

## **Minutes of the Processor & Import Panel**

### **Thursday 27<sup>th</sup> May 2021 (via Zoom)**

#### **Attendees:**

Jon Parker (JP), Chair and CamNesa  
Iain Shone (IS), Global Aquaculture Alliance  
Laky Zeruvadachi (LZ), Direct Seafoods  
Mike Glavin (MG), Food Standards Agency  
Roy Cunningham (RC), Camalltaidh  
Simon Dwyer (SD), Grimsby Fish Merchants Assoc.  
Sturri Haraldsson (SH), Norebo Europe Ltd  
Richard Stansfield (RS), Flatfish Ltd  
Charlotte Turner (CT), Nomad Foods

Seafish:  
Aoife Martin (AM)  
Marcus Coleman (MC)  
Louise Ballantyne (LB)  
Stuart McLanaghan (SM), Secretariat

#### **Welcome and introductions:**

1. **JP** welcomed everyone to the virtual meeting and outlined the format for proceedings. CT (deputising for SC) was welcomed, and roundtable introductions conducted.

#### **Apologies:**

2. Apologies were noted from:
  - Stuart Caborn (SC), Nomad Foods
  - Victor West (VW), Associated Seafoods Ltd
  - Scott Johnston (SJ), Young's Seafood
  - Neil Cursons (NC), Blue Oceans
  - Simon Rilatt (SR), Espersen
  - Hazel Curtis (HC), Seafish

#### **Minutes of previous meeting and actions arising:**

3. The minutes of the previous Panel meeting (27<sup>th</sup> January 2021) were reviewed and accepted as an accurate record.

#### **Actions arising:**

4. **SM** confirmed that the actions from the previous meeting had been addressed.

#### **Seafish Strategic Review:**

5. **MP** introduced the circulated short paper which provided the context and approach to the Seafish Strategic Review. The key points are:
  - The last Strategic Review was undertaken in 2010/11;
  - Industry views, including from the three Sector Panels, are being sought to help shape Seafish's future role and remit;

- A series of independently facilitated workshops will be convened and an online survey conducted;
  - Findings and proposed recommendations will be shared with the Seafish Board in November 2021, and then with the four-nation governments; and
  - Funding: the current Levy dates back to the Fisheries Act 1981. The Review will consider what a sustainable funding model would look like and where in the supply chain this could be most equitably applied, as well as how to address anomalies (e.g. there is currently no levy on salmon / trout.)
6. **JP** the Panel discussion will be structured around two key questions:
- Shaping Seafish's future role and remit; and
  - The organisation's future levy funding.

#### **Discussion on Seafish's future role – key points raised:**

##### **7. Marketing**

- Whilst initially planned as a separate agenda item, marketing was picked up during the discussions on Seafish's future role and remit.
- **AM** introduced the discussion by outlining Seafish's USP – working across the entire UK seafood supply chain, an often-fragmented landscape, to address market failure issues for industry. In recent years Seafish has agreed five priorities to support the UK seafood sector:
  - Changing landscape: helping the industry through a changing political, economic and regulatory landscape, including EU-Exit and the Covid pandemic.
  - Seafood consumption: increasing consumer demand against strong competition from other protein and non-protein foods; most recently via Love Seafood.
  - Safe and skilled workforce: supporting the sector to find a suitably skilled workforce, while addressing complex challenges around workplace safety (e.g. Home and Dry Campaign.)
  - Ensuring sustainable supply: ensuring seafood caught or imported in the UK is fished, harvested and sourced sustainably and doesn't compromise human welfare and the environment. Seafish aspires to world-leading UK sustainably managed fisheries, but there is much still to do here.
  - Innovation and data: helping the sector access data, information and knowledge to ensure it's equipped to understand and respond innovatively to challenges and opportunities.
- The Panel discussion on marketing recognised that Alaska / Norway are often quoted as success stories on delivering strong sustainable / provenance messaging. Their clever marketing is built on strong QA systems, third-party sustainable sourcing and assurance schemes, and supply chain integration. By comparison, in the UK, there is currently little understanding of the value of seafood to the wider economy.
- Seafish should aspire to operate on a healthy surplus to enable bespoke financial support for marketing; from the individual company level through to regional / national activities.

- The food service sector, including restaurants, needs more support, as well identifying the best way for engagement between Seafish and this element of the seafood supply chain.
- The Panel agreed that there is a need for Seafish to provide future support to:
  - Build strong provenance messaging on UK seafood, as well as explore opportunities, so far as the organisation's governance structures permit, to promote market-specific species / products;
  - Promote more seafood diversification, away from the usual five-species (salmon, cod, tuna, prawns and haddock), making greater use of videos and social media content; and
  - Draw upon good practice to market UK seafood to the food service sector, including restaurants.

## **8. Market access**

- Resulting from the discussion on market access, the Panel agreed that there is a need for Seafish to provide future supply chain support to:
  - Enable businesses to access greater amounts of UK caught seafood that is sustainably certified. Otherwise, this would increase reliance on imported product at the expense of domestically landed product; and
  - Enable the UK shellfish sector to export its products. This is currently being prevented on account of the post-EU-Exit export ban on unprocessed Live Bivalve Molluscs from 'Grade B' waters to European markets.

## **9. Impact**

- Greater clarity is needed on the value industry derives from Love Seafood compared to the high costs of running the campaign. The Panel agreed that there is a need for Seafish to make greater use of both cost-benefit analysis and key performance indicators, to help inform whether the organisation is having the desired impact for industry and at the right part of the supply chain.

## **10. Processing capacity**

- The discussion centred on the desire to increase national processing capacity, so that more product can remain with the UK supply chain, thereby adding economic value to the sector, rather than it being exported. The Panel agreed that there is a need for Seafish to be able to support the UK seafood sector, to increase domestic processing capacity to enable these benefits to be realised.

## **11. Responsible sourcing**

- Now that the UK is a Coastal State, there is a need for the UK seafood sector to make further progress on sustainable fisheries management, to increase the amount of sustainably certified seafood entering the market. For example, one large UK processor had recently signed a £1M deal for the supply of lobsters from Canada, as UK lobsters do not currently meet their customers' sustainable sourcing criteria.
- Whilst Seafish's focus remains on the UK, sustainability has never been more important and associated trends have an increasingly global 'resonance'. Responsible sourcing is

also applicable to export markets and needs greater four nations and international collaboration, to address common supply chain issues. For example, at both the UK and international levels, to ensure crews on fishing vessels are treated fairly.

- Seafish's pre-competitive Issues Groups – particularly the Common Language Group – are world class and a greatly valued resource by industry. However, the non-levy paying salmon industry continues to benefit without financially contributing. Whilst Seafish has seamlessly adjusted to a virtual 'bite-size' meeting approach, it was recognised that all stakeholders are missing 121 networking.
- The Panel agreed that there is an important role for Seafish to:
  - Work nationally / pan-UK with Support four nations to address common supply chain sustainability challenges;
  - Support the UK seafood supply chain to increase the amount of sustainably certified seafood entering the market;
  - Maintain its vitally important convening and facilitation services, including the Issues Groups;
  - Strengthen its support to the food service sector on sourcing sustainable seafood; and
  - Explore opportunities, as part of the levy funding discussions, to ensure that all parts of the seafood supply chain financially support Seafish's work.

## **12. Scotland**

- The discussion recognised that whilst the current political situation north of the border was complex, many of the issues facing the UK seafood industry are generic ones.
- The Panel agreed that there is an ongoing need for Seafish to strengthen engagement with Scotland, to assist the organisation deliver its UK role.

## **13. Data, information and interpretation**

- Seafish's research enables the organisation's economics, regulatory and horizon scanning work to provide a valuable "knowledge bank" that directly benefits the seafood sector. Seafish's recent fact checked Seaspiracy response was cited as an excellent example of support which had been well-received by industry.
- The Panel agreed that there is both an ongoing and increased need for high-quality Seafish research that directly supports the UK seafood supply chain.

#### 14. What more could Seafish do to support government?

- It was recognised that over the last 18 months, Seafish’s regulation team has done a great job to support industry on EU-Exit and at a time when governments had been unable to provide direct support.
- As the UK transitions from EU-retained law into domestic legislation, there is a risk that legislative and regulatory divergence / fragmentation could occur across the UK, but where they cover essentially the same things.
- The Panel agreed that there is a need for Seafish to play an important role to support industry by helping to minimise legislative / regulatory divergence.

#### Seafish Levy

15. **JP** referred to the circulated paper and Panel members were asked for their views on the levy’s fairness and equitableness, and whether anything would need to change. Also, going forward, how to ensure levy recovery is efficient and effective.

16. Discussion points raised:

- Whilst there is a need to increase the overall revenue, the associated cost “burden” needs to be widened, and not increased on processors. If all parts of the seafood supply chain contributed, then there would be scope to lower each business’ contribution;
- In the US, Norway and Iceland, the levy includes a “marketing board” element. Whilst the UK seafood sector is larger than the UK chicken and pork sectors, Seafish is constantly needing to justify what it does, with considerably less financial resource;
- A larger index-linked levy would enable Seafish to better address increased operating costs and also enable more money to be spent on advertising, as well as the sector’s aspirations on increased sustainability work;
- Whether the levy should be applied at the point of consumption i.e. consumers (in the same way that tax is applied in the forecourt price for petrol.) There was some nervousness around the associated ‘story’ that would need to be provided to consumers. Whilst there was concern that an increased levy burden on processors could be to the detriment of the wider sector, these costs would inevitably be applied further down the supply chain via product pricing.
- The current levy does not include all seafood (e.g. imported canned tuna.) Whilst some farmed aquaculture seafood does attract levy (e.g. mussels), salmon is notably excluded. **MC** confirmed that Seafish would be consulting with the Scottish salmon sector as part of the Review. Salmon producers already pay into national trade bodies.
- Organisationally, it was felt that Seafish needed a central office, in relatively close geographical proximity to major sector businesses, to enable on the ground engagement. However, there wasn’t an appetite for a more “confederate approach” with 4-UK national offices. Concern was expressed that Seafish account managers could introduce an unnecessary extra level between industry and specific Seafish expertise.
- Resulting from the discussion on the Seafish Levy, the Panel agreed that there is a need for Seafish to:

- Be funded by an index-linked levy in which all currently exempted species, particularly salmon, are equitably included;
- Be funded by a levy system which reflects 'good practice' in other sectors / countries that have more sustainably addressed their respective funding challenges;
- Retain the current access to more centralised services, supported by the regional Seafish team, over a model with dedicated account managers; and
- Be able to offer the services of a marketing board as occurs in foreign seafood markets and other UK food sectors.

#### **AOB:**

17. Once Covid is out of the way, there is a desire to recommence British fish craft / fish filleting championships.
18. On EU-transition, a reminder was provided that the requirements for import notifications comes into force on 1<sup>st</sup> October, when 100% document checks and evidence of certification will be needed. Whilst there will initially be no enforcement, this will become a legal requirement from 01.01.22 through border posts. **MG** kindly agreed to continue to circulate updates as they become available.
19. The shipping / logistics issues associated with the 1 January changes and reported at the previous Panel meeting continue to be "highly problematic".

#### **Date of next meeting**

20. Panel members were canvassed on when to arrange the next meeting for mid-October 2021 (in line with the Seafish Board meeting cycle.)

#### **Meeting close**

21. The Chair thanked all Panel members for their contributions to the Strategic Review and closed the meeting.

**Action #1:** Seafish to circulate a doodle poll to identify the most suitable mid-October meeting date.

#### **Action List**

No.	Action	Date resolved and supporting notes
1	Seafish to arrange next meeting	Doodle poll to be circulated and Zoom meeting organised for mid-October, to phase in with the Seafish Board meeting.