



Growing salmon demand

Unlocking category growth of salmon needs better collaboration with retailers and consumers

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01 | Executive summary

Growing salmon demand requires increased value chain collaboration

The salmon farming industry continues to tell a true story about the strength of salmon¹ demand. Structural undersupply, paired with strong consumer demand, has driven increasing salmon prices in recent years. The market has absorbed produced volumes with ease. Still, there is significant whitespace for salmon consumption; in most mature markets only 50-75% of households consume salmon at home, and as low as 10% in China.

However, unlocking continued double-digit demand growth, will not be as simple as it has been over the past 20 years. 80% of both existing and prospective salmon consumers cite the current price level as the #1 barrier to increased salmon consumption. Assuming these consumers have limited uptake potential, the medium-term growth opportunity in mature markets such as UK, France and US, is just 10-25% vs. today. While the potential in key Asian markets is significant, the salmon industry needs to start thinking about its long-term demand muscle. Salmon will continue to be in demand by consumers, the question being to what extent, and at what price. The drop in salmon prices (down 15% YoY) with the return to supply growth during '25 should serve as a wake-up call for the industry.

Foodservice customers (e.g. restaurants, hotels) primarily care about price, with only about 10-20% in EU and US caring about brand and / or, the origin story of the fish. To drive demand growth, the focus must be on retail (~65% of global volume demand today). Retailers and end-consumers are demanding four initiatives from the industry to increase spend:

1

Product innovation:

New occasions for consumption, ready-to-cook and more convenient offerings (e.g. pre-marinated), pre-made sushi, and expansion of entry-level offerings

2

Top of mind and educational marketing:

Storytelling regarding health and sustainability benefits of salmon, and inspiration for how to cook salmon

3

Extension of shelf-life of salmon to reduce store or at-home shrinkage:

Product formats and supply chain tweaks that reduce waste in store and at home

4

Closer collaboration with retailers:

Closely integrated suppliers that actively support the retailer differentiate and develop the category



1. In this report, unless stated, numbers presented focus on Atlantic salmon. Conclusions should be viewed as relevant for the entire salmonids industry

Close collaboration with retailers is required to realize these initiatives. Retailers are willing to collaborate and actively seek out suppliers that help create win-win opportunities. Even so, retailers' incentives to prioritize the salmon category have been highly volatile in recent years.

Retailers live to optimize their contribution margin per sqm of shelf space, achieved through velocity, price, gross margin, shrinkage and allocated shelf space. Salmon's high level of shrinkage relative to other proteins, and the volatility of margins due to fluctuating salmon prices has been a major headache for retailers. EU retailers' gross margins for salmon have come under heavy pressure in the past few years, with several retailers reducing salmon's visibility or distribution. Retailers have preferred to sell other proteins over salmon. 2025 have provided some respite, allowing retailers to renegotiate contracts at better prices, and into 2026 likely passing on some price increases to consumers. H2 2026, however, will see the pressures mounting again for retailers both due to increasing salmon prices, price ladder challenges and increased risk of downtrading. In sum, there is limited incentive for retailers to build salmon demand, creating a long-term challenge for the industry. There is potential for increased value creation downstream without sacrificing farm-gate price realization. In this report, we argue that the salmon farming industry should have three priorities to capture the demand opportunity:

- **Invest in go-to-market** to have the capacity and capability to support retailers (e.g. on joint category development, innovation roadmaps and active in-market testing, and close collaboration on promotions funding and planning)
- **Strengthen category- and shopper insights to identify key differentiation opportunities** and actively share insights with retailers (e.g. sourcing product ideas from foodservice to use for retail innovations)
- **Prioritize supply chain initiatives** that help retailers (and end-consumers) address shrinkage to allow for more consumer choice and growth (e.g. super-chilled, more pre-packed process capacity)

Actively setting up both operations and core strategy around these themes is a true and tested playbook in the FMCG space. Other advanced protein players such as Tyson and Purdue are deploying this effectively to build brands, closer integration with retailers, derisk their upstream business, and look to get repriced investors towards multiples of FMCG companies.

Processors and distributors play an important role in the value chain, but salmon farmers will be the key to drive growth.

In recent years, all types of operators have – correctly – focused on the core business (farming and harvesting). However, with the next step in the demand journey being increasingly about frequency of consumption in established markets (and not just converting more consumers to salmon), time has come to reconsider the positioning.

Smaller farmers without downstream presence will (e.g. due to requirements for stable volume) struggle to significantly scale downstream business (unless driven by exporter). For medium sized farmers without downstream presence today, the right model is to selectively pursue capital-light downstream opportunities: engage in selected three-way relationships with key accounts, as well as maintaining and developing retailer relationships. For operators with downstream presence, structuring the company to allow sufficient management attention to the downstream business, and ensuring both capacity and capabilities are available to operate more like a FMCG company, is the way forward. For all camps, margin is left on the table by not actively addressing how the fish is processed, but also then marketed, sold, and positioned compared to other proteins.

To make the case, in this report we answer three questions:

- 1 What is the demand opportunity for salmon?
- 2 What is needed to deliver on that opportunity?
- 3 What should the industry focus on to drive demand and capture downstream value?

02 | The opportunity

Salmon demand is primarily about retail

When a salmon is harvested – 70% of it ends up in Europe or North America. Here, most of that is sold through grocery, while Asian salmon consumption is predominantly foodservice-driven. Globally, the grocery retail share of salmon consumption now sits at ~65%, a figure that will likely grow as consumers in Asia increasingly consume salmon also at home. The go-to-market model for salmon varies significantly by market, but generally include farmer, exporter, processor, distributor / wholesaler, and retailer – and all of these play an important role in getting products to market. Particularly the processing and distribution parts of the value chain can be complex and difficult to navigate, which is important to keep in mind when discussing downstream strategies.

Within retail, fresh fillets/portions and smoked salmon account for the bulk of sales (60-80% of sales in most markets), and except for smoked, the category is heavily private label driven (80% of sales). Retailers view the fresh fillet or portion category as a key value item – important to be price competitive to drive traffic – while the smoked category is primarily used to drive margin. To maintain price stability to consumers, retailers typically engage in 9-12 months contracts with suppliers in the EU (shorter in

US). However, farmers typically operate at <30% contract share due to variability in harvesting patterns and regulatory challenges (e.g. in Norway tax regulations and Normprisrådet). To avoid bankrupting processors and distributors during larger shifts, retailer contracts therefore include some shared raw material volatility mechanism. Promotion shares sit at ~30%, with suppliers funding a large portion of the retailers’ promotions. In sum, retailers normally deliver 30-35% gross margin on the salmon category.

In foodservice, the core volume in EU and US is frozen portions (70–80% of demand), favored for efficiency in kitchen operations and lower shrink. Sashimi and whole fish are demanded in Asia. Foodservice buyers tend to be more price sensitive and rapidly switch proteins when menu economics tighten.

Globally, the mark-up between farm gate prices (in WFE) and retail prices in 2024 was ~3.3x for retail (~4x on list prices), and 2.5x for foodservice. With retail having 65% of global volume and almost double the mark-up, the majority of downstream profit pool associated with salmon sales sits in retail.

True salmon demand now exceeds 30 EURb p.a.

The salmon farming industry likes to talk about demand, and it is easy to see why: Structurally low supply growth paired with strong pull for product has seen a 12% p.a. CAGR from ’09-’23 in Atlantic salmon export values², reaching 20 EURb. Largest absolute growth contribution has been EU and US. The growth has happened in several leaps, particularly in years when supply growth has come down after a strong growth year. Current market exemplifies the dynamic: Demand has been weaker in 2024 and into 2025, but with another year of low supply growth – the industry is expecting a bounce back in export values in 2026.

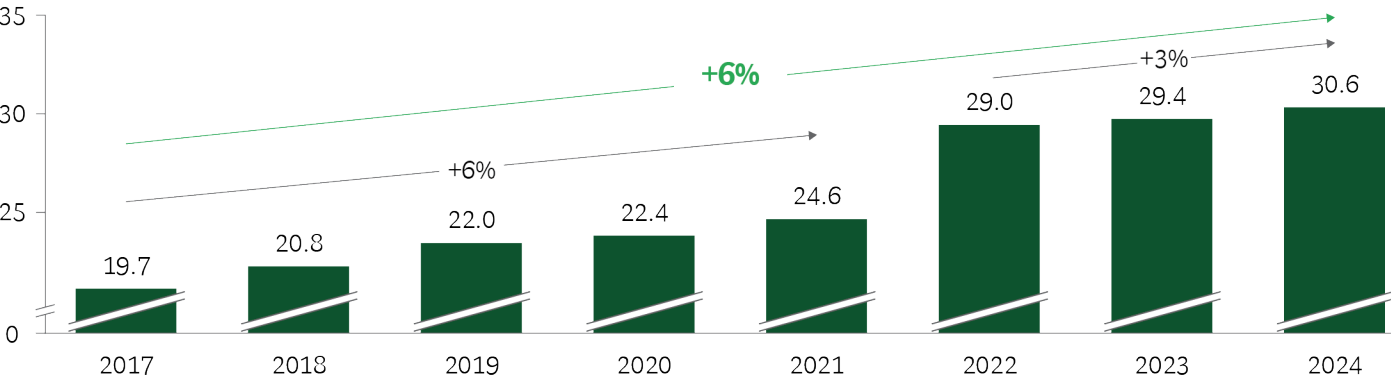
These numbers don’t show the true end-consumer demand for Atlantic salmon, however. BCG maintains a global database of consumer panel data, retail POS data, and market sources in a one-of-a-kind global downstream salmon demand model. The model combines retail POS sales data, with restaurant sourcing costs for salmon.

The same attractive growth history is visible here, end consumer demand has increased~2x over the last eight years, reaching ~31 EURb in 2024, having grown ~6% p.a. from 2017 (incl. ~8% in US p.a., and 6% in EU). The growth has primarily been portions / pre-packed, and new product formats (e.g. burgers and prepared sushi).

Exhibit 1 | End consumer demand has grown ~6% p.a. last eight years

Global end consumer demand for Atlantic salmon

Sales at retail or HORECA sourcing cost (bEUR)



Note: Bottom-up modelling per country of market sales prices including promotions (i.e. achieved price by retailers excl VAT). ~80% of global consumption modelled bottom-up (incl. US, UK, France, Germany, Spain, Italy, Rest of EU, China, Japan, South Korea, Russia, Canada, while remaining 20% assumed to follow same value as modelled markets. Foodservice estimated based on purchasing price for restaurants of salmon specifically. US and UK data based on actual point-of-sales Nielsen data adjusted for market share of missing retailers in dataset (e.g. Costco in US). Certain numbers (e.g. Nielsen data in US) has been adjusted to only include Atlantic salmon with assumptions, Source: Kontali Analyse, Nielsen POS data, Arrowstream, Kantar Worldpanel, EUMOFA, FranceAgriMer, Lachs Direct, Europanel, Seafish, Statistics Japan, Statistics Canada, BMTI, News articles, Industry interviews, BCG analysis

Theoretically a lot of growth opportunity left – but medium-term potential is in US and selected Asian markets

There is still a lot of whitespaces for continued growth in salmon demand: it is still a ~4x gap in consumption/capita between US and Norway, and China is still just consuming 0.1 kg WFE per capita (vs. ~2.5 in most EU markets). Three levers are needed to close the gap:

- 1 Higher penetration:**
Increasing number of buyers
- 2 Frequency:**
Increase the number of purchases per buyer
- 3 Basket size/take:**
Increase spend per purchase

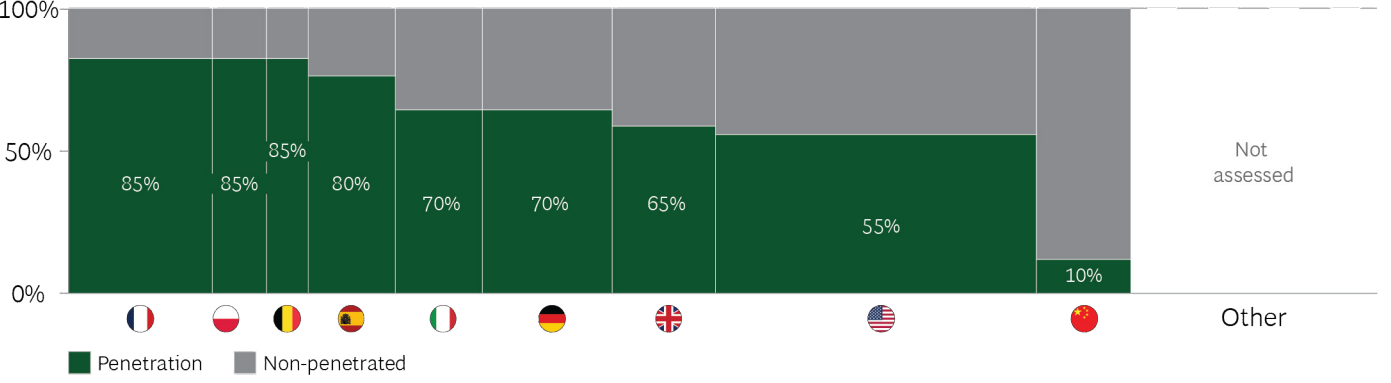
Theoretically, the opportunity to increase penetration is significant. In EU and US, only 55-70% of eligible households cook salmon at home per year – and the figure is likely as low as 10% in China. However, 80% of non-consumers we have surveyed in France, UK and US indicate that they either a) are vegans or don’t like the taste of salmon or b) see the current price of salmon as a key barrier to entry or would never increase consumption. This means the short- to medium-term penetration uplift is as low as 1-5pp in mature markets. While 80% of Chinese consumers say the same – that still leaves a multi hundred million people opportunity in China.

Exhibit 2 | A lot of potential salmon consumers out there

Salmon penetration

Height: Household penetration of salmon purchases per year

Width: 2024 Atlantic salmon consumption (WFE ktonnes)



Source: BCG Salmon Demand Survey June 2025 (n = 4’000 in France, UK, US and China), Europanel; Nielsen; Kontali Analyse; Industry expert interviews

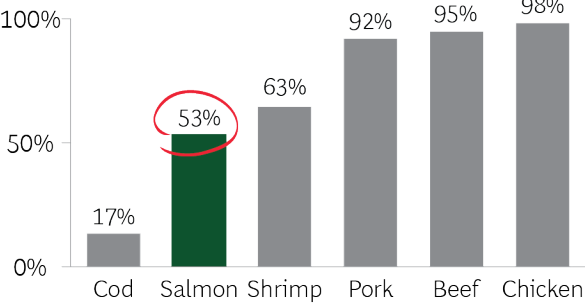
2. Simplified estimate based on HOG consumption numbers per region and quarterly NASDAQ salmon price

Penetration by income level in the US effectively illustrates the challenges with recruiting new consumers to the salmon category. While salmon remains the protein with the lowest penetration of the “top 5” proteins (~55% vs. 90-99% for pork, beef, chicken), it is predominately consumed by the upper middle- and upper class (>60%

penetration of very high-income households, ~45% for lowest income households). No other protein has a bigger penetration gap between low income and high-income households than salmon. Salmon has differentiated sustainability- and health benefits, but consumers are yet to rely on this when shopping.

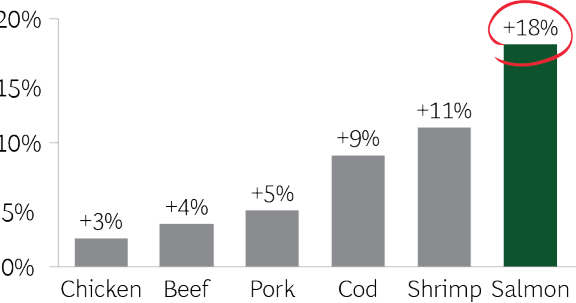
Exhibit 3 | Salmon's US household penetration lags peers

US: Protein penetration in households LTM Sep '25



1. Household income segments (Low <\$25k, Lower mid \$25-49k, Mid \$50-74k, Upper-mid \$75-99k, High \$100-149k, Very high >\$150k). E.g. for salmon: Salmon purchasing Very high income households are ~16m households in US vs. 9 million households Low income households. Note: Data through 1st week September 2025. Source: Nielsen Panel data; BCG analysis

US: Penetration gap low vs. very high income households (pp)



Salmon consumption is heavily concentrated today. In most markets, 30-45% of households consume 75% of the total consumption. E.g. in the US where annual consumption per capita is currently at ~1.9 kg WFE p.a., these 35% on average consume >7 kg p.a., with the tail on average consuming ~1.4 kg p.a. To grow demand, the industry should therefore primarily focus on increasing

frequency among the infrequent and lower consuming households. If we exclude the top consumers, though, we see a similar pattern as with non-consumers: 80% of consumers are again highly weary of salmon’s price point, or state that “nothing would” make them increase frequency or take.

Exhibit 4 | Outside of China, there's limited headroom to drive salmon uptake

Segmentation of national population based on salmon consumption preferences (%)

	Does not eat salmon today			Eat salmon today		
	Vegans / Don't like the taste	Price too high / "Nothing would make me eat/buy more"	Conversion potential	Top customers	Price too high / "Nothing would make me eat/buy more"	Uptake potential
	6%	29%	10%	19%	28%	8%
	6%	23%	7%	23%	33%	8%
	1%	12%	2%	34%	45%	6%
	14%	54%	22%	4%	4%	2%

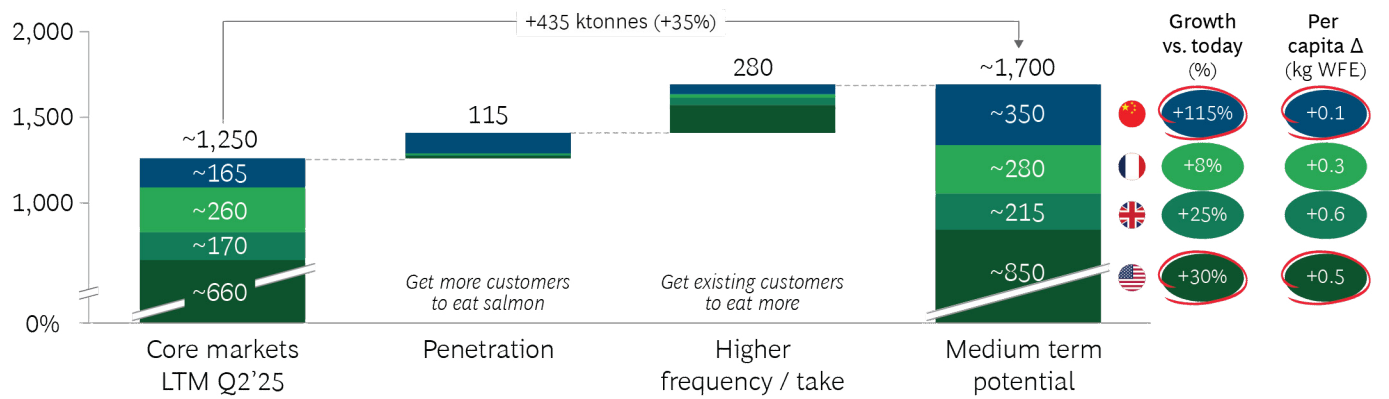
Source: BCG Salmon Demand Survey June 2025 (n = 4'000 in France, UK, US and China)

The four countries where consumers were surveyed for this report cover ~40% of global volume of Atlantic salmon consumption per year. In these markets, the resulting medium-term growth potential is ~450 ktonnes WFE³, with UK, France, US having 10-25% runway and China showing

potential to double its consumption. Aggregating this to global levels only see a 25% global demand opportunity medium term (800-900 ktonnes) – equivalent of supply growth 2018-2025⁴.

Exhibit 5 | Growth will come from US and China

Medium term growth potential in core markets (ktonnes WFE)



Note: Based on per country assuming 50% of non-customers not stating they are not eating salmon due to veganism, taste or price point being too high are converted. Per capita consumption of converted customers set equal to consumption of existing tail customers. Further, modelling assumes 100% of existing salmon customers not stating they are not eating more salmon due to price point are converted to become top customers in the medium term. Source: BCG Salmon Demand Survey June 2025 (n = 4'000 in France, UK, US and China), MOWI, Expert interviews

In sum, unlocking continued double digit demand growth for the industry will not come as easily as it did in the past 15 years. While several Asian countries (e.g. China, South-Korea, Thailand) holds a lot of promise, the industry needs to start considering its long-term demand muscle. The limited penetration runway in EU and US requires a more tailored and active approach to drive growth through

increased frequency and uptake. Salmon demand will persist, but growth at current prices is increasingly difficult, eventually putting pressure on spot prices. In 2025, supply growth returned to Atlantic salmon markets for the first time since 2021 (~8-9% YoY growth in '25). Salmon prices reacted by dropping ~15% YoY. This should serve as a demand-oriented wake-up call for the industry.



3. Based on per country assuming 50% of non-consumers (90% in China) not stating they are not eating salmon due to veganism, taste or price point being too high are converted. Per capita consumption of converted consumers set equal to consumption of existing tail consumers. Further, modelling assumes 100% of existing salmon consumers not stating they are not eating more salmon due to price point are converted to become top consumers in the medium term. 4. Assuming Germany's growth in line with France, other Europe and Russia in line with France, UK average. Latin America at 25%, 0% in Japan, 20% in South Korea, and 50% in Other Asia and Other

03 | What is needed to continue to drive demand growth

Demand growth doesn't just come – it needs innovation, education and improved retailer collaboration

Driving this demand growth must be focused on retail. As part of this report, category executives at ~10 major grocers in EU and US have been interviewed. Retailers are all in unison on four things they need to see salmon category grow – two consumer specific and two retailer specific.

- 1

Product innovation that creates new occasions and simplifies cooking:
Relying on growth solely from unflavored portions or smoked is not possible anymore. To be relevant, the industry needs to continue driving ready-to-cook (e.g. pre-marinated), entry level choices (e.g. burgers from off-cuts), sushi formats, or snacking / convenience formats. In UK and US, >50% of non-consumers state this is a key unlock for consuming more salmon. In China, almost all of consumers not concerned about price highlight convenience as barrier. Occasion and range innovation have been the growth driver for other proteins in the last 5-10 years. In chicken, across markets there is a clear price ladder differentiation (e.g. between value formats and free range / organic) and snacking has been an important growth engine for maintaining value growth. The same has happened in other commodity categories, like tomatoes, which have seen a significant variety proliferation in recent years (e.g. size, color), from a relatively commoditized starting point enabling category growth. Salmon doesn't have the same examples.

inspiration to consider it when shopping. ~30-40% of non-salmon consumers miss more information on how to prepare salmon or its health benefits. >60% of salmon transactions across geographies are unplanned or made by consumers who select species or product in the store, meaning brining salmon top of mind either ahead of or during store visits is critical for conversion.

- 3

Shelf-life extension, and shrinkage reduction:
Formats and cold-chain improvements (e.g. super-chilled logistics, pre-packed/MAP, closure of seafood counters) is important for long-term industry growth as it enables retailers to increase consumer choice through SKU proliferation with reduced shrinkage in store and at home.
- 4

Closer collaboration with retailers:
Retailers are highly collaborative and prefer suppliers who help develop the category to the benefit of both parties. The relationship needs to remain focused on day-to-day trade, while being strategic about key priorities, white spaces in offering, and why salmon should be prioritized over other proteins.

To further grow demand it is imperative for the salmon farming industry to focus downstream initiatives around these priorities.



Retailers' incentives to prioritize the salmon category over other proteins is on a roller coaster ride

While salmon farmers' critical resource is the utilization of their farming licenses, grocery retailers' is maximizing utilization of their store: contribution margin per square meter. To do this, retailers are actively considering categories' velocity, price, gross margin, shrinkage, and allocated shelf space. Compared to other protein categories, salmon is a headache for retailers.

First, shrinkage is structurally high. Even after the widespread shift to MAP/skin pack formats, and with more retailers shutting their seafood counters (due to quality variability and high in-store labor cost), fresh salmon shrinkage in grocers is normally ~7–10%, versus ~1–4% for other proteins categories. Since shrinkage is directly “lost COGS” for retailers, that drags GMs from normally ~30-35% to 20–25% contribution margin before store labor and rent. Although the contribution is competitive vs. that of other proteins, the higher shrinkage has two direct

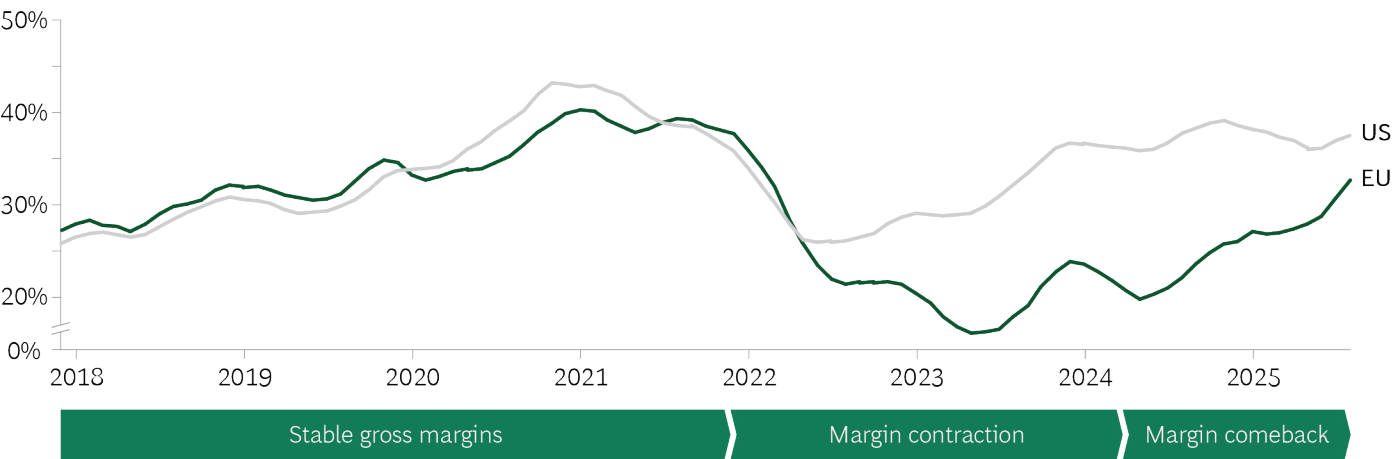
implications on how retailers think about the salmon category: a) higher SKU proliferation (more consumer choice) is highly risky as inventory might pile up, and b) demand forecasting for promotions is critical as failed promotions again grows shrinkage.

Second, margin volatility is unusually high. Despite retailers trying their best to minimize their exposure to salmon spot price volatility through their contracts, it only helps for the contract duration. Since salmon remains a core staple for retailers, it forces retailers to be price takers when contracts are renegotiated. Due to high spot price volatility, retailers can, only in the span of months, go from being happy to very unhappy about their salmon category. Throughout the last 10 years, retailers view of the salmon category has varied significantly. After a multi year margin contraction, 2025 and into 2026 will see a margin comeback for retailers.

Exhibit 6 | Particularly European retailers have seen significant gross margin drops

Salmon gross margin index

R12M average grocer gross margin for retail sales of salmon (%)¹



1. Gross margins spread between buying price and average sales prices, adjusted for constant 30% promotional share, average promotion depth of 20% and 85% of promotion depth funded by supplier. Gross margin before shrinkage loss (negative drag on margin). Sourcing contracts assumed to be 6 months on average. Margins exclude VAT
Source: Nielsen; Statistics Bureaus in relevant geographies; Lachs Direct; Rungins Market; ONS; EUMOFA; Fishpool; NASDAQ / SISISALMON, BCG analysis

Deep-dive: Last years' salmon margin challenges for retailers

2016-2021: Stable margins

In 2016, Atlantic salmon supply dropped 7% YoY, driven by a large algae bloom outbreak in Chile. This resulted in a meaningful jump in the salmon spot prices and thus salmon export values, and retailers used the opportunity to markup salmon. From there until 2021, export values stayed flat. Retail prices did too, resulting in stable GMs for retailers around ~30-35%.

Margin contraction (2022-2024)

In 2022, global salmon supply declined ~1% YoY. Paired with generally high food inflation and unspent COVID stimulus, salmon prices and retail prices increased rapidly. However, due to protein inflation lagging other food inflation, salmon prices at retail appreciated less than raw material price inflation. The processing industry in both US and Europe maintained stable GMs, resulting in a margin contraction for retailers across all markets in Europe. US retailers were partly saved by an expanding “Chile discount” vs. Norwegian salmon. The GMs remained low – only increasingly slightly in 2024. Retailers in the EU responded in kind, with several reducing shelf space and salmon SKUs, delisting salmon completely from lower income neighbourhoods, or stopping self-funded promotions. This also significantly shifted the profit pool of selling salmon. Correcting for farmers’ cost inflation in the same period, farmers’ share of total EBIT of selling salmon at retail globally grew from ~68% in 2018 to ~75% in 2024, vs. ~20% to 16% for grocers (residual sits with other value chain steps). That other proteins’ GMs stayed relatively stable throughout the period added insult to injury for grocers.

Margin comeback (H2 2025–H1 2026)

2025 and early 2026 will be a respite for salmon retailers. Lower raw material prices following supply growth in 2025 allow contract resets at more favorable levels, and salmon has become relatively more affordable both measured against beef and shoppers’ disposable incomes. Lower raw material prices also allow retailers to regain some promotional flexibility and can restore GM towards pre COVID levels.

The respite will be short-lived for retailers, though. Into 2026, salmon will return to a normal supply, demand balance. This will drive an increase in salmon prices, increasing retailers’ COGS. Further, the runway for price increases on salmon towards consumers is going to be short-lived, with three notable drags that will limit retailers’ pricing ability in 2026 onwards:

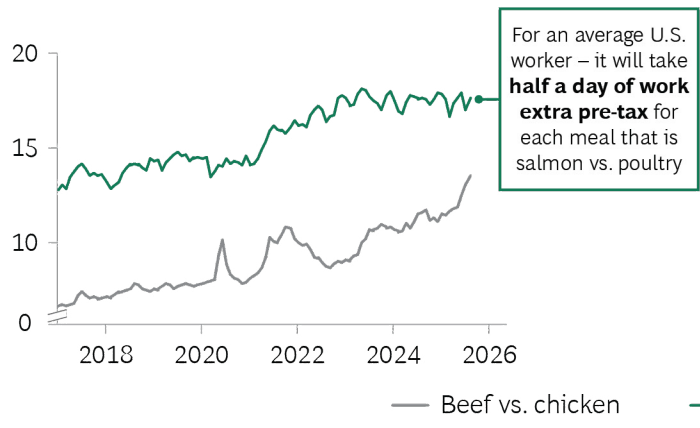
- **Downtrading will intensify:** The risk of downtrading remains elevated across the grocery sector – with retailers in France, UK and US referring to a “cautious” consumer during recent earnings calls. Historically, when consumers have shifted away from salmon – it has been to beef or chicken (e.g. ~85% of shifting from salmon ’23 to ’25 in the US, slightly higher other seafood share in EU). Beef prices have increased rapidly due to a global shortage, and is therefore becoming a less viable substitute for salmon (e.g. in UK in Aug’25 for the first time ever beef prices exceeded salmon at shelves). Further, chicken prices are in H2’25 declining in the US due to an emerging oversupply situation. This will further increase the absolute price gap between chicken vs. beef and salmon, increasing downtrading. The average US worker needs to work half a day longer pre-tax in 2025 to eat one more meal of salmon vs. chicken.
- **Price ladders will break:** Price management for retailers is focused on hitting key psychological price levels for consumers. This could include: In the UK a portion of not exceeding ~3 EUR/kg, or similarly ~5 USD/kg for mass market retailers in the US. The salmon category has almost never seen shrinkflation (e.g. only ~5% of 150+ products tracked across Germany, France, Norway, UK saw size changes from 2023 to 2025⁵), meaning retailers will struggle to price through significant price hikes.
- **US retailers will increasingly feel the pressure from tariffs:** While being partly insulated from GM woes in the last 5 years, US retailers have an emerging threat in tariffs. Firstly, it will increase the entire grocery basket cost for consumers. Secondly, salmon has a ~10% inflation disadvantage vs. other proteins. Last twelve months Q2 2025 import data from October 2025 tariffs see weighted tariffs (weighted vs. domestic production) of ~0% of pork and poultry, ~2% for beef, ~10% for salmon, and ~30% for shrimp.

Exhibit 8 | Downtrading will intensify as gap to alternatives grow

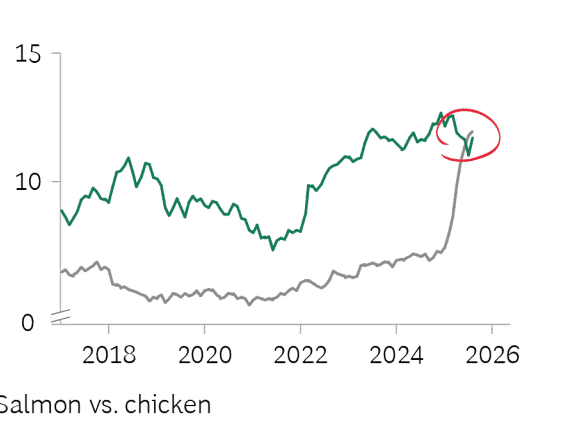
Chicken “discount” vs. other proteins



Retail price gap of chicken vs. salmon / beef
USD/kg differential



Retail price gap of chicken vs. salmon / beef
GBP/kg differential



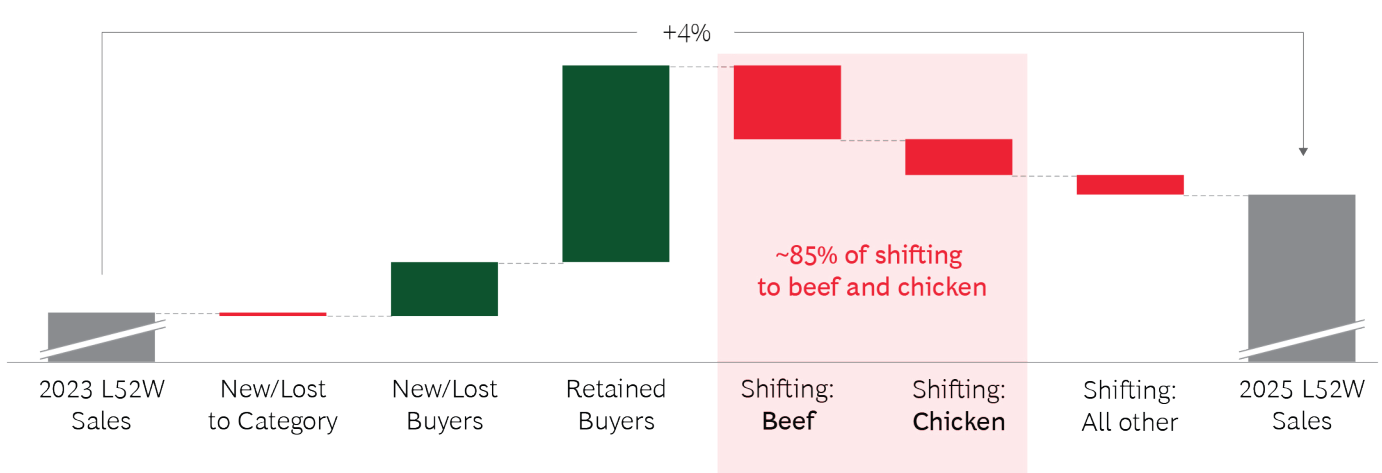
Source: US St Louis Fed Fred; ONS, AHDB, Nielsen

Retailers are a key partner to enable growth for salmon. They have rapidly shifting incentives to do so, which likely again will reduce in 2026. To cope, retailers typically allocate salmon ~3-5% of protein shelf space. Velocity is kept up by strictly limiting number of salmon SKUs, ultimately reducing innovation and demand growth in the category. Rather focusing on poultry or beef is simply more predictable, and more effective in utilizing the limited shelf space. Salmon makes up only ~3-6% of retailers’ protein sales in US and EU – it easily drowns in other priorities.

Exhibit 7 | Consumers have in the last 3 years primarily shifted to beef and chicken



US: 3-year development in salmon sales by driver (USDm)



Note: Data through mid September 2025. Based on Nielsen Panel (incl. Online such as Amazon, Costco and Specialty Retailers, excl. D2C). Numbers based on panel data might deviate from published POS sales data due to differences in methodology of estimating numbers
Source: Nielsen Panel data, BCG analysis

5. Aldi Germany, Auchan and Carrefour France, Oda Norway, Sainsbury’s, Tesco and Waitrose UK

04 | What should the salmon farming industry do about it

Differentiating downstream is possible – and should be done following a battle tested FMCG playbook

Depending on go-to-market setup, retailers typically interact with a mix of farmers and processors (and depending on market or customer also distributors). Processors or integrated companies generally own the customer dialogue, but on top many salmon farmers have strong and long-standing relationships with retailers to enable three-way relationships. Yet, the retail executives who contributed to this report all indicate that the salmon supplier landscape remains immature compared to other categories. This means taking a more active downstream position is a significant opportunity – primarily focused towards:

- 1

Investing in go-to-market:
The best supplier-retailer relationships have joint category business plans, innovation efforts, shelf- and merchandising optimization, promotion planning and KPI sets. Salmon farmers with ambition should invest in its go-to-market function to enable these discussions with retailers – and find opportunities for retailers to differentiate on packaging, product, storytelling, promotions or merchandising. Levers to drive differentiated outcomes include actively pushing for co-locating salmon on shelves with meat and rather than other seafood (as other meats is the main protein substitute and this would enable direct customer choice). Grocers that have implemented this approach have seen significant lift to their salmon category. Further, salmon’s share of “front of plate” promotions (e.g. weekly DMs) is lower than other proteins’. Investing in more visible promotions would strengthen uptake. Lastly, grocers with SBTi / ESG targets also need partners to drive faster growth in non-red meat categories. Salmon’s sustainability story put suppliers in pole position to work with retailers to drive this.

- 2

Strengthening category- and shopper insights to identify key differentiation opportunities:
Best in class FMCGs leverage data and insights to identify which pack sizes turn faster, how to price products, demand spaces that are not covered with current assortment, which innovations to prioritize, or

pain points in supply chain. Retailers largely lean on their suppliers to help them understand specific category dynamics and trends, but it requires company specific investments beyond an infrequent consumer survey or relying on industry councils or associations to guide focus and deliver customer insights. Leading FMCG companies differentiate on data driven insights and actions, e.g. by co-locating analysts with the retailers’ teams, or by actively leveraging foodservice industry insights to guide retail innovations

- 3

Prioritizing supply chain initiatives that reduce shrink or extend shelf-life: While salmon today is a globally traded product with established cold-chain logistics, the industry is not done. Improved shelf-life and reduced shrinkage would significantly contribute to grow retailers' appetite for prioritizing shelf space for salmon. The industry has come a long way with pre-packed / MAP (~7-10% waste vs. ~20% for tray-packs) – but should continue to expand processing capacity and implementing innovations (e.g. super-chilled or re-fresh concepts), allowing salmon to stay fresh for longer. Supporting retailers globally closing or moving salmon out of seafood counters should be a follow-on implication. Further, as market growth increasingly will come from “airplane markets”, the industry needs to expand air-based cold-chain logistics.

This approach is the true and tested playbook in the FMCG space. The leading FMCG players constantly push the envelope on this to differentiate vs. competition. More advanced protein players like Tyson Foods or Purdue also employ this playbook to integrate closer with retailers, build brands, derisk the upstream business, and look to drive a stock market multiple closer to FMCG companies. There are several differences between these companies and salmon farmers, most notably that many of them don’t farm the animals, and that they have a more balanced global investor base. Even so, despite having better growth outlook (EPS growth ’25-’27 of >100% vs. ~20%) and after-tax ROCE (13% vs. 7% ‘27) – salmon farmers trail other protein players on multiples (fwd ’26 EV/EBIT ~11x vs. 9x⁶). Investors’ interest in valuing more stable “FMCG like” business play a part.

6. Lerøy Seafood Group, MOWI, SalMar and Bakkafrøst vs. Tyson Foods, Hormel Foods, JBS and Marfrig



Succeeding depends on starting point and requires orchestrating the full value chain

Processors and distributors (e.g. in Asia) are key interfaces between farm and customer. However, due to holding an outsized portion of the profit pool – farmers are the key player for unlocking growth. The processor landscape globally remains fragmented, and only a handful of processors have sufficient scale to drive category growth at major retailers with an FMCG playbook. As category shrinkage declines, the role of the distributor (e.g. to handle inventory risk, logistics), will also diminish particularly in EU and US.

Today, global salmon farmers can roughly be split into two camps:

Operators focused on farming and harvesting:
Companies without secondary processing capacity

Integrated operators with downstream presence:
Integrated companies from farm to fork, with secondary processing and downstream capabilities

Both these sets of operators have – correctly – focused on the core business in recent years (e.g. reducing cost, improving smolt yield). Getting unit cost down will continue to be the #1 priority, especially when demand growth will gradually slow. However, with the next step in the demand journey being increasingly about frequency in established markets – the time has come to reconsider the positioning.

Salmon farming is becoming increasingly capital intensive which put pressure on returns. Downstream initiatives are CAPEX-light, and an attractive margin addition as tax pressures increase and core operations deliver lower returns. Some salmon farmers are successful downstream today, but a large portion of salmon farmers retain a commodity producer DNA, which becomes a barrier for the required change to succeed in a new market paradigm.

For smaller farmers without downstream presence today, barriers (e.g. need of certain, stable volume) likely prohibit significant downstream ambitions unless driven through their exporter. However, for medium sized farmers not yet fully active downstream the right model is to go selectively after capital-light downstream opportunities: engage in selected three-way relationships with processors and retailers, as well as directly maintaining and developing retailer relationships. For operators with downstream presence, structuring the company to give sufficient management attention to the downstream business, and lifting both capacity and capabilities to operate the downstream business like a FMCG company is the way forward. For all camps, value creation is left on the table by not only addressing how the fish is processed, but also marketed, sold and positioned vs. other proteins.

05 | BCG’s aquaculture- and protein offering

BCG is a leading global management strategy consulting firm. We partner with leaders in business and society globally to tackle their most important challenges and capture their greatest opportunities. We engage with clients on an increasingly broad set of topics beyond historical core of strategy consulting – including operational transformation, digitization, M&A support and beyond.

BCG is the leading global aquaculture and seafood management consultancy, with cross-species- (e.g. salmonids, shrimp) and full value chain expertise. We have deep industry expertise in a dedicated expert team globally, developed from +50 projects, including +20 within the last 3 years. We work with industry suppliers, farmers, investors and governments, and beyond also leading global protein producers, grocers and wholesalers.

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06 | Sources

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AHDB

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ONS

St Louis Fred

Kontali Analyse

Analyst research reports

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