

Minutes of Supply Chain & Consumer Panel Meeting

Held on 9 May 2022 by video conference

Present:	Dr Tom Pickerell	Independent Chair
	Leah Buckley	British Retail Consortium
	Andrew Crook	National Federation of Fish Fryers
	Mark Drummond	Independent, Fish & Chip Sector
	Ingrid Kelling	Herriot-Watt University
	Andrew Kenny	National Federation of Fishmongers
	Stuart Price	Nomad Foods
	Giles Quick	Kantar World Panel
	Sarah Riddle	Northern Light Consulting Ltd.
	Oliver Tanqueray	Client Earth (Seafood Sustainability Coalition)
	Julie Waite	Frozen At Sea Fillets Association (FASFA)
Apologies	Mike Berthet	Independent, Food Service; Deputy Chair
	Steve Challouma	Nomad Foods
Seafish:	Dr Lynn Gilmore	Director of Communications and Engagement
	Aoife Martin	Director of Operations
	Stuart McLanaghan	Head of Responsible Sourcing (climate change item)
Board observers	Mike Mitchell	
	David Brooks	
Minutes:	Helen Duggan (Secretariat)	

Welcome & Apologies

1. The Chair welcomed everyone to the meeting. A specific welcome was extended to Stuart Price who was attending his first meeting.
2. Apologies were received from Mike B, Steve and Marcus. No declarations of interest were shared.

Minutes of Previous Meeting(s)

3. Feedback from Julie had been incorporated into the draft minutes shared ahead of the meeting.
4. The minutes of 27 October 2021 were approved as a true record with no further amendments required.

Action Tracker

5. All actions arising from previous meetings are complete.
6. Updates on Seafish' Carbon Footprint work and the Scottish Haddock supply project will be shared under agenda item 5.

Outcomes of the Seafish Strategic Review

7. Lynn shared a presentation outlining the three clear outcomes of the strategic review:
- a) There is an overwhelming need for Seafish to keep supporting the seafood industry to thrive;
 - b) Our current work programme was widely and positively endorsed, with a clear steer on the highest priorities for industry right now; and
 - c) Industry acknowledged that, to move forward with purpose and ambition, Seafish needs to be funded to deliver the support they need. This means we will be asking the Government to review the Seafish levy.
8. The Seafish Board has produced a list of recommendations that will help us meet the needs of the seafood industry and Government. The recommendations cover our:
- a) Function ('What' Seafish will deliver based on industry priorities);
 - b) Form ('How' Seafish will deliver on our priorities, engage with stakeholders across the UK and ensure we have the right governance arrangements in place); and
 - c) Funding (ensuring Seafish is financially viable into the future.)
9. Subject to ministerial approval from across the four administrations, Seafish will start to implement the recommendations made by the Board. As we move into the last year of the current Corporate Plan, the package of recommendations set out the future direction for Seafish so that we can continue to support the UK seafood industry to thrive. Feedback on the recommendations was sought from the panel.

Function:

10. The panel expressed general satisfaction of what's being covered across the 6 priority areas of work:
- i. Workforce issues;
 - ii. Reputation;
 - iii. Climate change;
 - iv. International trade;
 - v. Insight and innovation; and
 - vi. Fisheries management.
11. It was noted that we will need to make it clear what the scope of work is in each area, particularly reputation given this is such an overarching topic. The Corporate Plan development process will be assisted by the clear steer the Strategic Review has given us. How we propose to focus on the priorities presented will be shared with panel members prior to being presented to the four devolved administrations for ministerial approval.
12. There was some disappointment shared regarding the decision to stop our direct consumer marketing through the Love Seafood brand. It was also noted that it was good to see Seafish willing to make tough decisions. It was agreed that it is important to make sure we maintain a focus on facilitating industry dialogue with consumers, particularly in terms of responsible sourcing and sustainability credentials. We will continue to help industry positively connect with consumers through our market insight function and by producing outputs that help industry convey the key messages to consumers themselves.

Form:

13. Members confirmed support for the recommendations and agreed that regular reviews aligned with the 5 year Corporate Plan cycle would avoid the need for long overdue step changes in future. It was noted that Seafish' ability to flex and respond to industry's changing needs in between reviews also needs to be protected.

Funding:

14. Aoife confirmed that the review of the Seafish levy is broader than simply amending levy rates and will involve a complete overhaul of the system. Further industry consultation will start later this year and we hope to present the first series of changes for ministerial approval next year. An update will be shared at the next panel meeting.
15. Our approach will remain sensitive to the wider economic context the review sits within. Members agreed that there is a need for a fair, transparent and equitable system and that levy should apply to all product formats and all species of seafood. The panel agreed that it is important that the equitability of the refreshed approach can be explained clearly. It was also noted that the context of why change is required should be kept prominent in all communications throughout the process.

ACTION – Helen to share the Strategic Review Update presentation slides.

Seafish Update: Climate Change Mitigation Update

16. Stuart McL shared an outline of our [Seafood CO2 Emissions Profiling Tool](#) redevelopment project, which is a key aspect of our climate change work programme. The intended industry benefits of the tool are to:
 - a) build understanding of carbon footprint of products and supply chains more generally;
 - b) help industry to estimate the carbon footprint of their specific products;
 - c) identify emissions hotspots; and
 - d) support messaging with consumers and wider stakeholder groups.
17. Work has already been completed to address glitches and aesthetic issues in the existing tool, to enable its continued use in the short-term. Phase 2 of the project (currently underway) is focussed on reviewing and refreshing the methodology to make sure the outputs meet wider recognised standards and protocols for data collection and presentation. This will be informed by the key findings from both Seafish's commissioned expert report ('Recommended changes to Seafish's Online GHG Profiling Tool for 2023 and Beyond') and workshops to be held during the summer to capture input from industry stakeholders. In addition, we aim to establish credibility on the robustness of the outputs by convening an international science panel to consider key findings and the most appropriate alignment with the latest standards, datasets and recognised reporting protocols.
18. The revised version will be accessed via a one-stop-shop platform for industry stakeholders looking to profile the emissions for their seafood products and supply chains, supported by user guidance materials. It will include aquaculture as well as wild fisheries. It is proposed that the resource will be made available (password protected) for industry use only.
19. Members shared positive feedback on Stuart's presentation, noting that the work is insightful and aligned with industry needs. It was clarified that domestic and international sources will be in scope, but there are challenges in availability of granulated data. There is currently no mechanism to break down what volume of landings come from domestic and international landings. The tool will include UK fleet vessel segments which will present data for the domestic sector. A collaborative approach to development is being explored to make sure our work is aligned to and complements other efforts in this space.

ACTION – Helen to share the Seafish Carbon Emissions Profiling Tool presentation slides.

Seafish Update: Small Haddock Project

20. Aoife shared an update on work underway to support industry to navigate complex supply chain issues. The small haddock project has been a catalyst to try a fresh approach in tackling these issues by bringing together key industry representatives who have the interest, knowledge and capability to consider the problem and help identify potential solutions via a series of ‘task and finish’ workshops.
21. The first of four workshops, focussed on small haddock, has successfully established a clear understanding of the problem. The second will explore what the supply chain’s ambitions are. The remaining workshops will focus on what the options, opportunities and potential solutions are, exploring whether the benefits outweigh the costs. A report summarising the outcome of the workshops will be made available at the end and the effectiveness of the approach will be reviewed throughout.
22. The driver for the small haddock project reflects the impact that high processing prices are having on the market price for small haddock and wider concerns from amongst the Scottish catching sector that the fishery is no economical. This challenge also sits within the context of wider issues affecting the supply of raw material to the UK market, not least the impact of the Russia/Ukraine war on imports. Seafish is in a unique position to bring together a range of stakeholders to establish a common understanding of the problems and facilitate collaboration to identify potential solutions.
23. Even if there is no clear viable solution, the first workshop has provided a forum for useful and insightful discussions. Collaboration has already increased between different parts of the supply chain.
24. Discussion clarified that the ‘small haddock’ being referred to is almost fully grown, as opposed to being juvenile. Limiting factors affecting growth are thought to include feed availability and the species’ natural response to fishing pressure - they respond to survive by maturing at a smaller size. Much of the catch is currently used as bait and it can take up to 4 fillets to make one standard portion size.
25. In-keeping with Defra’s increased focus on food security on the back of the emerging Russia/Ukraine crisis, there are two other further ‘task and finish group’ projects underway:
- a) Is there scope for mussel meat to be used as an ingredient in food production?
 - b) Is there potential to use Recirculating Aquaculture Systems (RAS) to increase white fish production in the UK?

Nomad is already engaged in discussions on both topics and Sarah will be invited to attend the RAS workshops.

ACTION – Panel members to contact Aoife if interested in directly contributing to this work.

Industry Issues

26. Inflation and increasing commodity costs continue to be an issue for all sectors. Issues with quality and availability of raw materials are being experienced as well as increasing prices. Economic recovery post pandemic has been stalled for many businesses. This is affecting businesses across the supply chain, and since raw material price increases have yet to be passed to the consumer, further difficulties are expected when this does happen. There is hope the challenges may be a catalyst for development too.

27. Labour shortages also remain a challenge across all sectors. The housing crisis in Scotland is a key barrier to attracting people to relocate. There are live discussions on how work permits for refugees could provide a positive contribution. Many people are overstretched and there is stress on product development in retail as supply is under so much pressure.
28. There is great diversity in the Fish & Chip (F&C) shop sector, so the impact of the inflation and actions that businesses can take to survive vary based on location and customer demographic. There was disappointment the government didn't delay the return to 20% VAT in the Spring Statement. Many shops that depend on low consumer prices will close, particularly when the VAT bills become payable. Media focus on the sector is having a mixed impact. The NFFF is trying to encourage community support by shifting the narrative to relay the human cost as people lose their livelihoods. There will be some positives as businesses think innovatively and adapt; the dialogue with government is focussed on trying to help these businesses survive.
29. The discussions on the implications of impending sanctions on Russian origin whitefish supply has highlighted the lack of credible data available relating to the F&C sector. The Seafish Economics team is hoping in the future to expand the scope of its annual data collection to also include F&C and aquaculture sectors.
30. Requirements for nutritional data to feature on product labels doesn't currently apply to small businesses yet but it is expected. Seafish has previously produced useful information via the 'Enjoy fish and chips' webpages which could help with this labelling requirement.

ACTION – Helen to explore what F&C data is still available and whether it needs to be refreshed before being re-published.

31. Inflation, energy costs and staff shortages are major issues in the fishmonger sector too. Businesses are working smarter but reduced margins makes progress difficult and limits success. A need for a simple food management system specifically for fishmongers has been identified. It may be something the Food Standards Agency need to lead on (as opposed to Seafish).

ACTION – Aoife and Andrew K to discuss the need for a simple food management system specifically for fishmongers and agree what Seafish can do to help. A progress update will be shared at the next meeting.

32. For the processing sector, the impact of Russia sanctions and resulting inflation is the biggest issue, shifting the supply dynamic at a global level. Covid highlighted the importance of supply chain resilience and there is a lot more work to be done to identify how best to keep moving forward.
33. Russian cargo coming into Europe is under increased scrutiny, which is slowing the movement of product through the supply chain. Hoki and hake are the top alternative whitefish options being explored by many. Corn, wheat and oil supplied from the region are significant components for the global aquaculture feed supply chain. The reaction of consumers to the situation is a consideration too.
34. Sustainable Seafood Coalition members are confirming that any sourcing policy decisions being made in response to the conflict in Ukraine will be long term, so they are considering options carefully before acting to secure supply. The Seafish Common Language Group session on this topic was very helpful and follow up sessions as the situation develops would be welcomed.

35. Representatives from the major retailers have a wide remit and seem to have less capacity to attend meetings specifically focussed on seafood. It's unclear whether this is a short-term challenge or an emerging trend. It was noted that in the current operating climate there is an increased need for all key stakeholders to prioritise which meetings they can attend and an increased risk of 'initiative fatigue'. It's more important than ever to coordinate alignment and make sure dialogue is as streamlined as possible.
36. Consumer behaviour relating to eating and drinking habits is shifting at an unprecedented speed. Giles shared two key observations:
- a) The consequences of the pandemic include new working practices, with many people now working from home 2-3 days per week. This is resulting in more home cooking, more local shopping, earlier eating and different eating habits. There has also been huge growth in plant-based food consumption.
 - b) The 'eco active' consumer group, whose behaviours reflect their attitudes toward sustainability, currently make up 25% of the Western Europe population. Kantar's recent report on sustainability forecasts this group to grow to 75% of the population in the next 10 years. There is a need for the whole food and drink industry to keep in step with this significant shift in consumer behaviour.

ACTION – Helen to share published extracts of the Kantar insight report with the panel on Giles' behalf.

37. Several critical reports highlighting labour abuses in the UK catching sector will be released in the coming weeks. Strong media interest is likely. Ingrid advised that this could impact on consumer preferences too, particularly in the context of the insight Giles has shared. Seafish is supporting businesses across the supply chain in these issues, particularly through our work with the Seafood Ethics Action Alliance and the Fishermen's Welfare Alliance. Everyone recognises that the transit visa system is an issue and efforts to get it replaced are ongoing.
38. Seafish has supported the FSA and government to agree derogations relating to ingredient (oil) substitutions to minimise the disruption being caused due to the conflict in Ukraine. Fish substitution is incredibly difficult unless the existing label states 'white fish'.

ACTION – Aoife to arrange for Leah to receive the latest information on ingredient derogations from Fiona

AOB

39. Giles was sincerely thanked for his service to the Panel over the last 6 years and wished all the best for the future.

Date of next meeting

40. The next meeting will be held on 18 October 2022. It was agreed that a blend of meetings held virtually and in person would work well.

ACTION – Helen to coordinate arrangements for the next meeting to be held in person in London.

41. Everyone was thanked for their strong contributions and high-quality discussion.

42. The meeting closed at 13:00.

Action list

No.	Action	Timeline	Owner
1.	Helen to share the Strategic Review Update presentation slides.	May	Helen
2.	Helen to share the Seafish Carbon Emissions Profiling Tool presentation slides.	May	Helen
3.	Panel members to contact Aoife if interested in directly contributing to the work on small haddock, mussel meat or whitefish aquaculture production.	Summer	Panel Members
4.	Helen to explore what F&C data is still available and whether it needs to be refreshed before being re-published.	Update at the next meeting	Helen
5.	Aoife and Andrew K to discuss the need for a simple food management system specifically for fishmongers and agree what Seafish can do to help. A progress update will be shared at the next meeting.	Update at the next meeting	Aoife
6.	Helen to share published extracts of the Kantar insight report with the panel on Giles' behalf.	May	Helen
7.	Aoife to arrange for Leah to receive the latest information on ingredient derogations from Fiona.	May	Aoife
8.	Helen to coordinate arrangements for the next meeting to be held in person in London.	Summer	Helen