SEAFISH

Note of Pelagic Industry Issues Group meeting held at the Jurys Inn, Aberdeen Airport Hotel, Argyll Road, Aberdeen AB21 0AF. Thursday 22 March 2018.

1. Welcome, introductions and apologies

Malcolm Large welcomed everyone to the meeting.

Alex Wiseman	Scottish Pelagic Fishermen's Association
Aoife Martin	Seafish
Arina Motova	Seafish
Chris Anderson	Scottish Crab Company
Chris Ritchie	Northbay Pelagic
Colin Anderson	Scottish Crab Company
Derek McDonald	Aberdeenshire Council
Guillermo Martin	University of Aberdeen
Ian Gatt	Scottish Pelagic Fishermen's Association
Ian McFadden	Scottish Pelagic Processors Association
Karen Green	Seafish (Minutes)
Malcolm Large	Seafish (Chair)
Marcus Coleman	Seafish
Michael Clark	International Fish Canners
Robert Duthie	Denholm Seafoods Ltd
Robert Stevenson	Lunar FPO Ltd
Scott McKenzie	Northbay Pelagic
Sinclair Banks	Lunar Freezing
Steve Mackinson (via phone)	Scottish Pelagic Fishermen's Association

2. Minutes of last meeting. Malcom Large, Seafish.

The minutes of the last meeting on 18 October 2016 were accepted as an accurate record of the meeting. All the actions arising from the last meeting have been addressed.

3. Appointment of a new Chair for the Pelagic Industry Issues Group. Malcolm Large, Seafish.

John Goodlad has stepped down as Chair of the Seafish Domestic and Export Panel, and as a result with no longer be involved in the PIIG going forward. Malcolm Large agreed to chair this meeting, unless anyone else wanted to step in. Seafish would like to appoint a new Chair for the group and it is advantageous to have an industry chair, rather than a Seafish representative. If this idea is of interest please E: Karen Green. Up until now Seafish had liaised with John Goodlad, as well as Ian Gatt and Ian McFadden to set the date and agenda for each meeting. At the conclusion of the meeting it was agreed that an independent chair was preferable and that Malcolm Large should continue to chair the meeting. It was further agreed that he and Karen Green would liaise with Ian Gatt and Ian McFadden on agendas and timing of future meetings.

4. ICES advice on widely distributed fish stocks (EU and NEAFC)/Fishing opportunities for 2018. Steve Mackinson, SPSG via phone.

http://www.seafish.org/media/1752696/piig_mar2018_icesadvice_tacs2018_spfa.pdf

After the October 2016 meeting there was a request for a more concise stock summary at the next meeting covering the current stock status and the forthcoming TACs. Steve Mackinson has distilled this information into two simple sheets.

Discussion

- **Question.** The North Sea herring stock was benchmarked in February 2018 to try to address inconsistencies in assessment. What is this likely to mean for the 2019

quota? **Answer.** There has been a notable drop in biomass. It probably means the quota will go down
- **West of Scotland and Irish Sea herring** are being re-evaluated by ICES and this will provide the basis for the 2019 TAC.
- **North East Atlantic mackerel** was benchmarked in 2017. The 2018 TAC was 36% less than in 2017 at 816,797 t. This stock will not now be assessed again until September 2018. A lot of data has been collected from tagging and Scottish processing factories are making a big contribution to data collection.
- **Q.** Is this data collection service working fully now? **A.** No not really. There have been technical issues with the tagging instruments and the scanners. We are now changing the way we do this to make it more robust. The factories have been fully co-operating - these are system and protocol issues.
- **Atlanto Scandian herring** is on a downward trend. Biomass is decreasing and the recruitment is not there but this is not down to fishing but a global phenomenon.
- **Blue whiting** is not showing much movement and is another stock much influenced by environmental factors.

Action: Circulate link to SFPA sheets.

5. FIS 020 Project. Feasibility study on an industry self-sampling programme for the pelagic sector. Guillermo Martin, University of Aberdeen.
http://www.seafish.org/media/1752699/piig_mar2018_pelagicselfsamplingfeasibilty_univabdn.pdf
The intention was to establish pelagic fishing vessels as research platforms, mapping changes in the abundance and distribution of pelagic fish, and to work with fish factories to promote the collection of scientific biological data on pelagic fish. The specific aim of the project was to provide advice on the architecture of a pilot study on industry self-sampling in the pelagic sector, the priority information needs that a pilot should address and the requirements necessary to ensure that the data can be used in the ICES arena, and then to provide advice on how this architecture can be used as a model for other sectors to address information needs in less data rich situations. Data has been collected on weight of the fish, fat content, histamine and TVBN levels and bycatch but there is still work to be done with the data generated from the factories. Fat content has been used as an indicator of environmental status. Another index to use in the future is that of histamine as an indicator of freshness. Bycatch has proved to be negligible in the pelagic sector. We are now looking at the information gaps. We have information on what is landed in Scotland by Scottish vessels but not what is landed elsewhere. This is a pilot study and a final report will be published.
Discussion
- **Question.** Are the histamine levels low? As these fish are stored in chilled conditions we would expect low levels. **Answer.** Analysing this data is one of the next steps to be undertaken.
- **Q.** What has been the level of co-operation from the factories? **A.** So far we have not had much direct contact but there are plans for factory visits in May. All the skippers have been very supportive.
- **Q.** Is there a data collection standard in place and being used to guide this? **A.** We are fully engaged with the Marine Stewardship Council and follow their guidance.
- This programme has now been running for two years. The industry needed to be able to provide evidence to either support or challenge ICES scientific advice by collecting information from the vessels and the factories to achieve a more accurate evaluation. In a wider context the pelagic sector has suffered from some reputational challenges so this has been a good initiative for vessels to be involved with. It also feeds into the Fisheries Innovation Scotland report 001 which has reviewed Scotland's marine fisheries and identified knowledge gaps.
- This will hopefully create the opportunity to work much more closely with the factories. That has not been fully explored yet. We are now looking for a PHD student

at Aberdeen University to look closely at fat content as an indicator of environmental status. So that we can use information that is routinely collected for different purposes.

6. Economic evaluation of the EU/Faroe Islands bi-lateral agreement. Arina Motova, Seafish.
http://www.seafish.org/media/1752702/piig_mar2018_eufaroesagreement_seafish.pdf
Arina presented the outcome of the Seafish analysis of the utilisation of the 2016 EU-Faroe bilateral agreement. The full report is available online. In conclusion, in 2016, across quota exchange and access entitlement in the bilateral agreement:

- EU vessels landed 24% of the total permitted landings that could have been made from Faroese waters in 2016 – up from 10% in 2015 and 2014; and
- Faroese vessels landed 84% of the permitted landings that could have been made from EU and Greenland waters in 2016 – up from 81% in 2015 and 83% in 2014.
- Feedback from the fleet was that the value of the access arrangement is much greater to Faroe because of fish quality in EU waters, and that there was no benefit to the UK from access arrangement, yet costs are incurred by Government
- Feedback from the pelagic processing sector was that there was a barrier to achieving benefit from agreement because of the landings tax on Faroese vessels, as well as unfair competition in markets for mackerel from EU waters because of equal quality, and lower cost Faroese product (supported by landings tax).

In planning for 2018 Seafish asked if an analysis of the 2017 agreement utilisation was needed, and if an analysis of the time sequence 2014-2017 was also needed? In addition, would it be useful to differentiate prices for some species using trade or other sources of data, or to look at trade flows/landings?
Discussion

- This is needed in advance of the annual negotiations in December. This is acknowledged as a shocking agreement for the UK but it is unlikely there will be any changes in the short-term. With Brexit looming it would be very useful to have a time series. It may be useful to give this a fresh look and have an analysis for 2017 and for 2014 – 2017. The report needs to be completed by mid to end of October at the latest.
- **Question.** Why has this not been resolved before now? **Answer.** Pressure is being applied and we are constantly lobbying about this. The ‘one year’ mackerel access arrangement has now been in place for four years. The UK Government is fully aware of these concerns.
- The issue of fish being supplied to Russia was raised. This is well-known and the Faroes are taking full advantage. The Seafish report has picked up that the Faroes have overshot their blue whiting access entitlement in 2016.

7. Seafish economic analysis. UK seafood processing sector - labour 2018. Arina Motova, Seafish.
http://www.seafish.org/media/1752705/piig_mar2018_laboursurveys_seafish.pdf
Seafish is conducting an annual survey of the UK seafood processing sector covering workforce composition (nationality, gender, age band, job skill level, contract type), as well as a quarterly survey to look at ease of recruitment (factors affecting recruitment, confidence in recruiting/retaining staff, adaptation strategies). This has shown a high dependency on EEA labour across the UK with a 69% dependency for the pelagic sector, most of whom are employed on a temporary or season basis, and are mostly doing low and unskilled work. Some processing factories are having recruitment issues.
Discussion

- **Question**. Is this the first time this sort of study has been undertaken? **Answer.** If you look at Scottish factories Easter Europeans are actually moving up the skills ladder. It could be useful to track this trend.

- **Q**. Has Government accepted this data? And is it going to do something with it? **A.** Yes Defra is already using it. The Food and Drink industry is doing the same thing.

Action: The annual survey is due to be published in March 2018. The link will be circulated.

8. Marine Stewardship Council certified fisheries. Ian Gatt, SPSG.

The North Sea herring stock is currently MSC certified, with North East Atlantic mackerel and blue whiting annual audits due to carried out in May this year. As both are subject to coastal state agreements it is important that proper audit trails are maintained by SPSG to show we are trying to compile with certification conditions. ICES stock assessment for Atlanto Scandian herring has been subject to a re-assessment the results of which may impact on certification.

9. New Seafish Corporate Plan 2018-2021. Marcus Coleman, Seafish.

Seafish has been preparing for the third Corporate Plan, to run from 2018-2021, which is much more business-focussed and has built-in flexibility. This has now been agreed by the three Seafish panels and the Seafish Board, and signed off by the four devolved administrations. The plan is built around three challenges: the changing political climate and Brexit; consumer demand; access to labour and safety; responsible sourcing; and information exchange. Elements of the plan include a new Scottish Advisory Group and an Export Panel.

Discussion

- **Question.** The levy collected in Scotland is £1.8m and it is likely that one third of that comes from people in this room. There was mention of the new Scottish Advisory Group which has a number of non-levy paying members. There have been changes to the way that Seafood Scotland is funded. This is not very encouraging so we need re-assurances of support in Scotland. **Answer.** We collect £8m in levy, £6m of which comes from England. Seafish is a UK-wide organisation and it is our three panels that have identified our priorities going forward. The role of Seafood Scotland is to promote Scottish seafood, however as a UK-wide body we cannot be seen to promote Scottish seafood, we have to promote UK seafood. We are happy to work hand in hand with Seafood Scotland as illustrated by our collaboration in Japan both with the pavilion at Japan Seafood Expo and with the retail promotion of mackerel in Aeon stores throughout Japan.
- **Q.** The Factory Approval System for exports will need to be replaced if we are coming out of the EU. Equivalence with the importing countries rules for factories is going to be crucial if we are going to be able to compete in global markets. What are the areas of concern as we transition out of the EU? **A. Guidance sought after the meeting.** We will no longer be able to use the oval mark and will need an approval saying that controls are equivalent to the EU. This can be by individual business. The suggestion is the work to progress this is done in partnership with other animal products sectors, potentially the FDF Brexit working group.
- **Q.** Understanding the transition rules is crucial. Following the release of the draft transition arrangement do we expect the current trading rules and regulations to remain unchanged until after December 2020? **A. Guidance sought after the meeting.** The PM issued a letter to business https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/694049/PM_MEC_Letter_to_Business_23_March_2018.pdf The letter says that everything will stay the same until 31 December 2020, including third countries being informed that the UK is still in the EU for trade and international treaties. It was in the EU draft agreement that there will be no additional checks for Product of Animal Origin (POAO) during the implementation period.
- Brexit does present an opportunity for Seafish to show it can help but we need to be aware of bigger issues impacting on industry.

- **Q.** How is the Seafish budget split? **A.** The budget is equally spread across the five challenges over the three years (around £5m each) including overheads. In addition we also have a Strategic Investment Fund of around £400,000 which has been ring-fenced. We need to get out and about more to tell people what we are doing. As part of this the last Seafish Board meeting was in Grimsby and there will be a Board meeting in Peterhead in September.
- **Q.** How can we get a clear distinction between what Seafish is doing and what Seafood Scotland is doing, and how they support each other? **A.** For clarity Seafish will produce a document depicting what the landscape looks like in Scotland, who is responsible for what and how they dovetail.
- **Q.** There were questions over how many pelagic vessels were in RFS and what has been the progress re a group certification of pelagic vessels? **A.** In January 2018 RFS certified vessels accounted for 27% of landings by UK registered vessels by weight and 19% by value. There are currently seven pelagic vessels in the scheme and it would be great if more pelagic vessels were engaged. Pelagic vessels will only engage if the is a good scheme and vessel owners see a real benefit in joining. It was acknowledged that RFS does help in selling abroad. There is a lot of interest on an international stage.

<u>Action:</u> Seafish to report back to Ian Gatt on progress with RFS.

10. Export support. Malcolm Large, Seafish.

- **Trade stands.** Seafish has been helping support exports to China and Japan and will continue to do this. Seafish worked with Seafood Scotland on a Pavilion at the Japan Seafood Show, which was partially branded Scottish and partially branded British. This allows each party to meet it obligatory requirements re generic promotion and maximise budgets. In addition Seafish has contacts within the various trade departments and Embassies and events have been organised at the various British Embassies to meet key people. At Brussels in April Seafish has a stand with meeting facilities. We are still looking at Far Eastern markets for pelagic and shellfish interests.
- **Potential exporters forum.** Seafish has been running a very successful Importers Forum for a number of years and is now thinking about launching an Exporters Forum however there are three hubs of export activity – in Scotland (predominantly high volume commodity), Humber (branded) and South West (high value, low volume) and Seafish needs to determine whether one group could meet the needs of all interests.
- **Mackerel promotion.** Seafish has supported a mackerel promotion through SDI and AEON.

However there is flexibility to offer support in other areas.

<u>Discussion</u>

- **Question.** Is there an increase in the budget to support exports? For the levy raised from pelagic species there seems to be minimal funds for export marketing. **Answer.** There was not a great deal of support for marketing exports from the three Seafish panels, however the Seafish Board overrode this. The budget is split across a number of activities and budgets and we are leveraging funds from other sources such as EMFF.
- There was support for a presence in China and Japan going forward.
- **Q.** Is there any news on what might replace EMFF going forward? **A.** We are not aware of any replacement structural funds. Government has recognised that there will need to be a replacement

11. Future of this group going forward. Malcolm Large, Seafish.

Malcolm posed a number of questions. Should this group continue to meet? Does this group help to meet the needs of the sector? It has been 16 months since the last meeting. Should we continue to have one meeting a year or should the group meet on an ‘as needed’ basis. Is there another forum that fulfils the same function? This group was originally formed because no other group brought together catching, processing and science interests.

The consensus was that the meeting needs to be representative and that as long all sectors were represented the group should continue. There was definitely felt to be value in the meeting today. As there does not appear to be any other forum for the pelagic sector that brings together catching and processing interests so there was an appetite for this group to continue to meet once a year. Autumn is the preferred time when the new ICES advice comes out but Oct/Nov has proved to be a difficult time, particularly for the catching sector, to set a date hence this meeting in March and a 19 month gap between meetings. The proposal is that we hold the next meeting at the end of September just before the ICES advice is officially published (but will be known by SFPA). W/c 24 September was suggested and coincidentally the Seafish Board meeting is pencilled in for Tues 25 and Wed 26 Sept in Peterhead so there is the potential for the two meetings to dovetail and some Seafish Board members could potentially attend PIIG as well.

12. AOB and date of the next meeting
The date for the next meeting was not set but is likely to be w/c 24 September 2018 in Aberdeen. October and November are busy months for the pelagic sector