

Note of Common Language Group (CLG) Brexit Special meeting held at Friends House, London. Friday 7 October 2016

For the CLG Brexit Special presentations see:

<http://www.seafish.org/responsible-sourcing/discussion-forums/the-common-language-group/clg-brexit-special>

1. Welcome, introductions and apologies

Mike Mitchell welcomed everyone to the meeting.

Adrian Gahan	Sancroft International
Alex Olsen	Esperson
Alex Senechal	MacAlister Elliott & Partners Ltd
Angus Garrett	Seafish
Atli Már	Embassy of Iceland, London
Barry Harland	Whitby Seafood
Bas Harbers	Agricultural Attaché, Embassy of the Kingdom of the Netherlands
Bertie Armstrong	Scottish Fishermen's Federation
Brian Young	Seafish Board
Bryce Beukers-Stewart	University of York
Carrie Hume	Marine Conservation Society
Charles Kilgour	Catapult Satellite Applications
Chris Brown	Asda
Chris Mees	MRAG
Claire Pescod	Marine Stewardship Council
Clare Eno	Vitaplankton
Dale Rodmell	NFFO
Dan Aherne	New England Seafood International
David Jarrad	Shellfish Association of Great Britain
Duncan Vaughan	Natural England
Edward Whittle	Whitby Seafoods
Emma McLaren	Sustainable Fisheries Partnership
Eric Giry	Agricultural and Fishery Counsellor, French Embassy
Erin Priddle	Environmental Defense Fund
Fiona Wright	Seafish
Gordon Friend	Defra
Griffin Carpenter	New Economics Foundation
Harry Owen	MCB Seafoods Ltd
Helen McLachlan	World Wildlife Fund
Jack Clarke	Sole Share
Jack-Robert Møller	Norwegian Seafood Council
James Robertson	Joseph Robertson Ltd
Jamie Davies	Pew Trusts
Jeremy Langley	Waitrose

Jeremy Mundy	Joseph Robertson Ltd
Jon Harman	Cleugh Maritime
Jonathan Shepherd	Seafish Board/Consultant
Karen Green	Seafish (Minutes)
Kevin Williamson	Marine Management Organisation
Laky Zervudachi	Direct Seafoods
Liane Veitch	ClientEarth
Luis González-Quevedo	Counsellor for Agriculture, Food & the Environment, Embassy of Spain
Martina Viol	Economic Affairs, Energy and Global Issues, German Embassy
Marcus Coleman	Seafish
Mary McCarthy	Agricultural Attaché, Embassy of Ireland
Matt Sowrey	Defra
Mercedes Rosello	House of Ocean
Mel Groundsell	Seafish
Mike Elliott	University of Hull
Mike Mitchell	Fair Seas (Chairing the meeting)
Mike Park	Seafish Board/Scottish White Fish Producers Association
Mike Short	UK Seafood Industry Alliance
Nigel Edwards	Icelandic Seachill
Paul Leonard	MMO Appointee of the Sussex IFCA
Peter Hajipieris	Nomad Foods Europe
Rodney Anderson	North Sea Marine Cluster
Ross Joliffe	Cefas
Richard Stansfield	Flatfish Ltd
Ruth Westcott	Sustain
Stewart Cuchey	Cefas
Suzannah Walmsley	ABPmer
Tom Pickerell	Seafish
Tristram Lewis	Funding Fish

Apologies

Angela Doherty	CP Foods
Estelle Brennan	Lyons Seafoods
Huw Thomas	Morrisons
Jim Masters	Fishing into the Future
Max Goulden	MacAlister Elliott & Partners Ltd
Melanie Siggs	Sancroft International
Mike Kaiser	Bangor University
Neil Auchterlonie	IFFO
Sarah Holmyard	Offshore Shellfish Ltd
Sean Ashworth	Sussex IFCA
Steve Hall	Avalerion Capital
Steve Simpson	University of Exeter
Toby Middleton	Marine Stewardship Council

2. Purpose, agenda for the day, Seafish' role. Angus Garrett, Seafish.

Seafish horizon scanning work has highlighted around 190 possible risk development areas. Brexit and its implications for the UK seafood supply chain was one of them. Seafish has organised this Common Language Group (CLG) 'special' event at the

request of the CLG members to explore the potential issues and opportunities that leaving the EU could have for the seafood sector. We have lined up expert speakers from across the seafood supply chain to talk about key areas such as trade tariffs, regulation and non-tariff barriers, marine governance/production/management, public funding and access to labour. This meeting is all about knowledge-sharing and helping to inform the transition. Seafish will be producing an overview matrix of sectoral views to show the key outcomes hoped for in a post-Brexit seafood sector, as well as the things to avoid post-Brexit and the many unknowns. This meeting is part of that feedback process.

3. Overview with focus on seafood trade and food law.

3a. The process towards Brexit: The UK's seven deals to strike. Adrian Gahan, Sancroft International Ltd.

http://www.seafish.org/media/1658826/brexitclg_oct2016_politicalclimate.pdf

This highlighted seven possible options for how the UK could exit from the EU: Divorce settlement (Article 50); Future UK/EU economic relationship; Interim UK/EU deal; WTO full membership; Bilateral trade deals; UK/EU agreement CFSP/J&HA; Deals with Scotland and Northern Ireland.

Discussion

- **Q.** Could bilateral trade deals be conducted in parallel? **A.** Theoretically yes but this would be dependent on the number of civil servants available at any one time to negotiate.
- There is current discussion on whether Parliament should have the opportunity to be involved in the debate on when Article 50 is triggered which will start the negotiations,

3b. Government. Matt Sowrey, Defra.

Matt explained the current position and how Defra wants to get feedback. This is a very fluid situation with a lot of uncertainty. It has been announced that Article 50 will be triggered by the end of March. Initially the focus will be on what needs to be in place on day one of exiting the EU. The Government will not be commenting on the negotiations during the process. Government is re-structuring and the fisheries team within Defra is increasing in size over the next couple of months. The key issues for Defra with regards to fisheries are: access to waters; fishing outside the EEA; quota shares and relative stability; the impact on other countries; tariffs; regulatory and national variations; movement of workers; and third country insights. Defra is in listening mode and wants to hear views and concerns from industry. We also have our own questions. Insight from industry is very welcome.

Discussion

- It would be very useful if the feedback process could be streamlined and Defra could advise on how this feedback should be relayed back to Defra.

3c. Mike Short, UK Seafood Industry Alliance.

The Food and Drink Federation (FDF) and the Provision Trade Federation (PTF), with "the strong support of their seafood members", have announced the formation of new body, the UK Seafood Industry Alliance. Coinciding with the June referendum vote to leave the EU, UK seafood processors and traders have agreed to unite to represent the industry's interests, and campaign for the best possible future arrangements with the EU and other trading partners. Mike highlighted that 14,000 people are employed in the seafood processing sector. Particular issues are:

- Imports. The UK is a large deficit market and has to import – the UK is a major beneficiary of current trade agreements.
- Access to markets. Existing trade routes need to be maintained. A lot of imported seafood raw material is in the form of industrial blocks and the UK has no capacity to produce them.
- Access to skilled labour.
- Mutual recognition of factory standards.
- UK leadership with regards to climate change and Modern Slavery.
- Maintaining funding for science and research.
- UK has helped to drive up standards on IUU, Fishery Improvement Projects, traceability and food fraud. This must continue.

3d. Dan Aherne, New England Seafood International.

http://www.seafish.org/media/1658829/brexitclg_oct2016_nesi.pdf

New England Seafood International is a major supplier of fresh and frozen premium sustainable fish and seafood in the UK and one of the largest importers of fresh tuna.

They are a major importer and import from 32 countries. Particular issues are:

- The weakness of sterling
- Tariff and trade barriers
- Access to labour – 400,000 people are employed in the processing sector overall, with 26% for other EU countries, and it is predicted we will need 110,000 more.
- Focus on consumer, category and currency. This is an opportunity to make fish more relevant to the consumer.
- There is an opportunity to position fish as a luxury product, and as an industry we can invest more in our employees than we have perhaps in the past.

3e. Seafood law. Fiona Wright, Seafish.

http://www.seafish.org/media/1658832/brexitclg_oct2016_seafoodregulation.pdf

Explained the differences between regulations, directives and conventions.

- International Conventions bind the state not individuals, are only applicable to states that sign the convention and do not have enforcement mechanisms. Example: CODEX general standard for the labelling of pre-packaged foods. The effect of EU exit on Conventions – need to choose UK or EU.
- EU Directives bind all Member States to achieve an outcome but leaves to the national authorities the choice of form and methods. Example: Labelling Directive 2000/13/EC. The effect of EU exit on Directives – UK implementing regulations remain in force.
- EU Regulations are binding in their entirety and are directly applicable in all Member States with direct effect on Member States law. They do not need the Member State to enact further legislation. Example: Food Information to Consumers Regulation. The effect of EU exit on Regulations – cease to apply on exiting the EU
- The risk is a lack of input to EU law before the point of UK exit as will remain in UK law even if EU law changes.
- The opportunities are to amend current EU laws and to have an independent voice in CODEX.

4. Panel debate

- **Q.** When are we likely to know about tariffs? **A.** There is no insight yet. This is one of the biggest unknowns. It would be very damaging for the UK to drop out of the current tariff system. The current system must be maintained until we have formal bilateral trade agreements and UK Government has to ensure that this remains the case. It is possible the UK could end up paying in the interim to maintain that level of trade access.
- There is a lot of focus on risk but there is also opportunity. The UK is an important market and has clout. If we have the wrong mind-set we will be punished. There is an opportunity for the industry as a whole to make fish more accessible. The category opportunity for fish is absolutely massive.
- **Q.** Politically it could be said that the UK has not necessarily acted rationally so can we expect the other 27 EU Member States to act rationally? **A.** For the rest of the EU it cannot be seen that exiting the EU is risk-free for the UK. There is also the sense that the EU can't fall apart.
- **Q.** There are a lot of EU Regulations that we rely on that will need replicating/aligning. As an example the EU IUU Regulation. Will we now have to furnish the EU with proof? Is there more that can be done to lobby Government? **A.** This is on the agenda for Government and the IUU Regulation is certainly a red flag. This is all on the radar but there are no clear ideas on the way forward yet.
- **Q.** What role could you see the NGO community play going forward? **A.** It would be very useful to work with the eNGOs rather than against them. It would be useful to work together to put pressure on Government. There is a responsibility on all of us to preserve stocks and the eNGOs could elevate the discussion. The Government remains committed to fishing at sustainable levels and working with both the NGOs and industry. It is dangerous when the country does not have a functioning political opposition so the NGO community has an important role to play to be vigilant on what legislation we keep and what we dispense with.

Feedback on table discussion session with open questions.

The verbal feedback and the feedback collected via the provided forms on the three questions below will be used to populate the overview matrix.

- What are the key things you want from a post-Brexit seafood sector?
- What are the key things you want to avoid post-Brexit?
- What are the unknowns?

6. Fisheries management, control, and funding.

6a. Bertie Armstrong, Scottish Fishermen's Federation.

http://www.seafish.org/media/1658835/brexitclg_oct2016_sff.pdf

Thinks that the opportunities greatly outweigh the challenges and that the UK has a very strong negotiating position. The opportunities are:

- UK functions as a coastal state with control of access to the UK EEZ, using the principal of benefit of the UK; meaningful regionalisation – improved management; and improved access to resource – jobs, community support and seafood leadership.
- What won't change is the TACs and quota allocation infrastructure; the focus on science – ICES advice; sustainability; and environmental protection.

- The challenges are it needs a commitment by UK Governments to a favourable outcome for UK fishing; a period of market change; and addressing manpower resources.

6b. The future of UK fisheries after Brexit. Bryce Beukers-Stewart, University of York.

http://www.seafish.org/media/1658838/brexitclg_oct2016_brycebeukersstewart.pdf

This highlighted the priorities and opportunities for UK fisheries moving forward. This includes: shared management; decisions led by the best available science; re-negotiation of quota shares and distribution; maintenance of trading relationships; maintenance of funding for international science; maintenance of funding for improving fleet sustainability; continued protection of the wider environment; and state of the art ecosystem-based management.

6c. EU Marine & Estuarine Governance and 'Brexit': gaps, overlaps and interactions. Mike Elliott, University of Hull.

http://www.seafish.org/media/1658841/brexitclg_oct2016_mikeelliott.pdf

Possible Risks:

- Loss of research budgets and loss of networking;
- Loss of skilled workers and students (and hence income);
- Reduce or water-down implementation of Directives;
- Norwegian model of selective implementations within EFTA/EEA area (not all sea area);
- Over-emphasis on economics at the expense of the environment ('taking our country back' to the 'dirty man of Europe' days!);
- Loss of influence in setting the environmental, marine and research agenda;
- Urgency re. transboundary marine uses, users and impacts.
- Change all Regulations into Acts – huge backlog of parliamentary time;
- UK still to follow all environmental health and safety regulations to be part of single market;
- Uncertain repercussions for fishery protection coverage and bilateral agreements for reciprocal fishing rights?
- 'Great Repeal Act' – Repeal of the European Communities Act 1972 (ECA) – has to be passed by Parliament?
- Options - keep everything vs. decades of revision (with costs)?
- Repeal of the ECA will not take the UK out of the EU but will mean EU treaties are no longer part of UK law and the European Court has no jurisdiction in the UK;
- EU MS may argue that Britain has no right to repeal a bilateral treaty.

6d. Lessons from the EU-Norway agreement. Suzannah Walmsley, ABPmer.

http://www.seafish.org/media/1658844/brexitclg_oct2016_abpmer.pdf

This presents a huge opportunity to maximise benefits for the UK, ensure sustainable management and productive fisheries as long as we don't negotiate away fisheries for other sectors.

- The requirement is an overarching commitment to sustainability
- It is crucial: negotiation of division of TACs for shared stocks; relative stability within the EU; up to the UK to renegotiate the share according to stock distribution.

- Important: Exchange of quota; an agreed basis for valuing the fishing opportunities; an agreed process and time scale for periodic update; take into account quota division, existing quota swaps; might we lose the flexibility of within-year quota swaps?; industry must be involved in negotiations.
- Advantageous: Technical measures already harmonised; maintain to facilitate cross-border activity? inability to shake off EU inertia? still potential to implement additional measures.

6e. Quota management and Brexit: From scientific advice to vessel limits. Griffin Carpenter, New Economics Foundation.

http://www.seafish.org/media/1658847/brexitclg_oct2016_nef.pdf

Opportunities for quota setting

- Agreements on fixed quota shares (for a certain duration) could be reached with all countries fishing in European waters

Threats for quota setting

- More complicated advice
- Outside the EU structure, economic theory and recent evidence may be borne out again
- UK has a strong voice; EU has a strong voice, but what about the fish?
- Setting the level usually not independent from setting the shares...

Opportunities for quota division

- Can wield 200nm as a bargaining chip, however credible
- Final straw to put relative stability on the table
- May be able to gain greater quota shares

Threats for quota division

- Years of negotiations – took six the first time!
- Movement from historical basis to zonal attachment will be disputed
- May need to negotiate access to waters or quota shares for single market access (as in other non EU members)

Opportunities for quota allocation

- Not a new opportunity, but an opportunity nonetheless
- Seize the national energy and focus
- Can reform allocation to target Government objectives - support SSF, ensure new fishers, create incentives, tighten economic links

Threats for quota allocation

- Some ITQ proposals have already been put forward that would move quota allocation further from Government pledges and long-term objectives

6f. Ruth Westcott, Sustain.

Ruth was representing a fledgling group of eNGOs with concerns over the implications of leaving the EU for the conservation of the marine environment. These include:

- Fear of regulation slippage and the need to maintain standards ie progress re Marine Stewardship Council certification. Need to maintain science-based decision making.
- Fear fishing communities could be challenged and the need to invest in new and emerging markets.
- Uncertainty and fears about a lack of investment, reduced funding and a reduction in monitoring and enforcement.

7. Panel debate

- More resources in the Defra fisheries team is an indication about how seriously Defra is taking the future fisheries negotiations. This is a priority area for Defra.
- The Chancellor has indicated that structured funds, such as the European Maritime and Fisheries Fund, will be available and are guaranteed until 2020.
- **Q.** There has been talk about investment in data collection. If relative stability should be revisited who should pay for that? **A.** A lot of the data already exists so hopefully massive funds are not needed.
- Zonal attachment is a big issue and if this is addressed this should help balance stocks and quota allocation.
- **Q.** Why do we not have stock status information for all stocks in UK waters? **A.** The UK does not have fully documented fisheries. We don't need this to happen because of Brexit we need to do it anyway. In the future we will have options. We could dictate CCTV cameras on all vessels operating within a particular EEZ.
- **Q.** Who should pay for this science? **A.** Loading more operational costs onto the fishing industry means even more rationalisation so we need to be aware of the downstream effects. EMMF is very good as an extra but it does not support the industry. There are always debates over what an industry should pay for. Many take the view that Government should pay.
- Overfishing occurs when quotas are not set in line with scientific advice and too much is caught in specific areas. It is paramount that we all accept the total quantity of the Total Allowable Catch (TAC) set. What matters going ahead is the news structures set up which will be fundamentally changed by Brexit.

8. Feedback on table discussion session with open questions.

The verbal feedback and the feedback collected via the provided forms on the three questions below will be used to populate the overview matrix.

1. What are the key things you want from a post-Brexit seafood sector?
2. What are the key things you want to avoid post-Brexit?
3. What are the unknowns?