organic food products, and they are seeking these attributes in the fresh fish and seafood sector as well.

As a result of the recession, Italian consumers have shortened their eating time and have been seeking more affordable options. Therefore, fast food outlets became increasingly popular due to their convenience and favourable prices.

NEW PRODUCT LAUNCHES

According to Mintel database, there were 307 new processed fish products launched in the Italian market between January 2015 and December 2015. As shown in the table below, branded options represented about 66% of the total launches, frozen options (versus shelf-stable or chilled) were the preferred storage type, and ethical-oriented claims featured very prominently among the new releases.

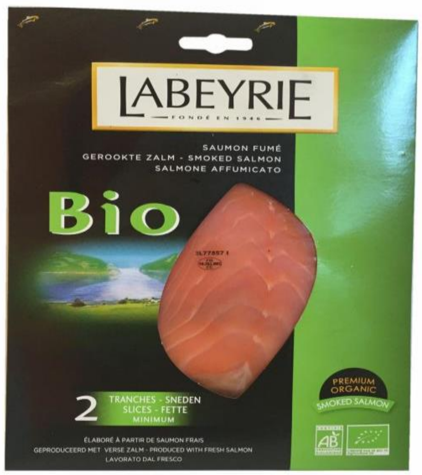
New Launches of Processed Fish Products in Italy from January 2015 to December 2015, by Feature

Feature	Launch Count
Top ten claims*	
Ethical - environmentally friendly product	47
No additives/preservatives	25
Ease of use	25
Ethical - animal	23
Microwaveable	22
Premium	18
Economy	16
Ethical - environmentally friendly package	14
Low/no/reduced allergen	13
Gluten-free	12
Manufacturer type	
Branded	204
Private label	103

Feature	Launch Count
Storage type	
Frozen	156
Shelf-stable (canned/preserved)	100
Chilled	51
Top five package types	
Flexible*	65
Can	49
Skinpack	47
Jar	45
Tray	45

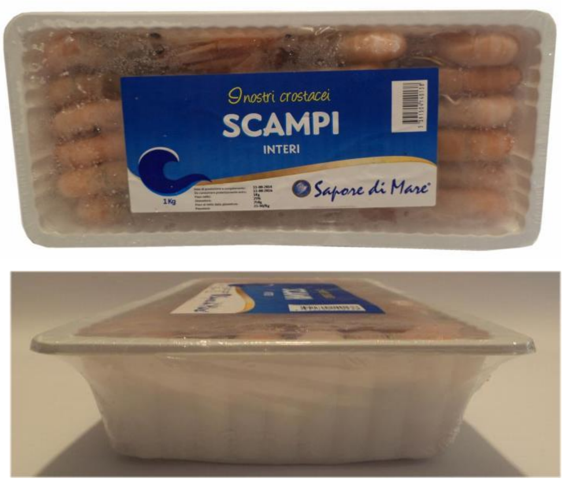
Source: *Mintel GNPD, 2015.*
** Please note that the totals for the count and percentage of products launched by claim may add to more than 355 (100%), as products can use multiple claims.*
**__Flexible:__ Pack made of flexible or easily yielding materials (e.g.: paper, foil, plastic film) (Mintel GBDP, 2015.)*

The following are some examples of the new products launched in the Italian market from January 2015 to December 2015.



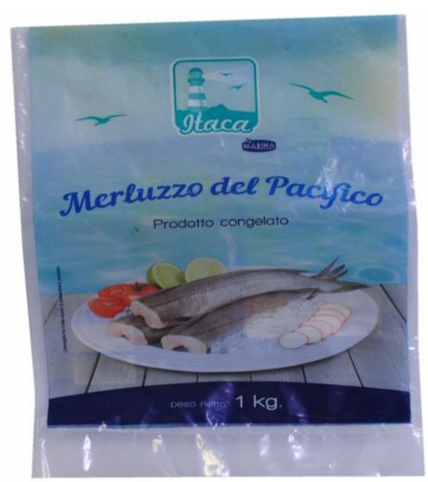
Organic Smoked Salmon
Company: Labeyrie
Brand: Labeyrie
Price (US$): 6.17
Launch Type: New Packaging
Date Published: September 2015
Packaging: Skinpack, Plastic unspecified
Storage Type: Chilled
Claims: Organic, Premium

Product Description: Labeyrie Salmone Affumicato Bio (Organic Smoked Salmon) has been repackaged. It is obtained from fresh salmon and is smoked over beechwood. This premium product retails in a newly designed 75g pack containing a minimum of two slices, bearing the EU Green Leaf and AB logos.



Whole Frozen Prawns
Company: Rockabill Shellfish
Brand: Sapore di Mare I Nostri Crostacei
Price (US$): 13.36
Launch Type: New Product
Date Published: July 2015
Packaging: Tray, Plastic PET
Storage Type: Frozen
Claims: Not Applicable

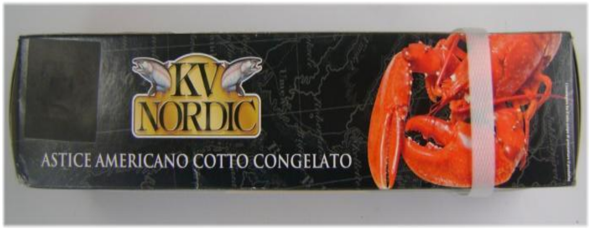
Product Description: Sapore di Mare I Nostri Crostacei Scampi Interi (Whole Frozen Prawns) are caught in the North East Atlantic Ocean, FAO area 27. The product retails in a 1kg pack, containing 21 to 30 units.

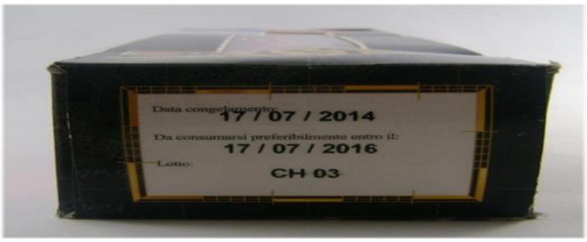


Pacific Cod
Company: Effegi Service
Brand: Itaca by Marina
Price (US$): 6.45
Launch Type: New Product
Date Published: March 2015
Packaging: Flexible, Plastic unspecified
Storage Type: Frozen
Claims: Not Applicable

Product Description: Itaca by Marina Merluzzo del Pacifico (Pacific Cod) has been caught with trawl nets in the Pacific Ocean. This product retails in a 1kg pack featuring a recipe suggestion.

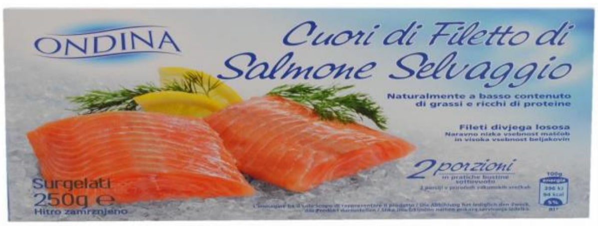
Source for all: *Mintel GNPD, 2015.*

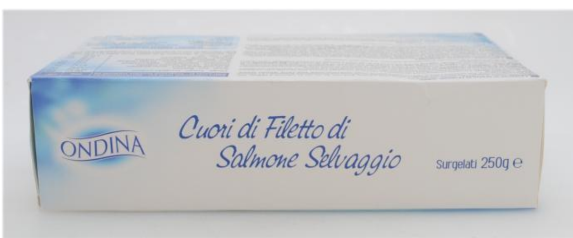




<u>Cooked American Lobster</u>
Company: Green Ice
Brand: Kv Nordic
Price (US$): 14.06
Launch Type: New Variety/Range Extension
Date Published: January 2015
Packaging: Miscellaneous, Carton
Storage Type: Frozen
Claims: Social Media

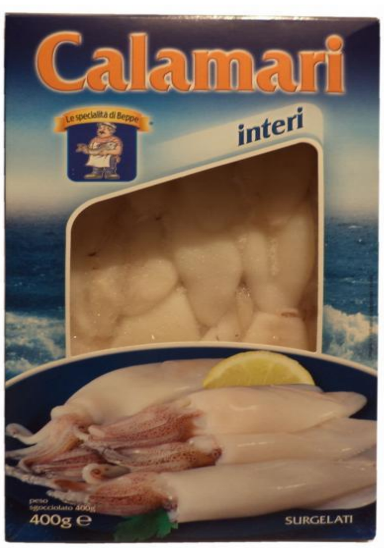
Product Description: Kv Nordic Astice Americano Cotto (Cooked American Lobster) is now available. This frozen product retails in a 300g pack featuring a recipe suggestion, the Facebook logo and a customer's contest.





<u>Wild Salmon Fillet Hearts</u>
Company: Eurospin
Brand: Ondina
Price (US$): 4.52
Launch Type: New Variety/Range Extension
Date Published: January 2015
Packaging: Skinpack, Plastic unspecified
Storage Type: Frozen
Claims: Low/No/Reduced Fat, Microwaveable

Product Description: Ondina Wild Salmon Fillet Hearts are naturally low in fat and rich in protein. This product is made with a variety Keta salmon, caught in the North Eastern Pacific Ocean. The product can be cooked in a pan, in the steamer, on the grill, in the oven or in the microwave, and retails in a 250g pack, including two individually vacuum packed portions.



<u>Whole Squids</u>
Company: Consorziati Dias
Brand: Le Specialità di Beppe
Price (US$): 4.00
Launch Type: New Variety/Range Extension
Date Published: January 2015
Packaging: Skinpack, Plastic unspecified
Storage Type: Frozen
Claims: Not Applicable.

Product Description: Le Specialità di Beppe Calamari Interi (Whole Squids) are already cleaned and have been caught in the Pacific Ocean. The product retails in a 400g pack.

Source: *Mintel GNPD, 2015.*

FOR MORE INFORMATION

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in Italy**
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For additional information on Seafood Expo Global (SEG) 2016 please contact:

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RESOURCES

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INSIDE ITALY: THE FISH AND SEAFOOD TRADE

Global Analysis Report

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