

Domestic & Export Sector Panel

11 April 2022 via Zoom

Attendees:

Jerry Percy (chair)
Chris Anderson (processors using domestic catch)
Anne Birnie (SAFPO)
Martyn Boyers (BPA)
Robert Duthie (SPPA)
Jim Evans (Welsh interests)
David Jarrad (SAGB)
Rosemary Johnston (NI interests)
Sheila Keith (Shetland interests)
Elsbeth Macdonald (SFF)
Sarah Ready (small boat/inshore interests)

Seafish:
Marcus Coleman
Aoife Martin
Lynn Gilmore
Arina Motova (part)
Simon Potten (secretariat)
Jeff Parfitt (Seafish Board - guest)

Apologies:

Michael Clark (SSA)
Mike Cohen (NFFO)

Welcome and apologies

1. The Chair welcomed everyone to the meeting. Apologies were received from Mike Cohen (the new representative for the National Federation of Fishermen's Organisations) and Michael Clark (who has stepped down as the Scottish Seafood Association's representative). SP advised that the SSA will confirm its new representative before the next Panel meeting. SP advised that the UK Association of Fish Producer Organisations had not responded to his request to nominate a replacement for Paul Trebilcock.

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. Nobody did.

Minutes of previous meeting and actions

3. The minutes of the previous meeting (27 October 2021) were reviewed and accepted as an accurate record of the meeting.
4. SP reported that all actions had been completed.

Outcomes from the Seafish Strategic Review

5. MC reminded members of the requirement for Seafish (as a Non Departmental Public Body) to undergo regular reviews and summarised the three main outcomes from the review which had taken place over the last 18 months, namely:
 - a) that there is an overwhelming need for Seafish;
 - b) a clear steer on the highest priorities for industry right now, and;
 - c) that Seafish needs to be funded to deliver the support that industry needs.

6. MC reported that Seafish had listened to industry and was focusing its efforts to make sure that its resources were being directed with impact on the issues that matter most (fewer, bigger, better projects and services).
7. MC reported that the Seafish Board has produced a list of recommendations that will help Seafish meet the needs of the seafood industry and Government covering Seafish's function, form and funding.
8. Function:
 - a) Seafish should only use levy funds to deliver products and services where there is a clear value proposition to the UK seafood supply chain.
 - b) Seafish should secure financial support when asked to deliver a service or support projects on behalf of government. Particularly when the function Seafish is being asked to deliver is the statutory responsibility of another organisation.
 - c) Seafish should proactively access government grant programmes or third-party funding opportunities that are aligned to the delivery of its core functions.
9. MC advised that the seafood industry had told Seafish there were six areas they wanted more support from Seafish with and that there was also a clear message from stakeholders that Seafish was spread too thin with the resource it has. The six areas were:
 - a) Workforce issues
 - b) Reputation
 - c) Climate change
 - d) International trade
 - e) Insight and innovation
 - f) Fisheries management
10. Industry recognised that Seafish was spread too thin in some areas, limiting its ability to deliver with impact. As a result, MC reported that Seafish was making immediate changes to some of its existing activities. The Seafish Board has decided to stop consumer marketing through the Love Seafood brand with immediate effect, though an increased focus on industry reputation will indirectly support businesses with their own consumer marketing into the future.
11. Form:
 - a) MC reported that industry valued Seafish's engagement across the UK and it was made clear that there is an opportunity to build on existing strong relationships with the devolved administrations.
 - b) Seafish will address:
 - i) Outdated governance arrangements by updating its Framework Agreement and moving its corporate plan cycle from 3 years to 5 years;
 - ii) Deliver increased partnership opportunities with the four UK administrations;
 - iii) Consolidate Seafish's position as the only organisation working across the seafood supply chain and across the UK.
12. Funding:
 - 1) MC reported that industry and Government recognised that the system, the rates and the approach to collecting the Seafish levy has not changed in 20 years and needs reform. Stakeholders told Seafish they wanted a fair approach.
 - 2) Seafish will ask Government to:
 - a) Amend legislation to create a more agile and responsive system.

- b) Adjust levy rates where appropriate to ensure the levy collected can support the delivery of our priorities and commitments.
 - c) Review inclusion of all product forms and species within the remit of the levy to achieve a fair and inclusive levy system.
13. MC commented that these will all need legislative changes which are likely to take several years to complete. However, Seafish will start this process in 2022.
14. Next steps:
- a) As Seafish moves into the last year of its current corporate plan, these recommendations set out the future direction for Seafish for its corporate plan 2023-2028.
 - b) Subject to ministerial approval from across the four administrations, Seafish will start to implement the recommendations made by the Seafish Board.
 - c) Seafish will continue to engage with the seafood industry and the four Government administrations to explore how and when Seafish will deliver the recommendations.
15. Members were pleased to see this renewed focus, but were keen to see more detail on the specific work that Seafish would be undertaking against each of the six key areas identified, warning against duplicating work that other organisations undertake.
16. Members asked for further clarification on plans for changing and extending the Seafish levy (including levy rates, products, forms, etc.) and on how Seafish planned to continue supporting the industry across national and regional boundaries.
17. Members asked if the recommendations reflected more recent issues arising from the conflict in Ukraine, including energy costs and food security, and also around spatial squeeze and environmental impact (including carbon). Members commented that industry needed Seafish's help with collecting, analysing and presenting relevant data.
18. Members commented that excellent two-way communication between Seafish and industry was vital moving forward. LG reported that Seafish was currently working on a new stakeholder engagement strategy.
19. AB enquired about the Finfish Advisory Group. AM advised that it was predominantly focused on non-quota species.

ACTION 1: Seafish to send AB details of the Finfish Advisory Group meeting on 25 March 2022 and invite AB to join the group.

ACTION 2: Seafish to update and circulate its organisational chart to members.

ACTION 3: Seafish to circulate a link to its recent response to the Marine Conservation Society – done in the meeting chat: <https://www.seafish.org/about-us/news-blogs/responding-to-the-latest-update-on-the-good-fish-guide/>

Fuel price rise – implications for sector

20. AMo presented the results of the work that Seafish's Economics team had undertaken to develop a model for predicting the likely impact of fuel cost rises on the economics of fishing, using three scenarios.

ACTION 4: Seafish to share slides from AMo's presentation; a link to AMo's recent blog was shared in the meeting chat: <https://www.seafish.org/about-us/news-blogs/modelling-impacts-of-the-rising-price-of-fuel/>

21. Members confirmed that rising fuel costs were hitting fishers hard and advised that some fishers were losing money. Many were changing how they worked - reducing trip length, not travelling as far to fishing grounds in an effort to reduce their fuel costs, while others were fishing less frequently (trying to maximise catching opportunities and prices). This could have a long-term impact on behaviours.
22. Members advised that the Chancellor's cut in fuel duty impacted the industry negatively as prices didn't go down immediately, but fishers weren't able to reclaim as much duty. Fishers are also struggling to pay crew a sufficient share to keep them. Members wondered if decommissioning is the next step for vessels that do not have sufficient quota to be able to cover their increased costs.

Industry issues – round table

23. The following issues were reported by members:
 - a) Finfish Advisory Group – very important opportunity for the industry to get involved and influence the direction of travel with fisheries management following the consultation on the Joint Fisheries Statement. First fisheries management plans to be published in 2023 and rest by 2025.
 - b) Fisheries management and restrictions – seeing a new lens on fisheries management in Scotland (e.g., the Clyde cod closure and proposed effort cap in inshore areas) and a continued proliferation of marine protected areas, with the resulting consultation overload. Huge amount of work needed to generate the science that is needed to underpin the development of new fisheries management plans and inform impact assessments. No provisional quota allocations yet, causing problems for Producer Organisations and their members, but at least Faroese licences have opened. Ports not mentioned in the Joint Fisheries Statement.
 - c) Spatial squeeze from offshore wind – recent leasing round approved projects up to 24 GW not 10 as advertised covering over 7,000km² of Scottish waters and floating wind farms likely to prevent co-existence with fishing. Scale and pace of development is alarming.
 - d) Maritime & Coastguard Agency – adopting a stronger line on enforcement. Concerted inspection campaigns identifying lots of deficiencies and some detentions, causing a lot of stress for operators having to fund improvements and then struggling to get MCA staff to re-inspect, especially in remote geographical areas. Also significant issues with application of the MCA's new Under 15m Safety Code (impacting previously safe and compliant vessels) and inconsistent interpretation by MCA surveyors of the new requirements, particularly around stability where there is a lack of clarity and guidance (<https://www.homeanddry.uk/vessel-stability/>) about testing and communication with fishermen has been poor. Industry relations with the MCA (up to and including the Fishing Industry Safety Group level) have suffered as a result.

ACTION 5: Seafish to share members' concerns with its contacts within the MCA.

- e) Government - lack of engagement with industry in some nations is a concern.
- f) Fuel – already covered during previous agenda item, but reiterated that increase in fuel prices was seriously affecting fishermen's livelihoods as well as impacting production and distribution costs for processors. Prices to the consumer will have to increase, which presents a challenge to retain market share although some are seeing strong sales at the moment.
- g) Ukraine conflict – UK pelagic sector is resilient but relied on Ukraine for 25% of its market, has needed to find alternative markets. Russian vessels not being allowed to land in UK ports.
- h) Labour – getting crew for fishing vessels is a huge challenge in many areas, also concerns about succession planning for the ageing workforce of skippers. Ports are being asked by

- Government to monitor wages for crew on UK vessels following the P&O situation and employment/conditions for non-UK workers, but not willing.
- i) Shellfish – fishers needing EU agreement to resolve issues with the number of crab pots in the German Bight needs agreement with EU. Continuing issues with export of live crab from UK to China, having to be sent via Holland but incurring lengthy and costly delays. Exports to the EU are strong but huge expense with new certification requirements. Delays at Dover don't seem to have impacted too much. Water quality and classifications likely to send some mussel business to the wall. New Shellfish Aquaculture APPG set up with good engagement – next meeting in May. Sentience Bill going through Parliament could have a serious impact for the catering and retail sectors. First in-person SAGB Conference for three years.
 - j) Funding – members welcomed Defra's progress with rolling out the £100m UK Seafood Fund and the opening of national schemes like the Fisheries and Seafood Scheme (England) and the Marine Fund Scotland.

Any other business

24. None raised.

Date of next meeting

25. It was agreed the next meeting will be held in approximately six months.

Action 6: SP to arrange the date for the next meeting and confirm arrangements with members.

Actions

No.	Action	Timeline	Owner
1	Seafish to send AB details of the Finfish Advisory Group meeting on 25 March 2022 and invite AB to join the group	As soon as possible	Seafish
2	Seafish to update and circulate its organisational chart to members	When available	Seafish
3	Seafish to circulate a link to its recent response to the Marine Conservation Society – done in the meeting chat: https://www.seafish.org/about-us/news-blogs/responding-to-the-latest-update-on-the-good-fish-guide/	Complete	Seafish
4	Seafish to share slides from AMo's presentation; a link to AMo's recent blog was shared in the meeting chat: https://www.seafish.org/about-us/news-blogs/modelling-impacts-of-the-rising-price-of-fuel/	Complete	Seafish
5	Seafish to share members' concerns with its contacts within the MCA	As soon as possible	Seafish
6	Arrange date for next meeting and confirm arrangements with meeting invite. Tuesday 25 October 2022 1030-1330 via Teams	Complete	Seafish