

Note of Aquaculture Common Issues Group meeting held at Friends House, London. Wednesday 14 September 2016

For minutes and further information see:

<http://www.seafish.org/industry-support/aquaculture/aquaculture-groups/aquaculture-common-issues-group>

<http://www.seafish.org/industry-support/aquaculture/aquaculture-support/guides-and-information>

1. Welcome and apologies

Attendees

Alaric Churchill	Milford Haven
Alex Adrian	The Crown Estate
Beverley Küster	Food Standards Agency
Caroline Roberts	ABPmer
Catherine Murphy	Marine Management Organisation
Catriona Shannon	University of Leeds
Charis Cook	BBSRC
Chris Leftwich	Consultant
Chris Williams	New Economics Foundation
Clare Eno	Vitaplankton Ltd
Contessa Kellogg-Winters	Aquaculture Stewardship Council
Craig Burton	Seafish
Dan Lee	Global Aquaculture Alliance
David Jarrad	Shellfish Association of Great Britain
Danielle Bridger	Plymouth University
Estelle Brennan	Lyons Seafoods
George Perrott	Agricultural Industries Confederation
Iain Berrill	Scottish Salmon Producers Organisation
Jason Cleaversmith	Scottish Aquaculture Innovation Centre
Jill Barber	Marine Scotland
John Hambrey	Hambrey Consulting
John Holmyard	Offshore Shellfish
Jonathan Shepherd	Seafish Board
José Constantino	Welsh Government
Karen Green	Seafish (Minutes)
Lee Cocker	Seafish
Martin Jaffa	Callander McDowell
Martin Syvret	Aquafish Solutions
Melony Nichols	Thomas Shellfish Limited
Michael Ford	Landfish Ltd
Mike Gubbins	Defra
Oliver Robinson	British Trout Association
Paul Howes	Centre for Sustainable Aquatic Research
Richard Slaski	SARF
Sarah Horsfall	Seafish
Sue Evans	Hambrey Consulting

Toby Parker
Tom Pickerell
Tom West

United Fish Products
Seafish (Chair)
ClientEarth

Apologies were received from:

Andrew Lakeman	OceanFish
Charlotte Maddocks	Tesco
Chris Brown	Asda
Clare Blackledge	Environment Agency
David Mortimer	FSA
Dawn Purchase	MCS
Greg Clifford	Pig Shed Trust
Jeremy Langley	Waitrose
John Humphreys	University of Bournemouth
John Manning	Defra
Keith Jeffery	Cefas
Mandy Pyke	Seafish
Mark McCaughan	DAERA
Neil Auchterlonie	IFFO
Nick Bradbury	Biomar
Patrick Blow	Marks & Spencer
Piers Hart	WWF
Robert Whiteley	Natural England
Simon Kershaw	Cefas
Steve Bracken	Marine Harvest

2. Minutes from previous meeting held on 14 April 2016.

Tom Pickerell welcomed everyone to the Aquaculture Common Issues Group (ACIG) meeting and explained how the ACIG and the more-recently formed Seafish Domestic Aquaculture Advisory Committee (SDAAC) worked together. Seafish facilitates the ACIG, and is facilitator and secretariat of the SDAAC. The ACIG is an open forum and is aimed at informing a wide-range of stakeholders by enabling information sharing, and can cover a wide range of aquaculture issues from both the UK and overseas. The SDAAC is an invitation-only operational closed group which provides a forum by which invited aquaculture representatives from across the UK can input into the decision making process of the Seafish Domestic Aquaculture Programme. There would likely be some overlap in content between the two groups but the key point was ACIG is for aquaculture knowledge exchange (including non-levy species) and SDAAC is for advising Seafish operational work.

The final minutes were accepted as a true reflection of the meeting and have been added to the ACIG web page. Attendees were asked to take note of the meeting guidelines. In the following minutes Seafish will provide a link to the various presentations given at the meeting but not summarise the whole presentation. In the main we do not attribute the comments made at the meeting. Matters arising: Various links were circulated and there were a number of topics suggested for the next meeting which are being covered today.

3. Analysis of the Economic Contribution and Value of the Major Aquaculture Sub-Sectors and Most Important Farmed Aquatic Species in England, Northern Ireland and Wales ' Presentation on the findings and recommendations. John Hambrey, Hambrey Consulting.

http://www.seafish.org/media/1655636/acig_sept2016_economicanalysis.pdf

The aim was to demonstrate quantitatively and qualitatively how the economic performance of existing aquaculture businesses in England, Wales and Northern Ireland (EWNI) may be improved, and the capacity of the industry increased. The overall production trend has been stable for three decades but declined to 2014. The total direct value is around £54m (farm gate sales) which splits roughly equally between finfish and shellfish. About 50% of this is value added – less for fin-fish; more for shellfish. It is estimated the sector employs 1,000 direct jobs and its total contribution to the economy is around £100m and 1,700 FTE jobs. There was a species by species synopsis with significant potential highlighted for mussels, oysters, scallops and clams in particular. There was the impression of real frustration with government and attitudes to development and whether planning was to facilitate sustainable development, or constrain development.

Discussion

- There was some debate around Recirculating Aquaculture Systems (RAS) which were described as well proven and well used for hatchery and early rearing where value/weight ratio is high but unlikely to be economic for on-growing finfish. There was discussion over investment in other countries, the amount of investment required and the large scale necessary. In Denmark RAS are Government-funded and without that backing it is difficult to see how they can be viable.
- On the theme of planning frustration Government is not paying enough attention. A question was posed as to whether Seafish could create a standard to work to which would be acceptable to planners.
- A situation on a pacific oyster farm was described (which is mentioned in the report) where a Marine Management Organisation (MMO) notice has been served under environmental damage legislation. With no appeal process to demonstrate compliance with the law this activity has the potential to undermine the whole industry.
- **Q.** Can the UK trout industry survive? **A.** This is a big concern and needs either a cut in costs or an increase in scale. Consolidation and Government backing is required. The industry can grow but there is nervousness at the moment.

Action: Circulate links to the report once published.

4. How Seafish is addressing the recommendations – Seafish initiatives, activities and resources. Lee Cocker, Seafish.

http://www.seafish.org/media/1655639/acig_sept2016_seafishactivities.pdf

Lee illustrated how Seafish was responding to the recommendations in the report above with examples of: collaborative initiatives; the amount of information resources available; measures to help regulatory streamlining; interaction with Government; engagement with other sectors; supporting aquaculture-focussed research projects; work on addressing water quality issues; developing aquaculture skills; and developing a research strategy.

Discussion

- **Q.** There are clearly lots of good things going on – have we got it right? **A.** We hope to see growth in the UK aquaculture sector as a result of all of this but it

would be very difficult to relate any growth directly back to this work. This is all about laying the foundation which is crucial.

Action: Circulate links to all the appropriate web pages and documents.

5. Activities of the Devolved Administrations.

Jill Barber, Marine Scotland.

Jill mentioned the Aquaculture Europe 2016 conference in Edinburgh. The conference, organised by the European Aquaculture Society, will bring together 1700 attendees, including researchers, national authorities, aquaculture producers and technology developers. A £2.5 million European funding boost to support sustainable growth and investment in Scottish aquaculture will be announced shortly

The Scottish Fish Farm Production Survey 2015 was published on 12 September and details statistics on the employment and production from Scottish fish farms. It is structured to follow industry trends within the farmed Atlantic salmon, rainbow trout and other species sectors. The main findings are;

- In 2015, production of Atlantic salmon decreased by 7,300 tonnes (4.1%) to 171,722 tonnes. Production levels remained high with this being the second highest level production recorded in Scotland.
- Production tonnage of rainbow trout increased by 46% in 2015 to 8,588 tonnes. This is the highest ever level of rainbow trout production recorded in Scotland and was due to an increase in marine production (4,678 tonnes compared to 1,909 tonnes in 2014).
- During 2015 there was an increase in the production of lump suckers and wrasse which are used as biological controls for parasites but there was a decrease in brown trout/sea trout and halibut production.

Michael Gubbins, Defra.

Very little has changed in the last six months as recognised by the John Hambrey report. English aquaculture is relatively small and static. Defra recognises the constraints which is why reports on the economic contribution and Several and Regulating Orders (SRO) have been commissioned. SROs are special legislation to encourage the setting up and management of private and natural shellfisheries in UK coastal waters - granting exclusive rights over shellfish for a specific period in a designated area. It is important that we find our way through the complexity of the planning and we will be taking on board the recommendations from this report. This whole area is even more complicated now taking into account environmental concerns and the relationship between the catching and aquaculture sectors.

Jose Constantino, Welsh Government.

http://www.seafish.org/media/1655642/acig_sept2016_welshgovt.pdf

Jose outlined Welsh Government activities including: EU External stakeholder workshops to get a picture of the key issues and an idea of what industry thinks; European Maritime and Fisheries Fund (EMFF) guidance notes. Applications were invited from 21 October 2016. The application process will be managed through the opening of specific Measures for proposals throughout the life of the programme. Measures will be closed when all funding has been allocated. The first Measure to be opened is Measure I.8 Article 32: Health and Safety, with an available budget of £80,000; and a Welsh National Marine Plan is being developed to provide clarity and optimise opportunities for the sustainable development of Welsh seas.

Discussion

- **Q.** Is aquaculture a key area under the Marine Plan? **A.** Public bodies in Wales now need to make sure that when making their decisions they take into account the impact they could have on people living their lives in Wales under the terms of the Well-being of Future Generations (Wales) Act 2015. This forces Government to take into account all interests.

6. Brexit – views from the room. Introduction by Sarah Horsfall, Seafish.

This is complicated with various potential scenarios. There are also distinct differences between regulations, directives and conventions, and the impact on them.

- International Conventions bind the state not individuals, are only applicable to states that sign the convention and do not have enforcement mechanisms. The effect of the EU exit on Conventions is that the UK would need to choose UK or EU.
- EU Directives bind all Member States to achieve an outcome but leaves the form of words and methods to the national authorities. The effect of EU exit on Directives is that UK implementing regulations remain in force.
- EU Regulations are binding in their entirety and are directly applicable in all Member States with direct effect on Member States law. They do not need the Member State to enact further legislation. The effect of the EU exit on Regulations is that they would cease to apply on exiting the EU

If the UK negotiates membership of the European Economic Area (EEA) and thus remains part of the Single Market (Inside Single Market option), such membership would require that the UK continues to comply with the great majority of environmental legislation with the exception that the UK would no longer be subject to the Bathing Waters Directive, the Birds and Habitats Directives and the Maritime Spatial Planning Directive. The Common Fisheries Policy would no longer apply but the UK would remain subject to international commitments (e.g. OSPAR, International Maritime Organisation (IMO) and the UN Convention on the Law of the Sea (UNCLOS). Access to many EU funding programmes relevant to marine could continue for some.

Outside the single market UK companies seeking to export to EU would be subject to product environmental requirements. The UK would remain subject to international commitments (e.g. OSPAR, International Maritime Organisation (IMO) and the UN Convention on the Law of the Sea (UNCLOS)) but would no longer be subject to the o Bathing Waters Directive, the Birds and Habitats Directives, the Water Framework Directive, the Marine Strategy Framework Directive, the Maritime Spatial Planning Directive and the Common Fisheries Policy would no longer apply. Access to EU funding programmes would be unlikely.

Seafish will be producing an overview matrix of sectoral views to show the key outcomes hoped for in a post-Brexit seafood sector, as well as the things to avoid post-Brexit and the many unknowns. This session is part of that feedback process. Seafish is asking three key questions:

- What are the key things you want from a post-Brexit seafood sector?
- What are the key things you want to avoid post-Brexit?
- What are the unknowns?

Discussion

- **Q.** Did Seafish have a contingency plan? **A.** Seafish has a Corporate Plan which currently covers 2015 – 2018 and we are about to start planning ahead to look at 2018 – 2021. We do not yet know what the Brexit landscape will look like.
- There are lots of questions over how much transition is needed and how quickly any changes could come into effect.
- Government resource is vital and it is not clear how low down aquaculture, water quality and marine legislation would be in the list of priorities.
- **Q.** How can Seafish best help? **A.** Seafish cannot lobby but in the short-term we can represent the views of industry to Government recognising that there is unlikely to be a united voice on this. Government does use Seafish as a conduit to hear industry views.
- **Q.** Could Seafish do a mapping exercise for all the marine legislation to show what would stay and what would go, and where there are opportunities and threats? **A.** That exercise has already been started and could be communicated. There was also a suggestion this could be combined with research work that Fisheries Innovation Scotland is undertaking.
- **Q.** What is going to be the position over the next two years? Will we have the same opportunities to comment on and potentially influence any new marine legislation? **A.** We could certainly lose influence over the next two years.
- **Q.** Will there be a clear line on aquaculture? **A.** This is unlikely as there is not really one single industry viewpoint to carry forward.

7. Focus on Wales

7.1 State of the art hatchery, laboratory facility and shellfish culture ponds associated with a new lagoon. Martin Syvret, Aquafish Solutions.

Martin explained the background to the project 'Closing the Circle: a Blueprint for Sustainable Aquaculture in Tidal Lagoons from Hatchery to Plate' which has been funded by Seafish under the Strategic Investment Fund. There is an opportunity for British mariculture businesses to be at the forefront of lagoon-based mariculture development. Tidal lagoons may offer important capacity for high quality, sustainable, high value seafood for local & export markets. This project will help to establish the technical foundation for an urgently needed multispecies hatchery that would help address the strategic seed supply bottleneck that is constraining aquaculture expansion in the UK. Tidal Lagoon Swansea Bay plans to build the world's first, man-made, energy generating lagoon, delivering 320MW installed capacity of generation for 14 hours every day. The 9.5 km Lagoon wall starting at the eastern side of the River Tawe will enclose an 11.5km² area of sheltered water. TLSB has committed to the development of mariculture activity within the lagoon with the intention of creating local employment beyond the construction phase. TLSB have also committed to the construction of a shellfish hatchery and associated spatting ponds for native oysters and other shellfish.

Discussion

- There was some discussion over the positioning of turbines and the whine under the sea affecting the hatchery.
- **Q.** Are there issues with partnering with energy companies? What is their attitude? **A.** TLSB is the prime developer and this is referred to as an 'Aquaculture Park' which describes a working arrangement whereby the main stakeholder, in this case the marine renewable energy developer, is granted the license to undertake a secondary co-location activity, e.g. mariculture operations,

- within the spatial footprint of the marine renewable energy site, together with the right to sub-let the licensed areas for co-location activities to selected partner organisations, e.g. aquaculture producers, whilst potentially providing specific services to those partner organisations. We have tried to keep the research generic to test ideas. Co-location has been an issue for quite some time but TSLB has committed to this.
- **Q.** Has there been any modelling of water quality and CSO discharges? **A.** Yes there has and the sewage outfall has had to be moved. The water quality is deemed to be good – there are other drivers other than shellfish.

7.2 Port of Milford Haven Aquaculture Development. Alaric Churchill, Milford Haven Ports Authority.

http://www.seafish.org/media/1655651/acig_sept2016_aquacoast.pdf

AquaCoast is a partnership between the Port of Milford Haven, Swansea University, Bantry Bay Mussel Growers, the University of Cork Ireland, the University of Dublin, six commercial organisations, Natural Resources Wales and Welsh Government. This is focussed on specific industry needs in Wales to support the sustainable production of finfish from 761 tonnes in 2012 to 2,000 tonnes by 2020, with shellfish increasing from 8,376 tonnes in 2012 to 18,000 tonnes in 2020.

Discussion

- **Q.** How much does this cost? **A.** There are ways to reduce the numbers of players in the supply chain to make more for those at the bottom.
- This project is a nice contrast to the one before where aquaculture could be deemed a nuisance for the energy companies. Tankers can easily sit alongside aquaculture producers.

8. Ecosystem effects and socioeconomic impacts of a suspended culture offshore mussel farm. Lyme Bay, South Devon. John Holmyard, Offshore Shellfish/Danielle Bridger, Plymouth University.

http://www.seafish.org/media/1655654/acig_sept2016_onshore2.pdf

Projected production is set to grow to 10,000 tonnes per annum by 2020 which means this will be the largest mussel farm outside of China. Sampling and survey work so far shows no observable detrimental effects so far. The farm may attract commercial species and pelagic fish. There has also been a survey asking fishermen, anglers and charter boats whether there have been any changes.

Discussion

- **Q.** Do you envisage any sort of Code of Practice? **A.** We are positioned between Lyme Regis and Exmouth and at the moment others are keeping their distance. Once fully established we will have a Code of practice for other users.
- **Q.** Do you still need to convince anyone about the viability of this project? **A.** As part of the Licence Agreement we do have to continue surveying and sampling and this does have a value in itself in terms of markets.

Supporting the industry

9. European Maritime Fisheries Fund and Aquaculture. Catherine Murphy, Marine Management Organisation.

http://www.seafish.org/media/1655657/acig_sept2016_mmo.pdf

Defra and HM Treasury have confirmed that all European Structural and Investment Funds (ESIFs) projects with signed contracts or funding agreements in place with

government, and projects signed before Autumn Statement, will be fully funded, even when these projects continue beyond the UK's departure from the EU. This includes the European Maritime and Fisheries Fund. The Treasury will confirm future funding arrangements ahead of the Autumn Statement and announcements will be made.

As a postscript to this on 3 October following his announcement in August, which guaranteed funds for projects signed up until the Autumn Statement, the Chancellor has now extended this guarantee to the point at which the UK departs the EU. The Chancellor confirmed that the government will guarantee EU funding for structural and investment fund projects, including agri-environment schemes, signed after the Autumn Statement and which continue after we have left the EU.

The funds are around £426,000 and the articles covering aquaculture are:

- Article 47 Innovation in Aquaculture. Developing technical, scientific or organisational knowledge in aquaculture farms,
- Article 48 Productive investments in aquaculture.
- Article 49 Management, relief and advisory services for aquaculture farms.
- Article 50 Promotion of human capital and networking.
- Article 51 Increasing the potential of aquaculture sites.
- Article 54 Aquaculture providing environmental service.

Action: Circulate MMO web links.

10. Update on Blue New Deal Action Plan. Chris Williams, New Economics Foundation.

http://www.seafish.org/media/1655660/acig_sept2016_nef.pdf

The Action Plan combining stakeholder and community views from across the UK was launched in November 2016 with three key messages: 1. Growth potential for sector must consider environmental needs; 2. Need to harness community involvement and opportunity; and 3. Funding and legislative/policy frameworks must champion UK aquaculture as a world leader.

Discussion

- **Q.** How optimistic are you about community engagement as a lot of this type of project has failed? **A.** It could happen in some areas but realistically it is likely to be small scale. Current good examples are Porlock Bay and Poole Harbour.
- **Q.** In the workshops in Wales there seemed to be nervousness to getting large businesses involved. Is that the case? In Scotland there is more focus on large organisations. **A.** We do want to engage with larger businesses.
- **Q.** Access to finance is a big issue and the banks seem reticent to lend to aquaculture ventures. We need models that could give financial institutions confidence in investing in aquaculture. Small start-ups are very difficult because of the need for capital outlay and time to get started.