Minutes of the Processor & Import Panel

Wednesday 20th October 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
Sturri Haraldsson (SH), Norebo Europe Ltd
Richard Stansfield (RS), Flatfish Ltd
Charlotte Turner (CT), Nomad Foods
Simon Rilatt (SR), Seafood Industry Alliance
Dominic Collins (DC), New England Seafood
Neil Cursons (NC), Blue Oceans
Scott Johnston, Youngs Seafood

Seafish:
Aoife Martin (AM)
Marcus Coleman (MC)
Stuart McLanaghan (SM), Secretariat
Mike Sheldon (MS), Chair, Seafish Board (guest)
Jerry Percy (JP), Chair, Domestic & Export Sector Panel (guest)

Welcome and introductions:

1. **JP** welcomed everyone to the virtual meeting and outlined the format for proceedings. MS and JP were introduced. CT and DC - deputising for SC and AP – respectively, were also welcomed. Roundtable introductions followed.

Apologies:

2. Apologies were noted from:

   - Stuart Caborn (SC), Nomad Foods
   - Adam Peasey (AP), New England Seafood International
   - Simon Dwyer (SD), Grimsby Fish Merchants Assoc.
   - Victor West (VW), Associated Seafoods Ltd

Minutes of previous meeting and actions arising:

3. The minutes of the previous Panel meeting (27th May 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 Annual Plan - 2022/2023:

5. **AM** introduced the 2022/23 Annual Plan agenda item. The 2018/21 Corporate Plan had been extended to cover five-years (up to and including 2022/23(, given the combined challenges of EU-Exit, the Strategic Review and Covid. Seafish is exploring with Defra, the scope to

increase to a standard five-year Plan period. For the 2022/23 Annual Plan, the challenge-led approach will be retained, as the broad headings resonate with key industry challenges and are well understood by stakeholders. The proposed content for the 2022-23 Annual Plan can be found in Annex 1.

6. Panel views were sought on the following and the key points raised follow.
   - Are we focusing on the right things?
   - What other activities should we focus on?
   - Are there areas that are important to you that we are not addressing?
   - How can we ensure that industry is engaged on this work?

7. *Resource allocation / prioritisation:* the Panel requested an overview of how Seafish allocated / prioritised resource 'spend'. The Corporate Plan reflected the three Sector Panels' priorities. Challenge 2 represented the largest share of the Seafish levy however, Challenge 3 has the highest spend due to external funding (e.g. Kingfisher.) Seafish is increasingly successful at leveraging external funding for ring-fenced activities, but this presents additional administrative / managerial input. Seafish sets targets, examples include: Love Seafood (consumer consumption of two seafood portions / week) and economic data collection. Other challenges are more centred on reports and facilitating industry engagement (e.g. Issues Groups.)
8. *Annual Plan publication:* the Panel requested clarification on the publication date for 2022/23. The intention is to bring the process forward for earlier Sector Panels' engagement (on today's agenda) and Board approval in March 2022; publication is planned for April 2022.
9. *Climate change:* the Panel stressed the importance of the "carbon challenge" and as a low-carbon protein source, seafood is pushing at an open-door, but needs access to data / statistics to support Challenge 2 activities. Seafish is planning to extend / upgrade its carbon emission profiling work and keen to work with industry here.
10. *EU-Exit related:* the Panel stressed the required continued support for industry on issues including pre-notification certification for imports of animals / foodstuffs of animal origin (from July 2022) and streamlining the authorisation process through electronic documentation. There are growing requests to provide UK-wide resource at international trade shows and work was underway with the Department for International Trade, to develop assets for industry stakeholders.
11. *Skilled workforce:* the Panel discussed the importance of access to skilled labour and concerns on "skills leaching" (e.g. retirement.) This remains a major ongoing supply chain challenge and is essentially a shared UK-wide issue. The future face of the industry needs to be attractive to prospective employees and a fair place to work, with T&Cs comparable to other sectors.
12. Seafish is supporting the entire UK supply chain on both labour and product import related issues. Making the sector more attractive is key, together with promoting flexible working

and greater equity / diversity. A strong evidence base is central to inform future Seafish's activities.

13. *Infrastructure:* access to sufficient UK infrastructure is key to enable added value opportunities to be levered across the supply chain; otherwise industry will continue to forgo the associated economic benefits to foreign competition.

14. *Underpinning marketing:* the Panel agreed that to be a success, it is crucial that Love Seafood activities draw on Seafish research on reputational and sustainability issues (e.g. carbon footprint of seafood.) Seafish views reputation as key here, again underpinned by sound research / evidence on seafood versus other proteins.

15. **JP** thanked the Panel for their comments and the broad assurance provided that the draft 2022/23 Annual Plan contents are on the right path.

Seafish Strategic Review – update

16. **AM -** a presentation updating members on the Strategic Review had been shared with members in advance of the meeting. This included questions the panel members were asked to prepare feedback on. This feedback will be included in the Strategic Review paper that the Board will consider in November.
17. Input received from the previous Panels' discussions had helped shape the approach taken to the Review consultation activities. The combined Review workshops and online survey findings confirmed that there is strong support for Seafish, and that everything the organisation does is valued (some activities more than others).
18. Panel member views were initially sought on the following questions:
    - Does this provide a basis for Seafish to continue to deliver our current work programme, provided we have the required funding to support it?
    - Is this reasonable or feasible? If it is not feasible then where should we prioritise?
    - Is it appropriate for Seafish to align its work programme to government priorities more explicitly? Is this view dependent on Seafish securing multi-year government funding?
    - Should Seafish refocus its offering and step away from delivering less popular work programmes?

Summary of Panel discussion and Seafish' response:

19. 28.5% of levy payers had taken part in the survey; could this be equated to the amount of levy represented? The response rate is not untypical and there is no way of knowing the associated monetary value; as not all stakeholders pay levy, it is important to not read too much here. The Review is much broader than the survey, including six workshops, discussions with all three Sector Panels, as well as informal stakeholder engagement.

20. Alignment with devolved administrations: whilst there were no strong Panel views, members acknowledged that there is merit in Seafish's work streams having some alignment with government priorities. Seafish's work benefits evidence-based policy development and whilst it cannot lobby government, it can open doors via regular liaison, at which practical knowledge on industry challenges can be shared. However, where Seafish is approached to

directly help evidence government policy thinking, this would need to be directly funded (i.e. non-levy.)

21. The Panel agreed that Seafish needed to undertake fewer things 'better' and focus in key areas important to all and on issues not covered by industry - driving consumption and making further headway towards two-portions per week were seen as top priority.
22. The Panel recognised the huge prioritisation challenges associated with trying to please everyone, against a backdrop of increasing stakeholder expectations, and different sub-sector needs. The national shellfish groups were seen as a good example of targeted support for the shellfish sector, as was the FIPs support, to help evidence supply chain sustainable sourcing. It was agreed that Seafish adds independent reputational credentials for industry, translating these into strong and clear messaging, and helping to avoid duplication.
23. There were no strong views on whether Seafish should become more aligned with devolved administrations work programmes, but, if funding is available to do so, it could be a missed opportunity for industry to help shape evidence-based policy across the devolved administrations.
24. Seafish provides joined-up UK-wide supply chain support (e.g. sustainable fisheries management) which is much broader than governments' role. The organisation has a good working relationship with all Devolved Administrations and our national economic analysis work, for example, isn't restricted to one government. If the Sector Panels are comfortable that Seafish aligns some work activities, for example, with the National Food Strategy, and government provides direct support to do so, such activities could be considered.
25. **JP** – asked members whether Seafish should refocus its offering and step away from delivering less popular work? The only comment was to ensure Seafish doesn't duplicate work on increasing seafood consumption which is already being conducted by larger businesses.

Summarised comments on ranking Seafish's top-five priorities

26. The Panel was asked to rank their top-five Seafish priorities however, whilst there was a range of views, there was no single ranking. Instead the key priority related issues discussed are as follows.
27. Consider ranking short-, medium- and long-term objectives. The list could be shortened by combining linked activities (e.g. 6 - *Establish the industry as a safe and attractive place to work* and 7 - *Support the industry to access the labour it needs*.) Activities 6-12 represent issues that 'make' industry before we try to sell anything. Reputation relates to the entire supply chain and Seafish has an important support role through its reputational activities (5.)
28. There were some differences on the amount of value Love Seafood (3) offered; the Panel felt industry should be left to market itself. Seafish has limited funds and cannot do everything, so focus is needed in areas where the greatest impact can be delivered. Longer-term, influencing consumer attitudes is central to Love Seafood however, whilst it is very tempting to look at sales / metrics data, Seafish's role is about reputation and consumer attitudes, not sales figures.

29. The Panel referred to the potential funding benefits of the Norway / Iceland seafood sector model however, it was noted that these were structured very differently to Seafish (e.g. levy applied to export sales and a remit to deliver direct marketing responsibilities.)
30. **JP** – thanked the Panel for its robust discussions however, it wasn't clear what the Panel's top-5 priorities were for Seafish to take back to the Board. **MS** – the Board will need to synthesise and produce a strawman on the main areas in which Seafish can offer the greatest value for money, as it cannot strive to do everything.

Action #1: JP / AM/ MC to formulate views and take these to the November Board meeting.

Levy

31. **MC** - Seafish levy arrangements have been identical since the Fisheries Act was implemented in 1981. Further levy rates have not been reviewed since the late 1990s and therefore do not account for inflation and nor do they reflect how the sector now operates. Where rates had remained largely unchanged by inflation, or the evolution of the sector, Panel members were asked:
    - How often should levy be reviewed – both levy rates and how the levy is applied?
    - Should levy extend to salmon, trout, and all product forms? What are the risks and benefits of this?

Summary of Panel discussion:

32. Over the last 40 years, since the Fisheries Act 1981 came into force, there has been a fundamental change in the ratio of wild capture versus aquaculture landings. At that time, the farmed salmon industry was in its infancy.
33. All supply chain players share in the results / benefits of Seafish's work, but they don't all contribute (or contribute equally.) This isn't just about salmon and migratory trout; some other farmed species are also currently outside the Levy e.g. tilapia. While there was support for including farmed salmon within the scope of the levy there is a risk that Seafish resources could be diverted to focus on salmon issues which might not be of relevance to other parts of the seafood supply chain. However, there could be a risk that Seafish would be drawn into wider salmon industry agendas if this sector is brought into the Levy.
34. **AM** - clarified next steps:
    - Preparing the final report and recommendations for the Seafish Board's consideration in November.
    - The Strategic Review process is on track to meet the Cabinet Office requirements and to date no issues have been raised.
    - Once the Seafish Board has agreed the final recommendations, the Seafish Chair will submit these in writing to each of the four devolved administration's ministers.

Love Seafood

35. **MC** - provided an update on Love Seafood's year-two activity strategy. A year-one review of Love Seafood marketing initiatives is currently underway and results will be made available in due course. Year-two will focus on balancing in-home seafood consumption with out-of-

home (and weekdays versus weekend.) The strapline is 'Bring on Better Living' and will underline seafood as a protein source full of rich health benefits. A wide variety of assets will be made available, and the campaign will be supported via a range of media channels.

Other industry issues - round table

36. Logistics / disruptions continue to negatively impact industry / supply chains. As regulations on imports are expected to come into force in 2022, industry will need further support (e.g. ongoing export health certificate issues), to avoid further supply chain delays. Implementation of EU-import controls, deferred to July 2022, will undergo a soft launch from 1/1/22.
37. Food service has had a torrid 18 months, with ongoing challenges getting product to the end-consumer. Kantar data are showing a noticeable downturn in seafood sales due to global supply chain issues (e.g. staff shortages.) Whilst demand was strong, Covid was still impacting supply chains - with new challenges emerging almost daily – and industry was playing catch-up to supply the Food Service sector. Conversely, retail was seen to be booming.

Date of next meeting

38. Identifying suitable dates will be deferred until the November Board meeting after which a doodle poll will be circulated to members to canvass availability.

Action #2: Seafish to circulate a doodle poll to members in due course.

Meeting close

39. In summarising the Review discussions, **MS** commented that going forward maintaining coherence would be challenging; the quality of execution important; and difficult choices would have to be made.
40. **JP** thanked all Panel members for their contributions and closed the meeting.

Action List:

Action #1: JP / AM/ MC to formulate views and take these to the November Board meeting.
Action #2: Seafish to circulate a doodle poll to members in due course.

Annex 1 - proposed content for the 2022-23 Annual Plan

Challenge 1 – Changing landscape:
Helping the industry navigate a changing political, economic and regulatory landscape as the UK exits the EU.

- Assessing / responding to the implications of the Trade and Cooperation Agreement (TCA) on trade with the EU and on fishing opportunities.
- Regulatory equivalence – ensuring there is consistency in how regulations apply across different jurisdictions in the UK.
- Economic analysis and assessment of the impact of EU exit on seafood supply chains.
- Continue the Seafish international trade programme:
    - Trade facilitation: ensuring Free Trade Agreements (FTAs) recognise the needs of the seafood sector and assisting businesses to equip themselves to navigate the complexities of tariff and non-tariff barriers.
    - Trade promotion: identifying potential opportunities in overseas markets, providing ‘on-the-ground’ support at trade shows, and producing marketing and promotional assets that businesses can use to help promote their products.

Challenge 2 – Seafood consumption:

- Increasing consumer demand against strong competition from other protein and non-protein foods.
- Continue to extend our Love Seafood brand with a calendar of consumer campaigns and business to business support.
- Provide generic and bespoke market insight analysis.
- Regulatory guidance on marketing and consumer issues.

Challenge 3 – A safe and skilled workforce:

- Supporting the sector to find and develop a suitably skilled workforce, while addressing complex challenges around workplace safety.
    - Continue programmes to support industry to secure the labour it needs:
        - ‘Sea a Bright Future’ campaign.
        - Analysis and advice on labour issues and requirements to inform policy development.
        - Economic surveys of labour needs.
    - Continue to deliver the Seafish safety programme:
        - FISG and regional safety groups.
        - At sea hazards via Kingfisher.
        - Fishermen’s training.
        - Administering safety funds to equip industry with appropriate safety gear.
- Onshore training – course development and delivery.
- Expanding our Young Seafood Leaders Network.

Challenge 4 – Ensuring sustainable supply

- Helping the seafood sector to source sustainable seafood in an increasingly competitive global market, while ensuring consumer expectations on human welfare, the environment and animal welfare issues are met.
- Shellfish water quality work programme.

- Fisheries management:
    - Shellfish Industry Advisory Group (SIAG) and species/research groups.
    - Establishing a new finfish group – sister to SIAG.
    - Extending the South-West Ecological Risk Assessment.
    - Supporting Fisheries Improvement Projects and fisheries plans.
    - Data and analysis on non-quota stocks.
- Supply chain initiatives:
    - Connecting fisheries management initiatives to meet supply chain requirements.
    - Facilitating the North Atlantic Pelagic Advocacy group and the Scottish Nephrops work.
    - Haddock supply chain project.
- Climate change programme – practical advice and guidance on mitigating impact and adapting to climate change.
- Developing best practice guidance on welfare requirements for crustacea (in collaboration with SAGB).
- Continuing to deliver our programme of Issues Groups.
- Expanding our programme of work on ethics, welfare and human rights issues (Packard Foundation funding).
- Our gear technology programme – driving efficiency and environmental improvement.
- Plastics.

Challenge 5 – Innovation and data
- Helping the sector access data, analysis and insight to ensure it is equipped to understand and respond innovatively to challenges and opportunities.
- Continuing to deliver the Seafish Expert Panel.
- Supporting research and innovation through participation on Scottish Innovation Fund (SIF) and Fisheries Innovation Scotland (FIS), as well as working to build collaborative networks with research institutes.
- Regular horizon scanning work programme.
- Industry briefings on key issues.
- Programme of economic data collection, analysis, and advice.
- Expanding our spatial analysis programme.