

THE TRADE LIBERATION AND FISH CONSUMPTION

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ABSTRACT

Finland became a member of the European Union (EU) in 1995. After that the food market has changed radically. At the same time the eating away from home has become increasingly common. The aim of this paper is to describe the development of fish consumption in the Finnish catering service sector. The focus is to evaluate the period during rapid market changes. The estimation of fish consumption was based on a statistical sample and the data was collected in 1988, 1991, 1994 and 2005. It was found that the fish consumption has increased 30 per cent during the last ten years. The growth is exclusively based on imported fish. All types of imported fish products were used for meals more than earlier, but the consumption of fresh fish products has grown most extensively. The consumption of salmon and salmon trout increased most, while domestic caught Baltic herring is considerably less important than earlier. The frequency of serving fish meals has also increased. The abolition of national trade restrictions on fresh fish has inevitably had an impact on the consumption of fish in the catering sector.

Keywords: Catering service sector, fish consumption, fish trade, survey

INTRODUCTION

Finland is a Northern European country with extreme annual climate conditions. Earlier the Finnish food markets were strictly protected by national political premises. That is, the subsidies and import duties ensured acceptable income levels to farmers and fishermen, and a relatively limited assortment of food was served to Finnish customers.

However the national food market changed radically in 1995 when Finland became a member of the European Union and had to abolish national trade barriers. After that the import of food supply has been growing steadily. The most essential changes occurred in the fish market. The volume of imported fresh fish products has multiplied since 1990. Most of the fresh imported fish is farmed Norwegian salmon or salmon trout (Finnish Game and Fisheries Research Institute 2007)

The eating away from home is becoming increasingly common and a growing amount of money is spent on meals away from home. The rising incomes, the growing incidence of non-traditional households, and other demographic developments were predicted to enhance the growth in expenditure on eating out in the United States (Steward & Yen 2004). In 2004 the share of food consumption away from home was 42 per cent in the U.S., 26 per cent in Belgium and 34 per cent in the United Kingdom (Duquesne et al, 2004 and Defra 2007). A similar development is occurring also in Finland. The share of food consumption away from home was 32 per cent in 2002 (Statistics Finland 2005).

The role of the catering sector in the Finnish food market is considerable. Every third Finn has his/her daily meal prepared by a catering kitchen. In 2005 there were altogether 18 000 meal preparing caterer kitchens, which served 770 million meals. During the last ten years the number of outlets has remained the same while the volume of prepared meals has increased twenty per cent (A. C. Nielsen 2001, 2003, 2005).

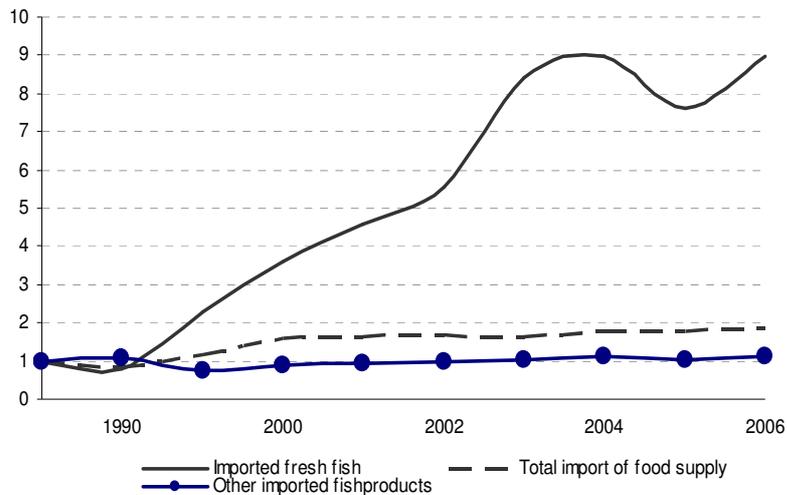


Figure1. The relative incensement of imported volumes in Finland (metric tons). 1988 is the year of comparison

The Finnish catering service outlets can be categorized as commercial catering service operators, institutional kitchens and staff canteens. The commercial operator is the biggest group, which consists of a great variety of different kinds of restaurants, cafeterias, fast food outlets and hotels. The public sector is an important player in the Finnish catering industry, and the majority of served meals were prepared in hospitals, schools, kindergartens or other public kitchens. However the tightening economic requirements have forced to intensify the public sector' operations: the amount of served meals has increased while the number of public outlets has dropped.

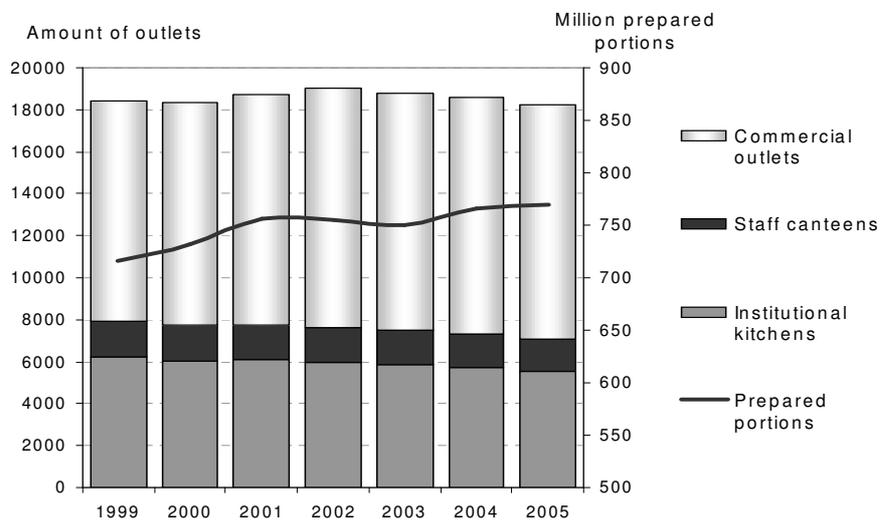


Figure 2. The prepared portions in Finnish catering service sector and the number of outlets by different category in 1999-2005. - Commercial outlets include restaurants, cafeterias and hotels. (A. C. Nielsen 2005)

Fish is a challenge for the catering sector. The popularity, health image or gastronomic status of the outlet can be based on the quality of served fish meals. However in many occasions fish may cause more

demands to catering sector than many other food. Fish itself can be an expensive item moreover the procurement, storage and preparation can cause extra expenses compared to other foodstuff.

The Finnish food authorities have given recommendations on fish consumption to the catering service industry for decades because fish is considered as healthy food with a high nutritional value (Sosiaali- ja terveystieteiden ministerio 1994). On the other hand the increased awareness of the health risks caused by high levels of dioxins and PCB compounds in fish has raised wide public discussions during the last years. However the positive health actions are regarded so remarkable that the dietary advice on fish consumption has remained basically unchanged. Finnish consumers are advised to eat fish at least twice a week varying different fish species (Finnish Food Safety Authority 2006).

Honkanen et al, (1991) and Honkanen (1996) have studied the Finnish fish market before the EU membership and the estimations of fish consumption in the catering service industry have been made several times. During the years 1988 and 1994 no considerable changes occurred in the catering industry: the amount of served meals as well as the consumption of fish remained on the same level.

DATA AND METHOD

The total estimation of fish consumption in the catering sector concerning the year 2005 was based on a statistical sample. The target population was all catering kitchens, which prepared meals served away from home in 2005. The frame population consisted of 14 740 outlets (A. C. Nielsen 2005). The sampling method was the stratified sample. The stratification was based on a daily served proportion, which was presumed to correlate with the amount of served fish. The sample consisted of 2263 outlets including all biggest outlets.

The consistency and validity of the questions was tested in advance in survey laboratory. The data was collected with a telephone survey in January–March 2006 by interviewing persons who were involved in managing or procuring operations in the outlets. The fish consumption volumes were collected as product weights. In addition some opinions about the characteristics of fish products and procurement factors were asked in the survey.

The overall response rate of the survey was nearly 80%, which can be considered high in national total surveys. The estimations of the total fish consumption and the estimates of different product type proportions were calculated with the Surveymeans application of SAS software.

The survey concerning the year 2005 was implemented nearly with the same method as the previous ones. The target populations as well as the sampling methods were the same. The obvious difference was the data collecting method. Earlier, in the years 1988, 1991 and 1994, the data collection was realized by a postal survey. The response rate was varying between 50 and 60%. In 2006 a telephone survey was implemented, because nowadays the response rate on a postal company survey may remain too low for reliable analyses. Despite different methods of data collection the surveys can be considered comparable. The description of the fish consumption development should not be biased, as the rate of the response has remained over 40%.

RESULTS

In the Finnish catering sector the fish consumption has increased 30% during the last ten years. The most rapidly has grown the consumption of fresh fillets and frozen semi-manufactured fish products. In 2005 the total fish consumption was about 14 million kilos (coefficient of variation 8,7 per cent). In 2005 about 40% of the total fish consumption was fresh fillets, which was the most commonly utilized product.

Instead the share of frozen fillets or frozen gutted fish has declined about 10% of the total fish consumption.

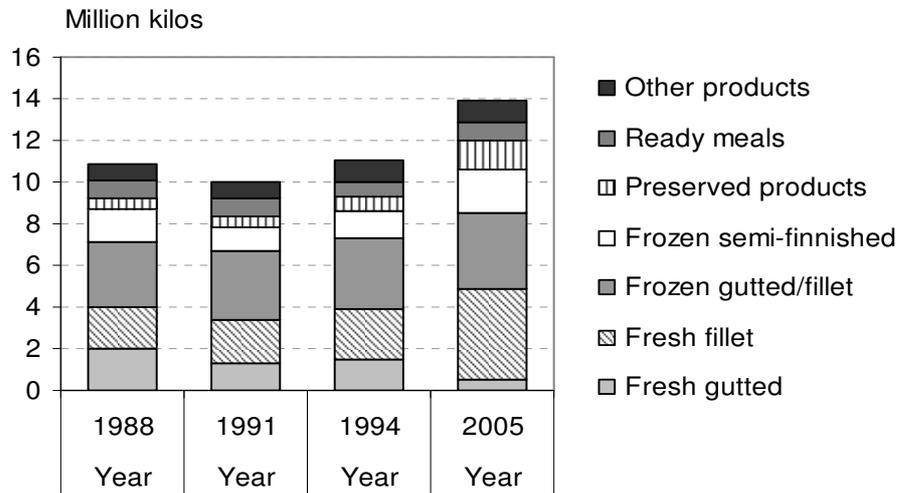


Figure3. Development of use of different fish product type in the Finnish catering service sector 1988 - 2005

The growth is exclusively based on imported fish the consumption of which has doubled. All types of imported fish products were used for meals more than earlier, but the consumption of fresh fish products has grown most extensively. The share of domestic food supply has declined from 60 to 45 per cent. Most considerably has changed the consumption of Baltic herring, which was consumed half of the amount consumed before.

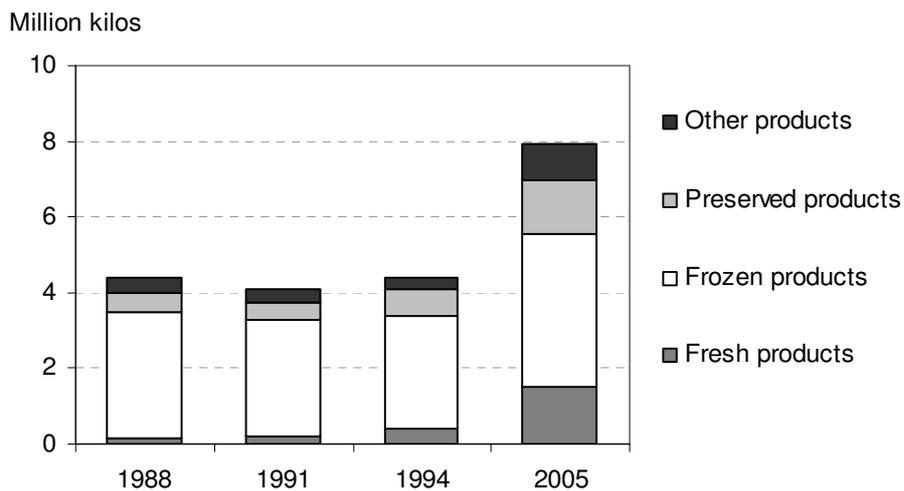


Figure 4. Development of the use of imported fish in the Finnish catering service sector 1988 - 2005

The frequency of serving fish meals has been increasing. More and more outlets are preparing and serving fish regularly. In 1992 less than every tenth outlet served fish more than five times a week and in 2005 almost every fifth outlet served fish as often.

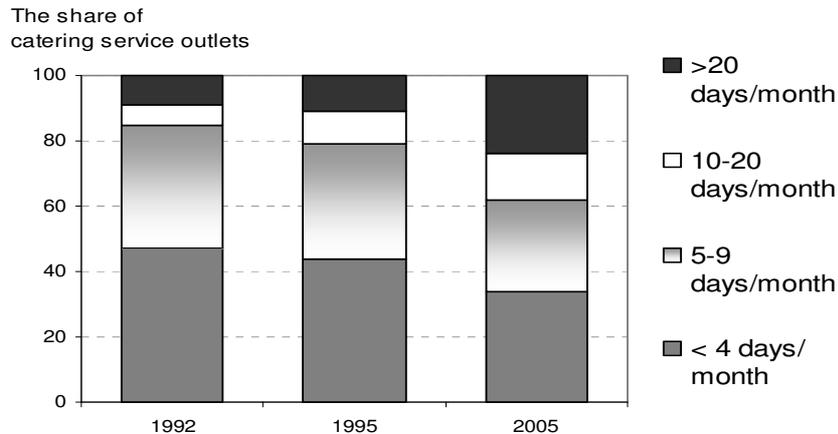


Figure 5. Development of served fish meals frequencies in Finnish catering service sector 1992-2005

The most important procurement factors have remained the same during the last ten years. As in the 1990's the secure delivery and the availability of suitable fish products were considered important factors also in 2005. The interviewed persons also considered that the dietary recommendations have significance on procurement decisions. However significance of this factor had become greater during the last ten years.

The attitude towards fish consumption has remained partly the same. As in the 1990's the personnel considered that with serving fish meals they can offer a healthy and balanced diet to the customers. Furthermore the majority of the personnel considered in the 1990's as well as in the 2000's that the fish meals should be served more. Some opinions were also changed during the period. The attitudes towards imported fish products had become more positive. In the 1990's less than one third of interviewed persons considered imported fish delivery more secure than domestic one, in the 2000's the evident majority regarded imported supply as more secure. Moreover the opinions on fish handling and preparing were less negative. The processing or handling was not considered as complicated as earlier. In 2005 about half of the interviewed persons considered that accumulated environmental toxins restrict the consumption of fish. However it is not known if the attitude has changed, because this type of question was not stated in former surveys.

CONCLUSIONS

Fish has become a more popular meal served by the Finnish catering sector than ever before, and the consumption of fish has increased more rapidly than the quantity of served meals. The most obvious reasons for this development are the improved practices in the delivery of fish. Due to more open trade the availability and variety of fish products have increased; moreover the supply of fresh fish is more secure and predictable than earlier. The less regulated fish trade together with efficient logistics has enabled fish traders and distributors to respond to the increasing requirements of catering industry. The fish traders have become as competitive as other suppliers, because they are now able to compensate insufficient or seasonally changing domestic fish with imported supply. The better availability and more secure fish supply have also boosted food industry, which has been able to investigate in processing value added fish products. Therefore catering sector can have moved a growing share of preparation to fish processing industry.

Another reason for the increased consumption is the well-preserved demand for fish. The served fish meals promote company image, because fish is considered a healthy and tasty alternative to have.

Moreover fish is partly regarded as luxury food, which benefits increasing income levels of the customers. However the more prosperous customers are more demanding. They want to make personal decisions and evaluate various alternatives. During the last years various private and public caterers have supported customers' balanced diet by serving a variety of meals. Ever more frequently fish is one of the alternatives. On the other hand customers have changed their consumption habits as the variety of meals has increased. Probably the customers have reduced the consumption of Baltic herring, because it is considered less attractive than imported fish. For example customers may feel small bony herring unpleasant compared to salmon fillets.

The Finnish customers rely on the National Food Safety Authorities' expertise. They are not afraid of harmful components; in the contrary they consider fish as part of a healthy and balanced diet. The public debate on the xenobiotic components of fish has probably not affected considerably the consumption of fish. Obviously the strong health image has supported the demand for fish for years. For example it has been found that medical health information about cholesterol has had positive effects on the demand for fish in Finland and Sweden during the years 1966-1996 (Rickertsen et al. 2003).

Despite improved availability and security of procurements fish is still a challenging foodstuff for caterers. During the era of nationally restricted trade the problems were culminated in insufficient and fluctuating supply of fresh fish meanwhile the price level remained relatively stable in the protected national market. At present the challenges are focused on rapid and unpredictable price changes, which occur in global markets. The international trends and crisis will complicate the control and planning of procurements in the Finnish catering sector more than earlier years.

The growth of fish consumption has been rapid in the catering sector. Moreover the preconditions are favorable. Undoubtedly the good health image of fish shall maintain a high demand also in the future. Also caterers consider fish as a diverse foodstuff which should be served more. Inevitably the consumption will grow, if the delivery and distribution of fish will continue to intensify and the processors are able to meet the caterers' demanding requirements. The increasing incomes together with ongoing globalization of fish trade will inevitably boost the growth.

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