

Domestic & Export Sector Panel

13 April 2023 via Zoom

Attendees:

Jerry Percy (chairman)
Anne Birnie (SAFPO)
Andrew Brown (SSA)
Mike Cohen (NFFO)
Jim Evans (Welsh interests)
David Jarrad (SAGB)
Elspeth Macdonald (SFF)
Sarah Ready (small boat/inshore interests)

Seafish:

Marcus Coleman
Aoife Martin
Lynn Gilmore
Simon Potten (secretariat)

Apologies:

Chris Anderson (processors using domestic catch)
Martyn Boyers (BPA)
Robert Duthie (SPPA)
Rosemary Johnston (Northern Ireland interests)
Sheila Keith (Shetland interests)

Welcome and apologies

1. Jerry welcomed everyone to the meeting. Apologies were noted.

Declaration of interests

2. In accordance with the Terms of Reference, the Chair invited members to declare any interests that might conflict with their role on the Panel. None were declared.

Minutes of previous meeting and actions arising

3. The minutes of the previous meeting (25 October 2022) were reviewed and accepted as an accurate record.

Action 1: Simon to arrange for the approved minutes to be uploaded onto the Seafish website.

4. Simon reported that all actions had been completed.

Industry round-up – how the economic and geopolitical environment are impacting the domestic & export sectors

5. Small Boat/Inshore sector

- *Regulatory burden* - at an all-time high with regulations from IFCA, MMO and MCA.
- *MCA* – ongoing industry concerns with MCA's application of the new safety code (vessels detained for minor infringements prior to Christmas) and the requirement for all fishermen to have a certificate of medical fitness by 30 November 2023. Meeting held with new MCA CEO (Virginia McVea) to discuss sector's concerns. Aoife advised that Seafish was creating guidance to help fishermen understand what they need to do to get their certificate of medical fitness, including case studies of fishermen talking about their experience.

- *Lemon sole fishery* - in SW England, the lemon sole season was a disaster, so the inshore fleet is waiting for the mixed whitefish to arrive on the grounds.
- *Non-powered vessels* - operators unable to get the paperwork required to export their catch (as non-powered vessels do not require registration). This means they are having to sell locally, which is causing issues for retailers and merchants. Aoife commented that this was an unintended consequence of Brexit that will require Defra intervention to resolve.
- *Fuel prices* - have come down so less of a concern currently.
- *Spatial squeeze* - remains a major concern.

6. NFFO

- *Maritime & Coastguard Agency* - vessel safety inspections and requirement for medicals causing great anxiety. Industry working together to try and resolve, but no easy solutions.
- *Trade and Cooperation Agreement* - work starting in advance of renegotiation in 2026. Considering industry aspirations. Difficult topic and big piece of work.
- *Immigration* - working alongside other fishing federations to resolve issues with new rules preventing the industry from recruiting the workers it needs. Received a clear (and not particularly helpful) response from government. Continues to be problematic.
- *Spatial squeeze* – gaining more attention in EU as fleets start to comprehend the scale of potential displacement. An issue for vessel operators and fisheries managers. Modelling fishing effort cannot be relied on with so many other factors causing displacement and altering fishing patterns. Issues discussed at recent meeting of Northern Fisheries Alliance, looking for UK to take a lead.
- *Fisheries Management Plans* – industry engagement in the development of these has been a major undertaking.

7. SSA

- *Spatial squeeze* - also impacts on processing as it could reduce the supply of raw material. Particularly concerned about the potential impact of HPMA's on inshore fishing, especially with regard to shellfish.
- *Border Target Operating Model* - want some controls on imports (to put UK and EU on a level playing field), but concerned that import controls will make imports more expensive and will deter importers from supplying UK markets.
- *Marine Fund Scotland* - opened this week. Opportunities for aquaculture, wild capture and processing sectors. Some uncertainty about the size of the fund and the maximum that can be applied for, but welcome, nonetheless.
- *Energy costs* - decision that seafood processing sector was to be included in classification as an energy intensive industry and gain access to a higher discount rate on energy bills was welcomed, but came too late to benefit many as energy prices have now dropped below the threshold for support.

8. Welsh interests

- *Maritime and Coastguard Agency* – MCA's concerted inspection campaigns, implementation of small vessel safety code and medical fitness certificates causing much concern and adversely impacting industry's relationship with MCA (and Fishing Industry Safety Group). Welsh Fishermen's Association (WFA) objects to what they see as the MCA disregarding agreements on grandfather rights and exemptions (for fishermen with pre-existing conditions) when the regulation was being drafted. WFA has commissioned a paper to present industry's concerns to Ministers. WFA believes

there is no evidence to indicate that the absence of medical certificates has been the cause of accidents at sea.

Action 2: Jim to share the WFA report on industry concerns regarding certificates of medical fitness with the group when finalised.

- *Fishing Industry Safety Group* - AM advised that Seafish was concerned about the functioning of FISG and the lack of progress with FISG reform. JE agreed that change was needed if the FISG 10-year strategy to eliminate preventable deaths in the fishing industry by 2027 was to be delivered successfully.
- *Spatial squeeze* – acute in Wales due to the number of protected sites already in existence. Windfarms and landfall and cabling also create issues for inshore fleet. Infrastructure for carbon storage and offshore storage of hydrogen will create further issues. Marine Conservation Zones process ongoing in Wales, looking at areas with habitats and species identified by JNCC and consulting stakeholders. Not yet clear where the sites will be, but Welsh Government has agreed to produce a simplified document detailing the areas and how they impact fishing and has agreed to refine the areas to minimise impact; none will be highly protected.
- *Fisheries Management Plans* – front runners (king scallop, crab, lobster, whelks, bass) all moving on at pace. Scallop, crab, lobster and whelk will be consulted on in May and bass in the summer. Appreciative of Seafish input. Welsh engagement has not been particularly active and there is a requirement for Welsh Government to engage with stakeholders.
- *Statistics* - sobering report produced by Seafish on fisheries and aquaculture in Wales shows landings down by 75% in the last decade, aquaculture production down by 98% and active vessels down from 410 to 200 vessels. The WFA is liaising with the Minister in Wales to determine how to slow the decline.

Action 3: Simon to share Seafish's report on fisheries and aquaculture in Wales.

- *Funding* - EMFF underspend being recycled by Welsh Government to offer a £400k standard cost scheme for vessel operators to use. Lots of interest in the scheme. Number of issues with development of new Wales Marine and Fisheries Fund. Seafish can help the industry by taking the lead on revenue projects, such as carbon footprint of industry.
- *Science* – WFA is engaged in six fishing industry science partnerships.

9. SAGB

- *Defra* - little has changed in last six months leaving the sector feeling frustrated that Defra does not care about the seafood industry and is a hindrance preventing the sector from growing.
- *Exports* - China still flouting World Trade Organisation rules by excluding UK live crab and UK Government not doing anything about it. Nevertheless product is getting through, albeit via other nations.
- *Aquaculture* – Defra says it wants to see “industry led growth” in aquaculture, but this is being curtailed by Defra regulations – e.g., water quality, live bivalve export issues, Pacific oyster classification as a non-native species.
- *Pacific Oysters* – situation has worsened in last 3 months due to Defra policy of no new farms and no expansion of existing farms above 52° latitude. Duchy of Cornwall has banned Pacific Oysters on its estate.

- *Shellfish mortalities* – occurring all around the coast, but Defra not doing anything about it.
- *Medical fitness certificates* – uncertainty amongst some small shellfish farmers as to whether requirement apply to them. SAGB has had no response to question from Defra or MCA.

Action 4: Simon to seek clarification from MCA on medical fitness requirements for aquaculture operators and advise David.

10. SAFPO

- *Quotas* - since the last Panel meeting deals have been negotiated with Norway, EU and Faroes.
- *Spurdog* - North Sea Spurdog has come off the prohibited list – different rules apply in different areas, but this news has come as some relief.
- *Whiting* - West coast whiting is now being allocated through Fixed Quota Allocations, but still waiting for provisional allocations (hopefully by end of the month now that the outcome of the consultation on managing quota allocation from 2023 has been published).

Action 5: Simon to share link to outcome of consultation on managing quota allocations from 2023.

11. SFF

- *Crewing* – Home Office engagement and communication on the crewing crisis facing the industry (and the need for some concessions) has been disgraceful, without Seafish and Defra support the industry would have struggled to get a meeting with the Home Office.
- *Scottish Government* - new First Minister in Scotland, perpetuating coalition with the Greens.
- *Highly Protected Marine Areas* – consultation extended but closing shortly. Strong opposition to proposals which will see 10% of Scottish seas covered by the proposed areas. Industry feels there is no strong ecological or environmental rationale underpinning them. Andrew noted that Scottish Government does not have the power to create HPMA's in offshore waters (required to go through UK Government).
- *Wind farms* - 13 new floating offshore wind farms proposed under second round of applications. EM recently presented at a conference in Hamburg. Andrew noted that there was insufficient storage capacity in the UK for the potential additional energy generation.
- *Greenhouse gases* - spotted a paper in Nature Climate Change which gives a good bill of health to seafood regarding greenhouse gas emissions.

Action 6: Elspeth to share paper in Nature Climate Change on seafood industry greenhouse gas emissions.

- *Skipper Expo* – 12 & 13 May in Aberdeen. Industry is looking forward to it. Andrew advised that the SSA would be in Barcelona on 25-27 April for Seafood Expo Global; Lynn advised that Seafish was facilitating the UK Pavilion and participation had grown from 5 companies last year to 13 this year.

12. Aoife responded saying that Seafish was aware of the issues reported and was trying to help support the industry to represent their concerns to government and find solutions/mitigations.

However, Seafish is conscious that there are no quick fixes for many of these problems and many are outwith Seafish's ability to influence.

13. Sarah enquired about funding for fishermen's training. Simon advised that Seafish had secured £200k from the MCA which comes with the condition that Seafish uses it to lever additional funds from each nation. Seafish is striving to secure that additional funding in all four nations (proving more challenging than normal) and is continuing to provide funding. Jim advised that WFA would happily include funding for fishermen's training in its discussions with Welsh Government to (hopefully) ensure that there is no gap in funding.

Action 7: Simon to provide WFA with an indication of the funding required by Seafish from Welsh Government to continue funding fishermen's training through to 31 March 2024.

Consultation on the Seafish Levy

14. Aoife provided an update on progress with the levy consultation, advising that this was the first time the levy was being reviewed in 25 years - a long time for an organisation to be working to a fixed income. The key drivers for the review are that Seafish's costs continue to rise and what industry wants from Seafish continues to increase. The proposals seek to put Seafish on a solid financial footing to deliver the new Corporate Plan.
15. Consultation confirmed that the levy should be reasonable, efficient to collect, fair and equitable and simple to understand. Statutory Instruments will be used to implement the changes, rather than amending the 1981 Fisheries Act under which Seafish was created. However, the 1981 Act specifically excludes freshwater species, including farmed salmon and trout and pangasius. Extending the levy to these species is not included in the current proposals, but is on the agenda for later.

Action 8: Simon to share links to levy consultation paper and online survey for members to share.

16. Final decision on what changes get implemented will be made by ministers.
17. Jim advised that the Fisheries Act was in urgent need of amending to iron out inequalities in the application of the levy and urged the Seafish Board not to hold back in pursuing these changes even after these interim changes take place.
18. Andrew echoed concerns that the levy needed to be applied equitably across the seafood sector and include aquaculture. He reported that SSA members were not keen on a levy increase at this time and commented that the consultation paper did not provide much detail on how the levy increases would impact different sectors, how the additional income was to be used, and how much Defra was contributing for work that Seafish was undertaking. Aoife agreed to provide Andrew with additional detail and offered to attend a meeting with SSA meeting to discuss.
19. Marcus encouraged members to submit their feedback to the consultation and asked them to encourage their members to do likewise. He noted that feedback from industry is really powerful and impactful with ministers. Aoife advised that feedback can be emailed direct as well as via the survey.

Outcomes of Seafish Corporate Plan 2018-23

20. Lynn presented a short video highlighting some of Seafish's key achievements under its 2018-2023 Corporate Plan.

Action 9: Simon to share link to the video highlighting Seafish key achievements under its last Corporate Plan.

Seafish Corporate Plan 2023-28 and Annual Plan 2023-24

21. Lynn delivered a presentation highlighting key elements from the Seafish Corporate Plan for 2023-2028, advising that whilst the plan had been published, Seafish would not be actively promoting it until after the pre-election period ends on 18 May. Jerry complimented Seafish on the quality of its Corporate Plan. Andrew commented that the video and Corporate Plan are good adverts for what Seafish does for the industry and should be used by Seafish to help with its levy consultation.

Action 10: Simon to share the slides from Lynn's presentation on Seafish's new Corporate Plan and share a link to the Corporate Plan for members to share.

22. Aoife provided an update on the Seafish Annual Plan for 2023/2024 advising that this first year of the new Corporate Plan would be a transitional year with some activities (e.g., safety and training) continuing whilst new activities (e.g., helping the industry to access the labour it needs and supporting implementation of FMPs) are developed. A copy of the Annual Plan will be circulated when available.

Action 11: Simon to share a copy of the Seafish Annual Plan for 2023/2024 when available.

Any other business

23. David reminded members that the SAGB was holding its Annual Conference on 6 & 7 June, with ministers from across the UK attending to deliver presentations.

Date of next meeting

24. It was agreed the next meeting will be held in approximately six months.

Action 12: Simon to arrange date for next meeting (in October 2023) and confirm arrangements with members.

Actions

No.	Action	Timeline	Owner
1	Arrange for the approved minutes of meeting held 25/10/2022 to be uploaded onto the Seafish website.	Asap	SP
2	Share the WFA report on industry concerns regarding certificates of medical fitness with the group when finalised.	Asap	JE
3	Share the Seafish report on fisheries and aquaculture in Wales.	Asap	SP
4	Seek clarification from the MCA on medical fitness requirements for aquaculture operators and advise SAGB.	Asap	SP
5	Share link to outcome of consultation on managing quota allocations from 2023.	Asap	SP
6	Share paper in Nature Climate Change on seafood industry greenhouse gas emissions.	Asap	EM
7	Provide WFA with an indication of the funding required by Seafish from Welsh Government to continue funding fishermen's training through to 31 March 2024.	Asap	SP
8	Share links to levy consultation paper and online survey for members to share.	Asap	SP and members
9	Share link to the video highlighting Seafish's key achievements under its Corporate Plan for 2018-2023.	Asap	SP
10	Share the slides from LG's presentation on Seafish's new Corporate Plan and a link to the Plan for members to share.	Asap	SP and members
11	Share a copy of the Seafish Annual Plan for 2023/2024 when available.	Asap	SP
12	Arrange date for next meeting (in October 2023) and confirm arrangements with members.	Asap	SP