

# Scottish salmon



## Economic commentary: Spring 2024

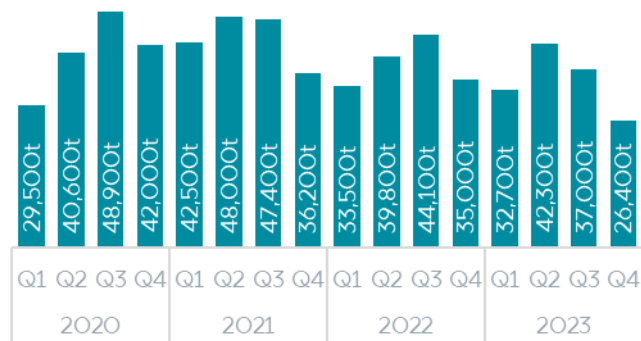
The farmed salmon sector contributes more than £760 million to the Scottish economy every year through direct, supply chain and employment impacts. The sector generates in excess of £1.2 billion worth of Scottish salmon at farm gate providing direct employment for over 2,500 people in farming and a further 10,000 across Scotland.

Primary production is focussed around the west coast, highlands and islands in remote and rural areas of Scotland but the supply chain reaches every constituency across the country. Over £370 million is spent annually with over 3,600 Scottish companies.

With over 200 active farms, the sector produces enough salmon to provide in excess of 970 million healthy nutritious meals with this production helping make Scotland the third largest producer of Atlantic salmon globally.

### Production of Scottish salmon

by quarter; tonnes gutted weight



Source: Public company reporting; Mowi; Bakkafrost; Kontali

### Production and returns

Volumes reported across the sector indicate that production of Scottish salmon over the year was 138,000 tonnes (gutted weight), reflecting a five per cent tightening in overall supply on the year. The second half of the year was impacted by reduced throughput as farmers delayed harvests following challenging production conditions over the summer caused by high sea temperatures.

Tight supply from Scotland was not unique with global supplies of salmon lower year on year with Norwegian (-2.5 per cent), Faroes (-10.2 per cent) and other European producers (-10.3 per cent) also reporting lower production.

The average return for producers across Europe in 2023 was €8.17 per kg (source: Nasdaq Salmon Index), marginally lower (0.5 per cent) than across 2022 despite tight supplies and independent of inflation-affected input costs of energy and feed.

### Investment and demand

Investment and innovation in Scotland remains at the forefront of the sector with a range of investments in egg production, programmes to develop larger, more robust smolts across a range of freshwater facilities, and further developments of harvesting and processing sites.

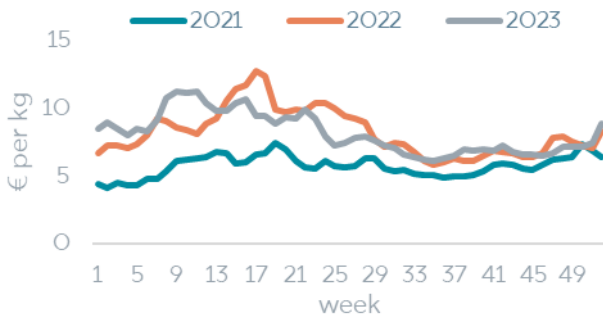
This is with a view to have the capacity to supply the global demand for Scottish salmon which continues to develop following the multiple challenges faced over the last five years.

Export data for 2023 confirmed that Scottish salmon was directly delivered to 53 global markets with many more likely accessed via onward trade.

More than 64,000 tonnes of Scottish salmon was exported in 2023 with an export valuation in excess of £580 million. For most of the year, the moving annual total (MAT) was running above £600m with more than 70,000 tonnes exported, before the shortening of supply in the final quarter of the year.

### Atlantic salmon prices

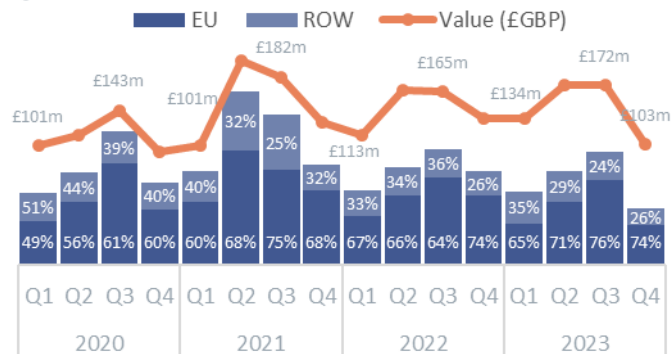
NQSalmon; € per kg



Source: Nasdaq Salmon Index, fishpool.eu

### Exports of Scottish salmon

by volume share and value £GBP

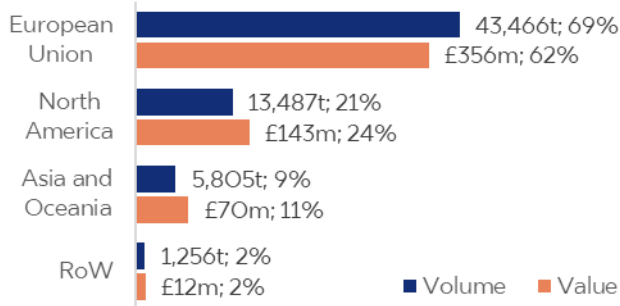


Source: UKTradeInfo; Salmon Scotland



## Export markets for Scottish salmon

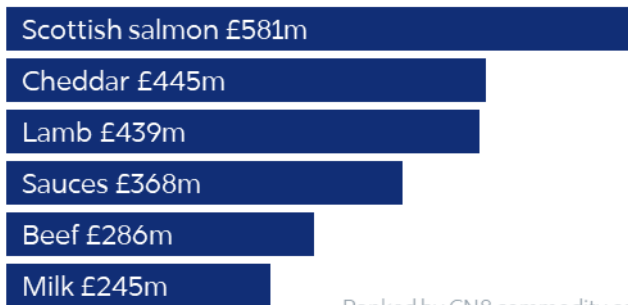
by Volume (t); by Value (£GBP) and Share (%)



Source: UKTradeInfo; Salmon Scotland

## Top UK food exports, 2023

by value £GBP



Ranked by CN8 commodity code  
Source: UKTradeInfo; Salmon Scotland

## Scottish salmon exports: 2023

by farming region;

Total value (£GBP): £581 million

14,850t; £135m

Total volume (gwt): 64,014 tonnes

Share: 23 per cent

Scottish production exported: 47 per cent

### North Coast & West Highlands

18,460t; £167m

Share: 29 per cent

### Orkney

7,110t; £64m

Share: 11 per cent

### Outer Hebrides

11,770t; £107m

Share: 18 per cent

### Argyll & Clyde

11,820t; £107m

Share: 18 per cent

Totals may not sum due to rounding

Source: UKTradeInfo; Marine Directorate; Salmon Scotland (calcs.)

## European significance; Rest of World growth

The European Union maintained its importance in being the single largest region in terms of both value and volume, accounting for around two-thirds of all Scottish salmon exports. And while France once again led the global demand, volumes to the key European hub were notably down (-11,000 tonnes) as exporters looked to use alternative routes to market (either directly or indirectly via the Netherlands or to Poland or Spain for example) or demand from US and Asian markets pulled product further afield.

North America and Asia saw sharp growth, with the popularity of premium high-quality Scottish salmon increasing among chefs, restaurants, and consumers. Exports to North America were valued at £143 million (+3 per cent) and those heading to Asia £70 million (+22 per cent).

Across the wider basket of food exports, Scottish salmon remained the number one food export from Scotland and the UK. With other renowned products such as Cheddar cheese, lamb and beef as well as a diverse offering of seafood exports, there is further proof that establishing and maintaining strong and efficient exporting processes should remain a priority for administrations.

## Regional impact from exports

A regional breakdown of the annual figures shows the contribution that our farming region makes to the exporting success.

Across the 200 active farms around Scotland, each farming region has a significant impact on export volumes and underpins the up- and down-stream supply chains.

While the domestic UK market remains significant, with salmon being the most preferred fresh/chilled fish offering, the exporting success from some of Scotland's most remote communities helps to underpin the reputation and ambition of the sector.

In 2023 it is estimated that Shetland and Orkney exports of Scottish salmon rose to £135 million and £65 million respectively and accounted for over one-third of total salmon exports.

Across the north coast and entire west coast of Scotland, salmon export values were worth more than £380 million, providing economic activity, jobs and associated activities for many individuals and businesses in and around the regions.

*If you and/or colleagues would like more information on any of the information in this bulletin, please contact [james@salmonscotland.co.uk](mailto:james@salmonscotland.co.uk).*

