

Domestic & Export Sector Panel – extraordinary meeting

25 January 2021 via Zoom

Attendees:

Jerry Percy (Chair)
Chris Anderson (Processors using domestic catch)
Anne Birnie (SAFPO)
Michael Clark (SSA)
Robert Duthie (SPPA)
Jim Evans (Welsh interests)
David Jarrad (SAGB)
Rosemary Johnston (NI interests)
Sheila Keith (Shetland interests)
Elsbeth Macdonald (SFF)
Celia Mackenzie (BPA)
Dale Rodmell (NFFO)
Paul Trebilcock (UKAFPO)

Seafish:

Louise Ballantyne
Marcus Coleman
Hazel Curtis
Aoife Martin
Simon Potten (Secretariat)
Hannah Thompson
Fiona Wright

Apologies:

Kevin McDonnell (SAFPO)

Welcome, introductions and apologies

1. The Chair welcomed everyone, shared apologies and outlined the format for the virtual meeting.

Minutes of the previous meeting

2. The minutes of the previous meeting (date) were reviewed. Two amendments were discussed and agreed:
 - a. DR requested an amendment to item 9 to better explain the NFFO's concerns that cables left surface laid to avoid impacts to MPAs posed a potential safety hazard to fishing activities.
 - b. DJ requested an amendment to item 17 to clarify that: "The Chinese rules on permissible cadmium levels are possibly changing (suggested increase to 3mg per kg), but SAGB considers this is still not high enough, unless only testing white meat." With these amendments the minutes were accepted as an accurate record.

Actions arising

3. SP reported that the vacancy for someone to represent the interests of the small boat/inshore commercial fishing sector was currently advertised on the Seafish website, with a deadline for applications of 15 February. SP confirmed that all other actions from the previous meeting had been addressed.

EU Exit – status, challenges and responses

Processors using domestic catch

4. CA reported ferry problems in trying to export crabs to Holland in vivier trucks, which had resulted in a 2-day delay. At one port the nearest vet is 8 miles away, so paperwork indicating last mode of transport as ferry was rejected after it had been driven to the vet.

Getting asked for different information every week. Hoping to get these niggles resolved over time.

5. With fewer flights due to the COVID pandemic, CA advised that exporters were also struggling to get product flown out of the UK (and out of Holland). Air freight costs have risen sharply to 10.50 euros per kg (previously 3.50 to 5.00 per kg). Currently almost impossible to get product freighted direct to Asian countries, the US and Canada. Priority is being given by the airlines to medical supplies and exporters are having to book space three weeks in advance. With Chinese New Year coming up, shellfish exporters fear missing out, unless something happens this week. Talks with Defra have stalled because of Brexit. Will need a big push to get UK crab, lobster and creel-caught langoustine back into international markets.

Shetland interests

6. SK reported that Shetland's shellfish sector continued to be hit hardest; have only been able to get product to the UK so far, and the vivier trucks had not yet returned to Shetland (hopefully this week). Environmental Health waiting for paperwork from Defra to see if they can get the product onwards across the Channel; no idea if it's going to work or not. Shellfish fleet tied up because of this uncertainty.
7. Two thirds of Shetland's whitefish fleet is still tied up (only eight vessels at sea in January), with many skippers deciding not to fish because of limitations on quota and exporting difficulties, prices low, buyers struggling to get fish across the Channel.
8. Buyers have been accurate with their new paperwork, but product is still getting held up at DFDS in Larkhall due to groupage issues. Buyers have no confidence in the system and industry does not think the new system could cope with previous levels. The longer you can't sell your product, the more your customers will go elsewhere to find other suppliers and won't return.
9. An added difficulty is that buyers are now buying from two separate markets in Shetland with different approval numbers, which doubles the paperwork required if fulfilling an order with product from both markets.
10. The new system/requirements have added 24 hours to supplies from Shetland (increasing it from a 1-2 day turnaround to a 2-3-day turnaround). Unlike the first COVID lockdown, demand for Shetland seafood is still there, but the industry cannot currently supply it.

British Ports Association

11. CM advised that BPA held an emergency meeting on 15 January at short notice to discuss issues affecting ports and had around 20 ports represented. All bar one (Grimsby) reported four main issues:
 - The admin burden on exports. Some people had stopped altogether. Paperwork and information on Defra's website at odds with paperwork being issued. Big impact on smaller ports.
 - Extremely strict application of the new rules, especially in French ports. For example, catch certificates not having full list of species; new requirements for polystyrene boxes instead of the usual plastic boxes; needing pallets to be heat treated; necessity for wet signatures instead of digital - holding up shipments for a day or 1.5 days for minor issues and contributing to poor prices. Whitehaven doesn't export directly, but even in Whitehaven CM advised fishing vessels are tied up because they can't get the prices that make it worth going to sea.
 - Ever changing requirements.
 - Lack of EHOs at ports.

12. The BPA has written to George Eustice and Michael Gove (copied to other departments), outlining six proposals for helping to alleviate these problems. BPA has been asked to provide evidence; information currently being gathered by Mark Simmonds (required by end of this week).

National Federation of Fishermen's Organisations

13. DR reported that Defra had set up an exporters' stakeholder group, which is meeting twice a week.
14. Issue with exporting live shellfish has caused concern and was discussed at the SAGB Crustacea Committee last week.
15. The lack of customs intermediaries is an issue, especially on the French side. Lack of training (on both sides of the Channel, but worse in France) in procedures and varied interpretation of what the rules are. Going back to pre-single market days. Depends on who you know rather than what you know. Have to have a good customs intermediary who has a good relationship with customs officials.
16. Some vessels have been landing direct into France and Netherlands, but there have been problems. The Dutch were not prepared for this and French ports have been microscopic with details required, suggesting that some customs officials were deliberately dragging their feet, so transport was missing next market.
17. Difficult to say how much of this is teething problems and how much is here to stay. A very mixed picture, difficult to draw conclusions at present.

Scottish Seafood Association

18. MC commented that everyone knew Brexit would be difficult, but not how difficult. The hubs were not ready. Whole loads are easier than groupage, when dependent on everyone getting their paperwork right. It is getting a little bit better, but still not good. SSA members supply supermarkets too and they have struggled getting UK seafood into France and Ireland.
19. SSA is having a meeting to keep supplies of fish going, if members don't supply at a regular pace, they will lose the market. Better to get low prices for a while than lose the business altogether. It is just a fact of life now and members need to ride the ups and down. Hoping it will get better soon.

Scottish Pelagic Processors Association

20. RD advised that businesses are finding it easier to do business with Kazakhstan and Belarus than with the EU. The pelagic sector is not so dependent on hospitality so markets remaining good, and we do deal in truckloads, shiploads, one commodity code, easier on paperwork requirements than shellfish exports. Pelagic processors are managing to get their product out through France, but Netherlands is proving very difficult. Use of EU transportation has increased 25%. Some UK businesses are expanding their own fleet of trucks to transport their own product. Cannot rely on EU operators anymore.
21. Pelagic processors have always exported to non-EU countries. Discipline in documentation is not unusual to them. Operators are not finding the requirements for documentation difficult, but major problems accessing vets, getting documents rejected/accepted at different parts of EU.

22. AM asked if direct landings into the EU were likely to increase. RD commented that the volumes landed were so large and had to be cleared/processed before the next could be accepted; therefore, it was unlikely that industry would be able to land any more direct to the continent than before. SK added that direct landings into EU member states was proving difficult with paperwork and COVID restrictions meant no-one was being allowed off vessels.

Scottish Association of Fish Producer Organisations

23. AB advised that vessel owners very concerned that there was still no clarity on quotas for this year, so being cautious on catching until they know what opportunities will be.
24. Export problems, but owners are listening to the agents, who are telling them to land fresher product from shorter trips.
25. Hearing that negotiations on quotas formally starting on 1 February.

Northern Ireland interests

26. RJ reported it been a very challenging time for businesses trying to get product into and out of NI. An immense amount of paperwork required, including landing data and catch certificates for every landing. Taking two weeks to get approval, requiring new site approvals and inspections from Environmental Health. Appreciating the efforts of UK suppliers for the work they are having to do to get supplies in without detrimental effect to product quality.

Welsh interests

27. JE advised that it was not was not only exports that were suffering but that domestic markets (e.g., hospitality) continued to be adversely affected by the COVID pandemic. There was confusion about where export health certificates have to be issued; thanked Seafish for providing clear guidance on that.
28. Main concern for industry is how to survive this period. There is no immediate end in sight. Industry was unable to build reserves during the summer to survive the winter, so economic resilience is weak. Feels Welsh Government's response for the seafood sector has been weak - economic resilience funding has been made available for other sectors, including additional support for Covid restrictions, but not extended to fishing businesses. Raised concerns with ministers.
29. Fishing businesses don't qualify for support other than Universal Credit for individuals. Many feel that applying for Universal Credit would be admitting defeat and is not palatable; people are proud and want to keep their business alive. Support in the meantime is a key issue while all these huge problems are addressed between now and Spring, which is when industry would usually have higher exports to EU. If exporters can't do business, the catching sector won't catch.

UK Association of Fish Producer Organisations

30. PT advised that vessel operators are being advised to keep trip lengths short, because buyers have uncertainty about where fish is going and when they might be able to sell it. All about trying to maximise possible shelf life, in expectation of supply chain delays.
31. Major difference between single consignment export and groupage for transport. Both have improved, but day 1 for day 3 has become normal and is not acceptable longer term. Larger exports are getting timings down a bit, as people learn the new requirements on both sides of the Channel, but there is a feeling that French are not trying hard to expedite.

32. Longer term concern with the future of groupage for export. Not convinced that smaller exporters using groupage will see an improvement. This could have consequences around reduced competition. Is it just a regional issue? Can this Panel get under the skin of the issue? This could be a real problem, and everything is compounded by COVID.
33. Fear about losing markets is a real threat, as buyers try to find alternatives. Can we mitigate? Can we quantify risk? JP asked what impact direct selling was having in the SW and whether that offered an alternative to export. PT advised that it was helping, and the latest lockdown had prompted another wave of direct sales. Having some success in SW England (low volume high value), but UK sales will never replace export. Industry determined to keep going. PT reiterated his perennial ask of Seafish to help stimulate domestic demand for UK-landed species.

Scottish Fishermen's Federation

34. EM echoed comments made by others and commented on the very disappointing fisheries deal and Brexit agreement; having fallen far short of what the UK fishing industry had hoped for and what could have been achieved. A modest uplift in some areas, but for some key commercial whitefish species in Scotland, the deal presents significant challenges.
35. Quota negotiations still ongoing (delayed due to the timing of the Brexit negotiations). A whole new dynamic with Norway/UK/EU and UK/Faroe negotiations ongoing. Delays mean vessels don't know what their fishing opportunities will be for the year. In future, hopefully will all be agreed before the end of the year.

Shellfish Association of Great Britain

36. DJ reported on another problem for the shellfish sector regarding live bivalve molluscs. In December Defra announced the industry would not be allowed to continue selling non-farmed bivalve molluscs into the EU until April when a new animal health certificate was due to be produced by the EU. However, in last 48 hours all product (including farmed) from Class B waters will not be allowed into the EU with immediate effect, and will not be allowed after April either. This will affect all large mussel farms in Wales, Lyme Bay, Orkneys and NW, E and SW. Secretary of State made aware and Defra taking seriously. Don't know how error had occurred. Commission clear that B class shellfish will not be allowed to enter EU for depuration, relaying or anything.
37. In response to a question from JP, DJ advised that the economic impact of this would be substantial, with tens of thousands of tonnes currently exported. Cataclysmic for operators who have invested millions of pounds in this sector over many years. The decision does not affect product from Class A waters. Industry meetings are being set up.
38. Announcement from Defra that crab claw sales to EU will be facilitated under a different coding. Some good news.
39. CA advised that exporters can short ship on a health certificate, but you can't over ship. Recommended exporters over-estimate what they think they're going to ship. CA gave an example of how difficult some EU authorities were making it for UK exporters when Dutch authorities required a health certificate to be changed from UK to GB.
40. AM provided a quick overview of what Seafish has been doing to assist the industry with the trade issues, having been working closely with Defra and the Devolved Administrations on the many stakeholder meetings. Working across four main areas:
 - a. Producing regular guidance to help industry understand TCA requirements (including rules of origin);

- b. Information sharing/troubleshooting with government colleagues in Defra and the Devolved Administrations;
- c. Providing direct support by offering a helpline for businesses over Christmas and the New Year (ongoing);
- d. Regulatory Affairs team providing expert advice, guidance and interpretation.

41. JP enquired if anyone had seen any detail on the £23m support fund for seafood businesses that can evidence they have suffered loss of earnings as a direct consequence of trade difficulties resulting from EU exit. Uncertainty whether it applied across the supply chain or just to exporters. It was agreed that there had been a lack of information and guidance. AM advised that work was under way in Defra to develop the mechanisms and criteria for administering this funding and Seafish was assisting.

Annual Plan 2021/2022 - initial discussions

42. JP ran through the five challenges in Seafish's current Corporate Plan. AM kicked off the discussion with a presentation on initial proposals for Seafish's areas of focus in 2021/2022. **Action 1:** Seafish to share the slide and members to provide feedback.
43. Under Challenge 2, MC asked if Seafish could promote UK seafood now that the UK has left the EU (as Norway and other countries do). HC advised that Seafish was waiting for clarification on WTO rules. PT suggested that Seafish should do it first clarify the legalities afterwards; it is needed now. HC advised that Seafish can and does promote local supply chain, but that as an NDPB it needed to follow the due (legal) process. EM suggested Seafish explores how organisations like Quality Meat Scotland are able to operate; HC advised Seafish were also talking to AHDB. AM advised that Seafish was in discussions with Defra about potential funding for it to deliver a campaign to promote direct selling.
44. MC questioned whether anything had been achieved towards 2-a-week; HC advised that was why the Love Seafood campaign had been developed; MC advised he wanted to be enthused about Love Seafood but was struggling. PT added he hadn't seen much evidence of Love Seafood yet. HC reiterated the aims of the Love Seafood campaign and pointed out it was only three months in, but agreed to put more effort into engaging industry. DR commented that sourcing local seafood was well-hidden within Love Seafood; **Action 2:** HC to speak to team regarding increasing prominence of local seafood in Love Seafood.
45. Under Challenge 3, JE sought confirmation on Seafish's ongoing commitment to supporting fishermen's training, which AM provided. DR advised NFFO was keen to see Seafish do more work on environmental information/impacts of protected area and offshore activities on fishing; AM reassured DR that the MPA project was an ongoing commitment and an area Seafish was keen to continue; SK agreed and added that areas should protect fishing interests as well.
46. CM questioned Seafish's capacity (in light of reduced budgets and reductions in staff) to deliver such a wide-ranging programme of work; concerned that Seafish was in danger of spreading itself too thin. MC agreed that this was a challenge for Seafish and that was why he wanted feedback from Panel members on what was a priority for immediate action and what could be delayed. Plan needs to be finalised in April for presentation to Seafish Board in May. SK suggested that Seafish explores opportunities to collaborate with other organisation for economies of scale. JE asked whether the regional Seafish committees would get the opportunity to input as well as the devolved administrations; HC confirmed they would.

47. MC informed members that Defra was recruiting new members for the Seafish Board, including a new Chair, replacing Brian Young.

Date of next meeting

48. It was agreed the next meeting will be held in May. **Action 3:** SP to arrange date for next meeting and confirm with Zoom meeting invite to be issued during February.

Meeting close

49. The Chair thanked all Panel members for their contributions and closed the meeting.

Action list

No.	Action	Timeline	Owner
1	Seafish to share initial proposals for areas of focus in 2021/2022 and members to provide feedback	After the meeting	SP Members
2	Speak to Love Seafood team regarding increasing the prominence of information on local seafood	After the meeting	HC
3	Arrange date for May meeting and confirm with Zoom meeting invite	February	SP