

Supply Chain & Consumer Panel

Virtual meeting held on 28 September 2020

Minutes prepared by Helen Duggan

Present:

| | |
|------------------|---------------------------------------|
| Chris Lamb | Chair |
| Yvonne Adam | Youngs Seafood |
| Steve Challouma | Nomad Foods |
| Andrew Crook | National Federation of Fish Fryers |
| Mark Drummond | Fish & Chip Sector Representative |
| Andrew Kenny | National Federation of Fishmongers |
| Malcolm Large | FASFA |
| Giles Quick | Kantar World Panel |
| Leah Riley Brown | British Retail Consortium (BRC) |
| Oliver Tanqueray | Client Earth |
| Sarah Riddle | Northern Light Consulting Ltd. (PART) |

Seafish:

Mike Mitchell (Board Member)
Marcus Coleman
Aoife Martin
Hazel Curtis
Helen Duggan (Secretariat)

Guests:

Ana Witteveen (Economist)
Angus Garrett (Horizon Scanning)

Apologies:

| | |
|--------------|------------------------------------|
| Mike Berthet | Food Service Representative |
| Craig Maw | National Federation of Fish Fryers |
| Declan Byrne | Seafish Finance Director |

1. Welcome, Introductions and Apologies

- 1.1. The Chair welcomed everyone and outlined the format for the virtual meeting.
- 1.2. Apologies were received from Mike Berthet and Craig Maw. Craig's deputy, Andrew Crook, joined the meeting in his place. Sarah Riddle joined the meeting from 3pm.

2. Minutes of the previous meeting

- 2.1. The minutes were adopted as a true record of the meeting. No points were raised for discussion.

3. Actions arising

- 3.1. Helen will share the 'Micro plastics in seafood' key features summary once available.
- 3.2. Transferring the Direct Sales Business Directory over to the new Love Seafood website is not in our plans for year one, but we have asked our web agency to consider a proposal of how we could incorporate it. All businesses featured have been notified of the change.
- 3.2.1. The Fishmongers' Company's new website <https://discoverseafood.uk/> aims to help consumers find, cook, and eat local, seasonal catches from across the UK and helps you learn about the fishermen, communities and heritage behind them. Whatever approach we take for Love Seafood will seek to avoid duplication with this resource.
- 3.3. Helen confirmed that Love Seafood activities will feature well known online influencers.
- 3.4. All other actions arising have been completed.

ACTIONS:

1. Helen to share the 'Micro plastics in seafood' key features summary once available.

4. Seafish Roundup

Marcus outlined key activities of interest to the Panel.

- 4.1. The significant reduction in levy due to the pandemic has unfortunately led to Seafish having to make redundancies. Most individuals affected will be leaving the organisation within September. This will lead to a slight reduction in the scope of our activities. The impact will become clear within the next couple of months. The health and wellbeing of staff remains a key priority. Both offices remain closed and this will likely remain the case until 2021.
- 4.2. Seafish remains focussed on providing the right level of support to industry. The three high priority work areas are Covid Recovery, EU Exit and Love Seafood – progress updates on each follow. Marcus also highlighted ongoing work following the Inshore Fisheries Management Conference and progress being made by the North Atlantic Pelagic Advocacy group.
- 4.3. The pandemic delayed plans to undertake a strategic review in 2020, however preparations have now started for the review to take place during 2021. Discussions with Defra and the Devolved Administrations to guide our approach are underway. Consultation with industry will follow next year and will start with the Panels, once the elections currently planned for May have taken place in Scotland, Wales and England. The aims of the strategic review are to strengthen our offering to the Seafood sector and to secure a sustainable financial model for Seafish.
 - 4.3.1. The Scottish Seafood Association (SSA) report calling for a fundamental change to Seafish and Seafood Scotland is unconnected. The SSA is aware that their input will be sought during the industry consultation period next summer.
- 4.4. Defra has advertised posts for the Seafish Board Chair and four Non-Executive Board Members. Applications from Panel members are welcome; the current Chair and Executive Team would be happy to support with further information, if the opportunity is of interest. (Action 2)
- 4.5. All Seafish B2B marketing events, including the Fish & Chip Awards, will be systematically reviewed to explore what benefits they can deliver to our seafood sector stakeholders. We will consider how we can best deliver the outcomes that businesses want, while ensuring alignment with Love Seafood. Some activities may return refreshed, some may be stopped and some new activities may be introduced. Mark Drummond noted that it would be helpful for Seafish to communicate to industry what is intended regarding these events. Hazel agreed to advise the panel when the review would get underway. (Action 3)

ACTIONS:

2. Helen to circulate Defra's call for Seafish Board appointments.
3. Hazel to arrange for industry to be updated on the review of Seafish B2B events.

5. Industry Roundup

Members share updates on the key issues affecting the sectors they represent.

- 5.1. **Mark D** noted that National Fish & Chips Day was held on 4 September and expressed a wish for Seafish to support this event in future, to help maximise its potential. The Seafish on-shore training team are to be congratulated on their success in promoting and delivering on-line training courses for the F&C sector. The F&C sector's focus on nutrition and environmental issues (eg use of plastic) has decreased but is expected to return at some point.
- 5.2. **Andrew C** noted F&C outlets are doing quite well, including those in lockdown areas; the toughest trading conditions are in city centres. The NFFF has launched a new [Fish and Chip Guide](#) website, which will help consumers locate F&C outlets and order online. (Action 4)
- 5.3. **Malcolm** reported that business for FASFA members has bounced back relatively quickly and performance is now not far behind last year. Malcolm is developing a 'key messages document' to help protect and enhance the reputation of the F&C sector, particularly in response to negative media stories. The NFFF and Seafish Communications and Marketing teams will contribute to this work.
- 5.4. **Andrew K** confirmed that improvements to the transport infrastructure have resulted in supply issues subsiding. Trading for many remains strong, with the heightened interest in seafood and independent retailers continuing in many areas. The sector's innovative response to the pandemic has gained new

customers; this focus and effort is expected to continue. An emerging issue is the absence of staff. The Yorkshire and Lincolnshire Training Network is facilitating collaboration in regards to the Kickstart scheme, recruitment and promotion of careers in seafood.

- 5.5. **Giles** shared a brief overview of the consumer behaviour outlook for the 'next normal' that is starting to take shape.
 - 5.5.1. The shift to working from home is inevitably going to have a fundamental impact on how we shop and consume food. It will lead to an increase in shopping locally, more home cooking and more family meals. We have a new generation of online grocery shoppers; e-commerce is expected to continue to grow rapidly. This presents a major growth opportunity for brands and categories. However, marketing needs to adapt to how differently consumers shop online.
 - 5.5.2. The recession will very likely result in a drop in consumer experimentation. Unemployment and consumer insecurity will drive a significant portion of the market, so price will become really important. During a recession, home cooking increases but is quite mundane, snacking and low cost treats become important and health takes a back seat. Consumer confidence could take a couple of years to return, which is when the focus on health and environmental concerns would be expected to return too.
 - 5.5.3. Potentially, five phases could be expected – Covid response; recession; possibly a second spike; recovery; reset. Some predict that things may not settle down until 2025. (Action 5)
- 5.6. **Oliver** noted there are big differences in where sustainability sits on the agenda across the SSC membership. Retailers have mostly returned to pre-pandemic working patterns, whilst distributors and many processors remain focussed on commercial priorities. Some SSC members have been lost, however this is balanced with prospective member enquiries from major Food Service businesses that are clear that sustainability is a key part of their agenda going forward. Key themes for the next SSC member meeting include traceability, the opportunity to collaborate with the Global Dialogue on Seafood Traceability (GDST) and the sustainability of Aquaculture Feed ingredients.
- 5.7. **Leah** echoed Oliver's observations on the different priorities across the industry sectors. Retail is in a fragile state of recovery, with the latest year on year figures showing all retail is up by 4.1%, non-food retail is down 6.7% and internet sales are up by 52%. BRC is actively engaged with all levels of Government to aid preparation for the end of the EU Exit Transition Period. BRC's work to develop a UK retailer climate change roadmap continues, focussed on de-carbonising supply chains. Leah will share more information on this in November. Aoife confirmed we'll share an update on Carbon Footprint work at the next meeting. (Action 6)
- 5.8. **Yvonne** noted that seafood sales growth in retail has slowed during August, at least partly due to Eat Out to Help Out. Overall the market performance is still up; the transfer of sales into pre-pack seafood products from chilled fish counters is being sustained. Yvonne also noted signs of recovery in the food service sector however uncertainty relating to school meals still remains. The launch of the M&S and Ocado partnership plays into the phenomenal switch into online shopping. Seafood is over-indexing in this category, which is really positive for the businesses able to capitalise on this. There are signs retailers are getting ready to stock build in advance of a potential second wave and the end of the EU Exit Transition Period.
- 5.9. **Steve** confirmed the total frozen market continues to be resilient, with fish in the frozen category up 15% year on year in the last quarter. Factors to consider include potential volatility due to big retailers implementing price strategy changes and sustaining the level of new customers to the frozen fish category (750k new households in the last quarter). Pressure on the availability and pricing of pollock is expected in the next 6-12 months. Preparing for the end of the EU Exit Transition Period remains the primary focus in the short term.
- 5.10. **Mike B**, who was unable to attend, shared his input for this item before the meeting. (Action 7). Key elements were:
 - 5.10.1. Anecdotally, distributors of seafood are operating at around 60% of their pre-Covid numbers. The reduction of VAT rate in hospitality from 20% to 5% has been extended to March 2021, which will help. Coastal towns and cities and the Lake District have been operating at 100% of normal business levels up until schools returned. London and other cities are still struggling to get past 30%-40%. There are exceptions (e.g. The Ivy Group are at around 80%).

- 5.10.2. The shift to working from home is leaving sushi takeaways, Compass Group and Sodexo struggling. Seafood features heavily in many summer hospitality events which didn't happen. With gatherings now restricted to six people the cancellation of banqueting season will be another blow. Pubs have been a success story with 94% open by the end of August; Eat Out to Help Out helped. At the end of August 84% of restaurants had re-opened (64% at the end of July). Many pubs and restaurants are carrying on with their own weekday discounts. Many smaller pubs have [shut permanently](#).
- 5.10.3. The biggest threat to the recovery and future of hospitality is £1bn rent falling due over the next quarter; landlords will be allowed to issue 'winding up orders' against tenants which fail to pay rent. Further shutdowns of pubs and restaurants in local lockdowns will have a devastating effect. It is estimated that over one million hospitality staff are still on furlough.
- 5.11. **Sarah** reiterated observations that retail market growth remains positive, with less promotional activity resulting in improved margins, whilst the food service market remains slow and cautious, peaking at 70% of normal levels during August but now dipping away again. The export market is fragile and facing exceptional logistics cost increases, particularly to the USA. The end of the EU Exit Transition Period is prompting a drive for security of volume (over price) by those who have the capacity, particularly in frozen white fish. Most processing sites remain closed to visitors due to Covid. The pandemic has been a catalyst to develop remote auditing solutions. The appetite for innovation in the primary production and supply chain sector remains strong. Sustainability remains on the agenda too.
- 5.12. **Mike M** noted the importance of the ongoing work on sustainability and social responsibility, which would be discussed in more detail in any other era. Forums driving progress include the [Ethics Common Language Group](#), the associated [Seafood Ethics Action Alliance](#), the [Fishermen's Welfare Alliance](#) and the [North Atlantic Pelagic Advocacy](#) group. Mike expressed thanks to the Seafish team for helping these forums come together. The potential impact the Fisheries Bill may have on industry reputation with consumers is one to watch, as this will replace the regulatory framework of the Common Fisheries Policy. Many of the promising environmental elements that had been incorporated into the draft Bill may be in jeopardy, particularly on catch documentation, remote electronic monitoring and traceability. The SSC are hopeful further consideration may be prompted when the Bill goes back to the House of Lords (likely November). Contact Oliver for further information.
- 5.13. Angus confirmed the observations shared by the Panel all align to other sources. He added that reports were picked up (early summer) on product integrity issues (rogue traders) and challenges facing some businesses in relation to price fluctuations. A systematic approach is being taken to keeping a watching brief on the changing landscape, with potential pathways outlined that range from optimistic to pessimistic.

ACTIONS:

4. Helen to circulate the link to the NFFF's [Fish and Chip Guide](#).
5. Giles to present a UK Seafood Market Insight update at the next meeting.
6. Seafish to share an update on Carbon Footprint work at the next meeting.
7. Helen to circulate Mike Berthet's input for this agenda item.

6. COVID 19 – Seafish Activity Update

- 6.1. A key aspect of the recovery phase is exploring lessons learnt and sharing insight so businesses can reflect on the implications of a second spike and the impact of the pandemic on their long term viability. The Economics team coordinated an assessment of the pandemic impact so far.
- 6.2. Ana, one of the lead authors, outlined the purpose and outputs of the [Overview of Covid 19 impacts on the seafood industry](#) report which has just been released. The report provides a high level, whole supply chain view of impacts on the UK seafood sector, based on intelligence gathered from the whole UK and across the sector.
- 6.3. This first edition spans pre-lockdown to June and includes analysis of specific sectors, case studies and a mix of qualitative and quantitative data. Future outputs from this activity will be released

quarterly. The next edition is due in December and will include data from the Seafish processing & fleet surveys.

- 6.4. Panel members are asked to promote the resource to their members and colleagues. Feedback and contributions of insight for future outputs can be shared with ana.witteveen@seafish.co.uk.
- 6.5. Oliver recommended the team contact George Clark at the MSC who is currently completing his Masters dissertation on the impact of Covid 19 on the home delivery sector and consumer attitudes to seafood.

ACTIONS:

8. Helen to share Ana's presentation and links to the Covid impact report.

7. EU Exit Transition Support

- 7.1. An updated EU Exit Guide was launched in early September – renamed the [End of Transition Period Guide](#). It provides general advice for the UK seafood industry on preparing businesses for the end of the Transition Period. Content is partly guided by questions that industry stakeholders ask Seafish. The guide focuses on three areas: food safety, traceability and trade. It is web based so it can be updated easily and frequently as new information becomes available. A key change in content is distinguishing between the requirements that apply at a UK level and those which only apply to Great Britain, and therefore not to Northern Ireland.
- 7.2. Seafish is supporting Defra and DAERA to understand and outline the implications of the Northern Ireland protocol. Most issues relate to the acknowledgement of 'at risk' goods and which side of the border the checks and balances will apply. It will impact any UK seafood business with Northern Ireland product in its supply chain. A standalone guide will be produced to help industry understand the changes being implemented.
- 7.3. Emerging issues are being identified as businesses prepare and adjust. Issues are typically identified by a single company but the likely impact is usually much wider. Our approach is to work with businesses to understand the issue, collaborate with the relevant regulator to provide a solution and then update businesses likely to be affected. It's detailed, complex work but Seafish has the expertise to help so everyone is encouraged to get in touch.
- 7.4. Other activities to help the sector prepare will include: a series of webinars focussed on specific topics; extra meetings of our Export and Importers Forums, which provide an opportunity for industry and government to engage on key issues; establishing an 'on call' service over the New Year period to provide emergency advice and support, and regular updates on emerging issues via our Regulation Newsletter (sign up to receive [here](#)).
- 7.5. Work on the future trade landscape spans two areas:
 - 7.5.1. Making sure the opportunities and potential implications for seafood from any new Free Trade Agreements are understood and realised, by working with the Department of International Trade and using our Importers and Exporters forums to provide updates.
 - 7.5.2. Supporting industry to access overseas markets through our Trade Promotion work, which includes a series of trade webinars (Japan, UAE, China and USA confirmed) and the Seafish [Export Guides](#).

ACTIONS:

9. Helen to share Aoife's EU Exit Transition Support presentation and links to guides.

8. Launch of Love Seafood

- 8.1. Hazel presented an update on Love Seafood, including media planning for the launch period, measuring success, regional activity and planning for year 2 of Love Seafood ([Action 10](#)).
- 8.2. Access to the media collateral and more detail on activities is available from our Marketing Team.
- 8.3. To measure the success of our Love Seafood activities we're following the Government approved framework and best practice guidelines from the International Association for Measurement and

Evaluation. We won't be tracking seafood sales, as the aim of initial Seafish activity is to raise awareness of the Love Seafood brand, before moving into activities to improve perceptions of and feeling toward seafood.

- 8.3.1. Hazel shared the overarching objectives and accompanying metrics underpinning each: 1) **drive awareness** of the Love Seafood brand and activity; 2) **increase consumer understanding** of 'reasons to buy' and 3) **increase consumer consideration and desire** to eat more seafood, more often.
- 8.4. Good progress is being made to coordinate regional projects that will deliver additional benefit to the businesses in each region or home nation, over and above the activities that are being delivered UK-wide. We have applied for EMFF funding for a Northern Ireland project that would be delivered under the Love Seafood banner. We are in the process of scoping a project that will be funded via the budget allocated to the Seafish Scottish Advisory Committee and delivered in Scotland. Dialogue is progressing in Wales, and England-specific activities will align with Seafood 2040 recommendations.
- 8.5. Discussions are underway with the LSG to identify priorities for Year 2 activities (April'21 - March'22). Panel members are invited to provide feedback on the list of potential activities shared, particularly which should be the priorities (see slide 9). Hazel shared the Year 2 activity milestones (see slide 10).
- 8.6. The Panel were reminded that the Year 1 activity focus is independent cafes and restaurants, F&C shops and independent retailers. Hazel will arrange for the activity calendar to be shared, so businesses can engage as suits their own marketing activities. Activities will align with other regional and national marketing initiatives, as far as possible. (Action 11)
- 8.7. Hazel shared examples of content and digital assets that have been developed to work on multiple devices. There will be some physical and digital assets available for smaller businesses to use in their own customer facing environments. A marketing toolkit will be made available to help guide use of the assets being made available.
- 8.8. Chris emphasised the importance of industry engagement. The Seafish marketing team will be calling for input but the Panel and their colleagues are encouraged to proactively share any ideas and feedback.
- 8.9. Mark D noted that the activities plan for Year 2 should be a continuation of Year 1 activities in many cases, recognising the limited capacity and short time businesses have to engage between Oct 2020 and Mar 2021.
- 8.10. Hazel confirmed that the detail on media assets and benchmarking the cost to reach for targeted messages vs generic messaging had been discussed with the LSG. Further detail can be shared with Panel members willing to give detailed feedback and advice.
- 8.11. Sarah noted the Love Seafood assets will be a catalyst to the success small independent retailers have experienced with using social media to promote their businesses during the pandemic.
- 8.11.1. Yvonne emphasized the importance of the activities calendar in enabling businesses to plan and execute their engagement with the initiative, which will ultimately build the momentum desired. Yvonne also called for the images being used to strike the balance between fresh, delicious seafood that can be perceived as aspirational and expensive with seafood products that consumers will feel are accessible and affordable, in the context of the impact the recession is likely to have on consumer behaviour.

ACTIONS:

- 10.** Helen to circulate Hazel's Love Seafood Update presentation.
- 11.** Helen to circulate the Love Seafood year 1 activities calendar once available.

9. Date of next meeting

- 9.1. A doodle poll will follow to identify a preferred date to hold the next meeting. (Action 12)
- 9.2. April 2021 is proposed. Panel members are invited to notify Helen of any dates to avoid (e.g. Barcelona Seafood Expo 27-29th)

ACTIONS:

12. Helen to circulate a doodle poll to confirm the date for the next meeting.

10. Any Other Business

- 10.1. We are preparing to recruit 2 new Panel members to represent Food Service & Logistics and are keen to maximise the opportunity to broaden the diversity of the Panel as far as possible. Members are invited to suggest potential candidates to Helen, so they can be made aware of the upcoming opportunity in more detail.

ACTIONS:

13. Panel members to suggest potential candidates to Helen within October.

SUMMARY OF ACTIONS ARISING:

| | ACTION | TIMELINE | OWNER |
|-----|--|-----------------|--------------|
| 1. | Helen to share the 'Micro plastics in seafood' key features summary once available. | In progress | Helen |
| 2. | Helen to circulate Defra's call for Seafish Board appointments. | Complete | Helen |
| 3. | Hazel to arrange for industry to be updated on the Seafish review of Seafish B2B marketing events. | Complete | Hazel |
| 4. | Helen to circulate the link to the NFFF's Fish and Chip Guide . | Complete | Helen |
| 5. | Giles to present a UK Seafood Market Insight update at the next meeting. | April | Giles |
| 6. | Seafish to share an update on Carbon Footprint work at the next meeting. | April | Aoife |
| 7. | Helen to circulate Mike Berthet's input for this agenda item. | Complete | Helen |
| 8. | Helen to share Ana's presentation and link to the Covid impact report. | Complete | Helen |
| 9. | Helen to share the EU Exit Transition Support presentation and links to guides. | Complete | Helen |
| 10. | Helen to circulate Hazel's Love Seafood Update presentation. | Complete | Helen |
| 11. | Helen to circulate the Love Seafood year 1 activities calendar once available. | November | Helen |
| 12. | Helen to circulate a doodle poll to confirm the date for the next meeting. | Complete | Helen |
| 13. | Panel members to suggest potential candidates to Helen within October. | October | Panel |