

Minutes of the Scottish Seafish Advisory Committee Meeting

Held virtually on Tuesday 31 May 2022

Attendees:

Mike Park, Scottish White Fish Producers Association (Chair)

Members

Iain Matheson, Skye fisherman

Paul Macdonald, Scottish Fishermen's Organisation

Sheila Keith, Shetland Fishermen's Association

Elaine Whyte, Clyde Fishermen's Association Lynne

Forman, Associated Seafoods

Michael Clark, Nor-Sea Foods / International Fish Canners

Observers

Vikki Halliday, Seafood Trade Division, Scottish Government

Donna Fordyce, Seafood Scotland

Seafish

Aoife Martin, Director of Operations

Jess Sparks, Regional Manager

Jack Simpson, Regulatory Advisor (In part)

Minutes

Phillip Quirie, Project Co-ordinator and Administrator

Apologies

Colin Hinds, Topsy Midgie Whisky Bar

John Anderson, Scottish Fishermen's Organisation

Jimmy Buchan, Scottish Seafood Association

Yvonne Rae, George Campbell & Sons

Welcome and apologies

1. The Chair welcomed everyone to the meeting and shared apologies on behalf of Colin, John, Jimmy, and Yvonne.

Minutes of the previous meeting and action arising

2. The Chair invited feedback on the draft minutes of the meeting held on 28 February 2022. The minutes were approved as an accurate record of the meeting.

ACTION 01: Phillip will upload the approved minutes to the Seafish website.

3. Jess reported on the status of actions arising from the previous meeting (Attachment: *01 SSAC 310522 Seafish Update*, pages 2-3). FIS could not attend this meeting to provide a Smartrawl update but confirmed work is ongoing. In regard to updating members on crew welfare issues; Mike noted he had copy of a draft article for Fishing News on the subject, with input and reference from the industry in Shetland. He agreed to send the draft article to Sheila for her input before publication.

ACTION 02: Mike Park to send draft article for Fishing News commenting on foreign crew welfare issues in Scotland to Sheila Keith ahead of publication.

SSAC work programme update

4. Jess provided an update on the delivery of the Seafish work programme in Scotland. (Attachment: *01 SSAC 310522 Seafish Update*, pages 4-8).
5. Paul gave a verbal update on the committee-sponsored By-Catch Avoidance Tool mapping (BAT map) programme. The next phase of the project is in development. Workshop discussions have taken place with Alaskan fishers to gather intel and to understand how they use a similar system. A long-term strategy is being put together to continue this work, and a funding proposal is being prepared for the the next phase of the programme. Jess reminded Paul that a funding proposal can be submitted to SSAC.

ACTION 03: Paul Macdonald will submit a project proposal to secure approval of agreed provisional funding for the next stage of the BATmap programme.

Small haddock project update

6. Aoife provided a verbal update on the supply chain integration project focusing on the poor value of small haddock landings in Scotland and pressures of imported haddock supply chains in NE England. Seafish is managing the delivery of a project that engages key industry stakeholders to consider current issues and think strategically about potential solutions. The approach consists of a programme of planned workshops analysing the problems and how they may be overcome through innovative and alternative commercial approaches. Two of the four workshops have been held to date, with summary reports produced after each workshop. Engagement has been encouraging and there is good collaborative participation across industry in Scotland and England. A further update will be provided at the next meeting.

ACTION 04: Aoife will provide a further progress update of the industry workshops on small haddock and whitefish at the next meeting.

ACTION 05: Aoife will provide Michael Clark with the latest haddock workshop reports

7. Aoife explained that a similar workshop approach will be used to focus on other supply chain issues. The topics that will be covered include:
 - The potential for mussels to be used as an ingredient in food manufacturing.
 - The potential for recirculating aquaculture systems to be used to produce whitefish in response to emerging whitefish supply issues in the UK.

Aoife noted anyone interested in learning more about these projects could approach her directly.

SSAC members update

8. The Chair invited committee members to provide an update from their sector, outlining any pertinent challenges or opportunities.
9. Shetland reported that the same issues highlighted in February affecting the industry are worsening. In particular, spatial competition from the renewable energy sector and Marine Protected Areas; and

general lack of quota continues to be problematic in Shetland. Elaine commented that the Clyde fishers are experiencing similar problems. In addition, Sheila highlighted that an increased number of challenges from environmental NGO's has also become a major reputational risk to industry.

10. The potential for mackerel from South America entering the UK market is a cause for concern and is likely to affect the price of North Atlantic mackerel, which has lost MSC certification. Pacific jack mackerel comes from an MSC certified fishery and whilst major UK retailers do not currently stock products using this species, they are considering it's potential. Added to that, the industry in South America has access to very affordable labour, meaning it can produce high volumes at low cost and undercut the market price of North Atlantic mackerel.
11. The Clyde fishing fleet continues to experience a crewing crisis for both domestic and foreign labour. The fleet is also feeling the adverse consequences of the recent seasonal cod closure. These cumulative impacts are resulting in the fleet losing a number of boats, with owners and skippers giving up fishing activity entirely.
12. Earlier this year Dawnfresh entered into administration, which demonstrates how challenging the seafood industry currently is. It is feared more Scottish manufacturers may follow. Packaging and ingredient costs are experiencing strong inflation, and general procurement lead times are increasing – this is affecting the entire supply chain.
13. In addition to the rise in fuel costs, catchers are also facing increased costs and lengthy waiting lists for engine parts and fishing gear. Some fishers on the west coast can no longer afford new gear, which has led to some owners and skippers tying up and working as crew on other vessels.
14. The time taken to release quota allocations has been a challenge this year and has had knock-on effects on the ability of the fleet to operate efficiently.
15. Scottish Government have had ongoing contact with the Home Office in efforts to address the labour challenges in Scotland. Scottish Ministers are still raising questions and offering solutions; to date the Home Office have refused to award seasonal visas for foreign labour and have thus far been difficult to negotiate with.

Scottish Nephrops programme update

16. Donna shared a brief outline of the programme, explaining that it is an industry working body formed by Scottish Government in October 2020. At this time the Scottish Nephrops sector was in a very critical position with market collapse due to the impacts of COVID. It was seen as an opportune time to bring the sector together and consider a long-term development approach. The vision is to develop a profitable, sustainable, and equitable supply chain, and position Scottish langoustine as the number one quality choice globally. The working group will:
 - Investigate the scale and causes of the sector challenges.
 - Define a strategic vision.
 - Move forward work to optimise additional market and sales opportunities and generate more value.
 - Contribute to Scottish Government economic growth agenda and Scotland's climate change ambitions.
 - Establish, grow, and promote Scotland's position as the global leader in the high-quality marketplace for langoustine and scampi.

This has generated seven key strategies with workstreams to take forward to help achieve this vision. Seafood Scotland manages the workstream programme, members of industry lead most of the workstreams. Scottish Agricultural Organisation Society (SAOS) have been commissioned as a

neutral body to lead the environmental sustainability work as this is regarded as an area where the industry has differing views.

17. Jess and Donna explained there had been some clear progress already under the programme. Some of the workstreams are more advanced than others as some had been prioritized and had been in place longer. Donna noted that engaging fisherman to support attendance at international expos to help promote langoustine in new and recovering markets had proved to be very beneficial.
18. Jess discussed work underway to develop a quality assurance standard for the sector. The collective support and drive from industry to progress this initiative is positive. There has also been collaboration with other bodies such as FIS to support and take forward other dedicated projects for the Nephrops sector.

Energy Intensive Industry Scheme update

19. Aoife gave an update on the Energy Intensive Industry Scheme (Attachment: *02 EIIS brief for industry*). The scheme provides cost-relief to businesses that are high energy users and significant exporters, to ensure UK businesses have parity with competitors in overseas markets for energy costs.
20. The seafood processing sector is not currently included in the scheme, and Seafish was approached by processors to explore how eligibility for the scheme might be secured in the future. Seafish will liaise with relevant associations and businesses to co-ordinate an industry response to the Department for Business, Energy & Industrial Strategy during a forthcoming 8-week consultation period. If future eligibility is successful, UK seafood processors who apply to the scheme could see some of their energy costs subsidised.

Seafish Executive update

21. Aoife presented an update on the Seafish Strategic Review (Attachment: *03 Seafish strategic review May 2022*), outlining the review process, why it took place, and the primary outcomes. The review involved a number of stakeholder workshops and an online survey, gathering views from across the UK seafood industry. Through this consultation process, the seafood industry told us there are six areas they want us to focus on as a priority:
 1. Workforce issues.
 2. Reputation.
 3. Climate change.
 4. International trade.
 5. Insight and innovation.
 6. Fisheries management.
22. Recommendations have been agreed by the Seafish Board following the Strategic Review and are now under consideration by Ministers from all four devolved administrations.
23. As a result of the demand for more focus on these issues, we are making immediate changes to some of our existing activities – it has been decided that we will stop consumer marketing through the Love Seafood brand and make better use of the funding we use for this activity. Aoife confirmed that the resources and budget allocated to Love Seafood and consumer marketing will be redirected and used to support these key priority areas.

New plastic packaging tax update

24. Jack outlined the work we are undertaking to understand the legislation and impact of the new plastic packaging tax (Attachment: *01 SSAC 310522 Seafish Update*, pages 12-32). He outlined the basic aspects of the tax and who in the supply chain is subject to it, as well as outlining the legislative descriptions of packaging and plastic. Registration for the tax is via Government Gateway and tax returns are due quarterly.
25. Jack explained seafood businesses should have this new tax on their radar if they don't already and businesses in scope should start planning their first return. Seafish will soon be publishing bespoke guidance on the plastic packaging tax, and it was agreed that the presentation will be shared with the committee.

Jack offered his contact details and welcomed any follow up enquiries on the subject.

ACTION 06: Jess will circulate the presentation detailing the new plastic packaging tax.

Any other business

26. No other business was raised.

Date of next meeting and close

27. The next meeting is on 11 August and interest was expressed in have the meeting in person, but at a more suitable date in September to avoid August holidays.

ACTION 07: Jess will look for a suitable meeting date for a face-to-face meeting date to take place in Aberdeen in early September.

28. The Chair thanked everyone for their participation and closed the meeting.

Action List

	Action	Timeline	Owner
1.	Phillip will upload the approved minutes to the Seafish website.	July	Phillip
2.	Mike Park will share the draft article for Fishing News commenting on foreign crew welfare issues in Scotland with Sheila Keith ahead of publication.	June	Mike
3.	Paul Macdonald will submit a project proposal to secure approval of agreed provisional funding for the next stage of the BATmap programme.	When prepared	Paul
4.	Aoife will provide a further progress update of the industry workshops on small haddock and whitefish at the next meeting.	Next meeting	Aoife
5.	Aoife will provide Michael with the latest haddock workshop reports.	When available	Aoife
6.	Jess will circulate the presentation detailing the new plastic packaging tax.	June	Jess
7.	Jess will look for a suitable meeting date for a face-to-face meeting date to take place in Aberdeen in early September.	June	Jess