

Domestic & Export Sector Panel

25 October 2022 via Zoom

Attendees:

Jerry Percy (chairman)
Chris Anderson (processors using domestic catch)
Anne Birnie (SAFPO)
Andrew Brown (SSA)
Mike Cohen (NFFO)
Robert Duthie (SPPA)
David Jarrad (SAGB)
Rosemary Johnston (NI interests)
Elspeth Macdonald (SFF)
Sarah Ready (small boat/inshore interests)

Seafish:

Marcus Coleman
Aoife Martin
Lynn Gilmore
Simon Potten (secretariat)

Apologies:

Martyn Boyers (BPA)
Jim Evans (Welsh interests)
Sheila Keith (Shetland interests)

Welcome and apologies

1. The Chair welcomed everyone to the meeting, especially Andrew Brown (the new representative for the Scottish Seafood Association). Apologies were received from Martyn Boyers, Jim Evans and Sheila Keith.

Declaration of interests

2. In accordance with the Terms of Reference, the Chair invited members to declare any interests that might conflict with their role on the Panel. None were declared.

Minutes of previous meeting and actions arising

3. The minutes of the previous meeting (11 April 2022) were reviewed and accepted as an accurate record of the meeting.
4. SP reported that all actions had been completed, apart from action 2. SP reported that the Seafish organisational chart has yet to be updated. SP confirmed it will be shared when available.
5. In reference to action 5, fishing federation members advised they had met with MCA to discuss members' concerns and had seen some evidence of increased pragmatism from MCA surveyors when conducting fishing vessel inspections. However, it was noted that there had been further issues recently with one MCA surveyor in NW England. Members commented that new surveyors recruited by MCA had little knowledge, experience or understanding of fishing and fishing vessels, and a perceived lack of training in this regard left them ill-prepared. There have been some successful appeals against fishing vessels being tied up by MCA. NFFO and the Seafarers Charity have recently produced a video to help fishers meet the new MCA inspection standards. MCA has appointed a new (interim) CEO (Damien Oliver). There is a Fishing Industry Safety Group executive board meeting scheduled for 17 November.

Industry round-up – how the economic and geopolitical environment are impacting the domestic & exports sectors

6. Scottish Fishermen's Federation:

- a. High fuel price was still an issue - if not as acute.
- b. Churn in government – changes in UK ministers making life difficult for building relationships and trust; big re-organisation in Marine Scotland, with renewed focus on marine planning and offshore wind; concerned about future of fisheries science.
- c. Spatial squeeze – Bute House Agreement continues to present challenges in Scotland; at least 10% of seas (inshore and offshore) to be designated as Highly Protected Marine Areas by 2026 is very concerning, adding further to the squeeze on fishing areas for all fishing fleets working in Scottish waters; report commissioned by SFF and NFFO highlights industry's concerns.
- d. Labour challenges/shortages and reliance on overseas crew - impossible to speak to anyone in the Home Office to discuss visa issues/concerns, despite Defra being sympathetic.
- e. Worker exploitation – allegations contained in recent reports (though few in number) tarnish the industry's reputation; working through the Fishermen's Welfare Alliance (with support from Aoife Martin) to address and bring balance/proportionality.
- f. Proposed cuts in public/government spending – very concerning and will be challenging for sector.
- g. Fishing opportunities – negotiations for 2023 have started; generally optimistic for white fish, but serious concerns on ICES advice for TAC on monkfish. Good to see an increase in recommended TAC for cod.
- h. Accident reports – concerned how slow the Marine Accident Investigation Branch is being on publishing its reports of accident investigations. Very disconcerting for all concerned.

7. Scottish Pelagic Processors Association:

- a. Labour shortages and reliance on migrant labour – seeking parity with agriculture sector; met with Defra to request dispensation for Christmas.
- b. Energy costs – spiralling; 6-month cap helps but still double what it was last year; some companies were facing rises of between £1m and £3.5m; reliance on energy to freeze and store product.
- c. Sustainability – overseas customers demand UK compliance with sustainable principles on mackerel, but are still buying from other nations that are exceeding scientific advice; UK suppliers are informing customers and encouraging buyers to be more selective.
- d. Cold storage capacity – tight for pelagic and white fish; stock is going out more slowly due to economic climate.
- e. Raw materials – prices high; mackerel fishery just started.

8. Processors using domestic catch:

- a. War in Ukraine – continuing to affect international trade.
- b. China – still proving very difficult to get live UK crab into China; currently having to export it via Portugal. Not getting anywhere with Defra. Can Seafish help?
- c. Taiwan – buyers holding off placing usual orders for Chinese New Year and beyond, due to fears over worsening relations with China.
- d. Over-abundance of Russian live crab going into Asian market – killing prices for UK cooked crab, but orders still coming in for crab.
- e. EU market – okay over holiday season, but now slowed up.
- f. Marine Scotland - issuing licences for cable and wind farm surveys, which either forces fishers out or forces them to re-locate their fishing gear.

9. Scottish Seafood Association:

- a. Political uncertainty – not helping; getting lots of enquiries.
- b. Exchange rates – weakness of the £ has helped exporters, but hindered importers.
- c. Recruitment – still difficult, but working with Seafish and other stakeholders to try and do something about it.
- d. Energy – increased costs still a major problem.
- e. Chinese market – still proving difficult to access; exploring other markets, but not getting a lot of help from government with establishing export/free-trade agreements; ad-hoc initiative by individual companies is helping, but is not very strategic.
- f. Marine spatial squeeze – continuing at an alarming rate; adversely affecting supplies; access to EU fishing grounds being closed is also not helping.

10. Scottish Association of Fish Producer Organisations:

- a. ICES advice – encouraging; 44% increase in cod is good, but that is from a very low base; very concerned about the prospects for monkfish though (advice due out shortly, but expecting it to be bad); no change in narrative from environmental groups however, which still claim industry is catching too much.
- b. Fuel costs – beginning to rise again, adding to operating costs.
- c. Catches – lack of product (especially cod and saithe); small haddock attracting very low prices.
- d. Fisheries Science – concerned at prospect of reduced science output coming from Scottish Government in future due to re-scheduling of its priorities.

11. Northern Ireland:

- a. Fleet – declining.
- b. Supplies – reducing.
- c. Labour – crew shortages owing to difficulties recruiting and retaining crew/staff.
- d. Fuel/energy costs – very high; running some projects to look at reducing usage.
- e. Customers – struggling to keep them.

12. National Federation of Fishermen's Organisations:

- a. Spatial squeeze – major concern, especially in the Celtic Sea with the planned development of floating wind farms; discussions with Crown Estates over siting of wind farms have been slightly encouraging with some ability to exert influence.
- b. Highly Protected Marine Areas – consultation was poor; environmental groups are being listened to by government in preference to the fishing industry.
- c. Government – difficult to keep up with all the ministerial changes.
- d. Cables – are not always being buried now (especially telecoms) which is a safety concern; the European Subsea Cable Association is pushing for 0.25 mile exclusion zone either side of cables – if this becomes the norm, this will have a massive impact on fishing activities.
- e. Special interest groups – ramping up narrative around the evils of bottom towed fishing gears, creating myths that need to be de-bunked. The chair commented that apparently 62% of the population is now animated about eco issues according to a Seafish report.

13. Small boat/inshore interests:

- a. Regulation – fishermen struggling to understand the (ever-changing and often inconsistent) requirements of MCA, MMO, IFCA's; there is a general lack of (accessible) information and guidance on what fishermen should be doing.
- b. Stability – gathering data for a university undertaking research into small fishing vessel stability to help them develop a more appropriate test.
- c. Fuel price – dropped recently.
- d. Fish prices – currently okay, but benefit wiped out by cost of living increases.

- e. Spatial squeeze – now affecting fleet operating within 6 miles, with fishing/transit areas being designated for kelp and mussel farming.
 - f. Advice & guidance – given their hours of operation, inshore fishermen often struggle to access advice & guidance from office workers.
14. Shellfish Association of Great Britain:
- a. Spatial squeeze – report suggests that 300km² is required to produce 8,000 tonnes of farmed product, but N Wales used to produce 8,000 tonnes of mussels from 7km²; aquaculture is not a threat to the fishing industry.
 - b. Labour – an issue right through the seafood supply chain.
 - c. Sentience – still a concern for the industry; affects fishing industry, but main impact felt at retail end by consumer opinions/choices.
 - d. Chinese market – UK suppliers not banned from selling live crabs to China, but 100% testing all edible parts of the animal for cadmium so UK crab will fail; same crab can be exported via EU where only white meat is tested; government reluctance to challenge this illegal trade barrier is frustrating; hearing rumours in China of a possible change.
 - e. Pollution – massive shellfish mortality on NE England coast; uncertainty around cause – official line was an algal bloom, pollution from Tees dredging suspected; also seeing crab dying on S England coast after being in pots (science inconclusive).
 - f. Oysters – government policy on Brexit, water quality classification and pacific oysters is overseeing the death of an industry. UK oyster production down by 30% and mussel production has reduced by 60% in England (even more in Wales).
 - g. Highly Protected Marine Areas – new pacific oyster farms cannot be within 5km of an HPMA, but HPMA's can be within 500m of an oyster farm.
 - h. Seafish levy – potential for growth in aquaculture production could double Seafish's levy income, but there is not enough investment.
15. British Ports Association (update read out by the chairman):
- a. Supplies - ports and fish markets have suffered with reduced volumes but seen higher prices. In the case of Grimsby we have suffered as the charges are volume based and not value based, we have experienced a 30% decline in Icelandic supplies. What is clear is that there are step changes in the industry taking place and the UK's reliance on imported fish is at the heart of this change. In Iceland and Norway there is increased competition for their fish. As Iceland are now processing more of their own fish, the USA are buying there in much bigger quantities and this has contributed to price increases in the UK. Many operations have just kicked into survival mode. Issues caused by supply reduction, war, fuel, gas pipelines, increased tariffs, embargos, staffing, wages, costs and weak £ exchange rates, these all contribute to the dilemma. That's before you come to Border Inspection Posts, certification and paperwork for exports and a political fiasco you couldn't have written. It is the same for all of us.
 - b. Legislation – needs amending to create a more agile and responsive system in the UK.
 - c. Resilience - the fish/seafood industry is resilient and continues to adapt to the circumstances; therein lies the strength of the industry. Ports and fish markets have a good track record of just getting on with it and that's what we'll do.
16. Aoife Martin responded saying that Seafish was aware of all these issues and was trying to help support the industry to represent their concerns to government and find solutions/mitigations. However, Seafish is conscious that there are no quick fixes for many of these problems and many are outwith Seafish's ability to influence.

Seafish strategic review progress update

17. Aoife Martin reminded members that Seafish had moved away from promoting consumption, repositioning the Love Seafood team to work on the reputation piece (producing the right information to support the industry).
18. The strategic review had identified six priorities for Seafish support (to which Seafish has added a seventh), which would form the basis of the Seafish Corporate Plan for 2023-2028.
19. A big piece of work is underway to reform the Seafish levy (not updated since 1990s), but this will take time; a new Statutory Instrument is being drafted for approval in July 2023 (with implementation at start of 2024 - subject to further consultation with industry). This will try to make it easier for the collection/payment of levy and address the need for full transparency and equity.
20. Work has begun on updating the framework agreement, which defines Seafish's relationship with Defra and the Devolved Administrations. This will address some of the governance issues that came out of the review. This will also be shared with stakeholders once it has gone through the multitude of approvals.
21. David Jarrad commented that he was keen to see the document when available; there was a huge problem with government departments and the Devolved Administrations not talking to each other, let alone effectively.
22. David Jarrad asked whether the levy proposals would include salmon. Aoife Martin replied that it was being considered (along with other species – e.g., pangasius and tilapia). However, further work was needed. The Board has agreed to start a specific (separate) review of salmon in 2024, but salmon is expressly omitted in the wording of the 1981 Fisheries Act.

Mid-Year Review of Seafish's Delivery of its 2022/2023 Annual Plan

23. Lynn Gilmore ran through a presentation outlining how Seafish was progressing with delivery of its Annual Plan for 2022/2023.

ACTION 1: Seafish to circulate copies of the slides presented on its progress with delivering the Annual Plan for 2022/2023.

24. The chairman commented that the presentation detailed a very long list of activities that Seafish was undertaking and provided feedback on a family member's positive experience of using one of the Northern Ireland seafood trails.
25. Elspeth Macdonald commented that Seafish's effort and commitment to delivery and change; it is really important and appreciated by the industry. Lynn Gilmore advised that Seafish had only received a few negative comments following its withdrawal from consumer marketing (Love Seafood).
26. Chris Anderson commented that he was disappointed that Seafish didn't allow Scottish companies to join the Seafish stand at the Global Seafood Expo in Barcelona. Lynn Gilmore explained that Seafish hadn't deliberately excluded anyone from participating on its stand. Information had been made publicly available (though at that time there was still some doubt about whether or not the event would go ahead due to Covid). Seafish was aware of Seafood

Scotland's stand at Barcelona. Scottish companies are welcome to join Seafish's UK pavilion at the Expo in 2023. Chris confirmed that he has submitted an Expression of Interest.

Seafish Corporate Plan 2023-2028 - feedback on draft priority narratives

27. Aoife Martin provided a brief introduction to the draft narrative that had been circulated (and which had been presented to the Seafish Board). This outlines the key priority areas identified during the strategic review, and describes how Seafish proposes to give effect to these, covering the issue, the ambition and Seafish's proposed plan of work over the next five years. Seafish is keen to get the Panel's feedback on whether the issue has been captured correctly, is the ambition correct and is the general focus of work appropriate to satisfy members' needs/requirements.
28. The chairman read out the following comment from Martyn Boyers: "it is a difficult task to have a Corporate Plan for 5 years from 2023 when none of us know what will happen in the next 5 months! However, I accept the principle to establish a plan, but what needs to be inserted is the caveat to review it more often, otherwise you end up with another obsolete document which is meaningless." Aoife Martin noted that this will be the first time that Seafish will have had a 5-year Corporate Plan, but the reality is that the last 3-year Corporate Plan for 2018-2021 corporate plan has lasted five years, with Seafish demonstrating flexibility and agility.
29. Safe & Skilled:
 - a. The chairman commented that he was happy to see a continuation of training for the next five years.
 - b. Andrew Brown commented that Seafish has a very complex role over the next five years, with its services being much in demand by industry and Defra and Scottish Government. Tricky to manage the workload. Danger of over-promising. May need to unpack this activity a little more to explain what some activities actually mean (e.g., supporting employers to recruit labour from overseas).
 - c. Elspeth Macdonald agreed with Andrew Brown. Interpretation needs to be clear. Framing of the issue is about right. Careful thought is needed to clearly communicate scale, challenge and complexity of what Seafish is proposing. Not sure that Seafish is best-placed to be an "expert adviser" to government. Channelling information, certainly. Is the proposed role clearly defined? Ultimately the buck stops with the Home Office on foreign labour. Aoife Martin responded by saying that a detailed description of the work to be undertaken would be included in the Annual Plans, but with regard to overseas labour support, what was envisaged was making resources available to support industry, e.g., helping to navigate the immigration process and provide any help or assistance needed to make it easier for industry to satisfy Home Office requirements. Defra recognises that Seafish has expertise and sees Seafish as a key adviser; Seafish is keen to extend that across all governments and departments.
 - d. Sarah Ready commented that training providers are struggling with understanding the new regulations that will be coming in (on fishermen's training and certification) and that they are also struggling to get MCA inspections for the new approvals that will be required (after decades of working successfully with Seafish). Aoife Martin noted that there will be changes coming, but gave an assurance that Seafish would continue to have a core role in supporting training providers.
 - e. David Jarrad agreed that many government departments were naive about the seafood industry. Need to see mention of aquaculture and help to attract capital investment. Aoife Martin gave an assurance that Seafish will be supporting aquaculture and will include it in the Corporate Plan (just deciding where it fits). Public/private sector funding will be added; Seafish will use its expertise to convene/coordinate applications, along with the possibility of using levy as match funding to lever funding.

- f. Andrew Brown agreed with the point about aquaculture. There is most definitely a role for Seafish to connect between government departments and public funding opportunities for inward investment, and also on private funds.
30. Supply Chain Resilience:
- a. Andrew Brown commented that this was very welcome, adding that Seafish will have to be both proactive and reactive in this area. Change is the only constant. Aoife Martin encouraged members to keep flagging/raising upcoming issues/concerns.
 - b. Elspeth Macdonald agreed, commenting that there needs to be clarity on roles with the Food Standards Agency (and Food Standards Scotland) in reference to “advice and guidance on food safety issues”. Also the inclusion of the phrase “helping to position seafood to consumers”, should not signify a return to marketing. Aoife Martin advised that this was more about helping industry understand and implement FSA requirements (and challenges) and that communicating with consumers would definitely not be a return to marketing.
31. International Trade:
- a. Andrew Brown commented that monitoring and responding to regulatory divergence was mainly with the EU, but also different within the UK, so a big job. Aoife Martin agreed.
 - b. Elspeth Macdonald suggested changing “addressed” to “understood” in the proposed text (second bullet point).
32. Climate Change:
- a. Andrew Brown commented that this section was very oriented to addressing the carbon footprint of the industry, but that there was a very good story to tell about seafood being a low carbon protein source. Lynn Gilmore agreed and accepted the need to include this and other positive stories into more proactive communications. Aoife Martin advised that Seafish had tried to capture this in the text for International Trade, but advised that the Supply Chain and Consumer Sector Panel had also questioned this, so agreed to make some changes.
 - b. Mike Cohen suggested turning bullet point 4 around, into promoting positive messages rather than countering negative perceptions.
33. Data Insight and Innovation:
- a. The chairman raised concerns about data security, but otherwise members were happy with this section.
34. Fisheries Management:
- a. Andrew Brown asked why marine spatial planning and spatial squeeze hadn’t been included here. Aoife Martin agreed, but had considered these issues fitted in under “data insight and innovation”, acknowledging that there may be little that Seafish can do to influence. Supporting the industry by providing data and analysis was considered important and helpful. Aoife Martin agreed to make it more explicit in data insight and innovation.
 - b. It was also noted that there was no reference to food security. Aoife Martin advised this would appear in the more detailed Annual Plans.
 - c. Elspeth Macdonald noted use of the wording “alignment of approaches” and commented that this might be difficult to achieve. Alignment of outputs might be more appropriate.
35. Reputation:
- a. Elspeth Macdonald commented that this was a really important part of what Seafish is doing.
 - b. The chairman commented that there is a fine balance for Seafish between supporting the industry and being authoritative/independent. Lynn Gilmore commented that Seafish must not “greenwash”; trusted and reliable is fine, but no lobbying.

36. Marcus Coleman thanked everyone for their comments and said he was feeling confident that Seafish has captured the industry's priorities, as a result of the strategic review.
37. The timeline for completion now was for the plan to be finalised before the end of 2022 and presented to Ministers at Defra and the Devolved Administrations, prior to approval in the New Year.

Any other business

38. None raised.

Date of next meeting

39. It was agreed the next meeting will be held in approximately six months, potentially in person (or at least with a hybrid option for those few who may not be able to attend in person).

ACTION 2: Seafish to arrange date for next meeting (in April/May 2023) and confirm arrangements with members.

Actions

No.	Action	Timeline	Owner
1	Seafish to circulate copies of the slides presented on its progress with delivering the Annual Plan for 2022/2023.	Asap	Seafish
2	Arrange date for next meeting (in April/May 2023) and confirm arrangements with members.	Asap	Seafish