Supply Chain and Consumer Panel Minutes

Virtual meeting held 11 May 2021

Attendees:

Chris Lamb	(Chair)
Yvonne Adam	(Youngs Seafood)
Steve Challouma	(Nomad Foods)
Andrew Crook	(National Federation of Fish Fryers)
Mark Drummond	(Independent, Fish & Chip Sector)
Andrew Kenny	(National Federation of Fishmongers)
Giles Quick	(Kantar World Panel)
Oliver Tanqueray	(Client Earth)
Sarah Riddle	(Northern Light Consulting Ltd.)
Mike Berthet	(Independent, Food Service)
Ingrid Kelling	(Herriot-Watt University)

Seafish:
Marcus Coleman
Aoife Martin
Louise Ballantyne
Helen Duggan (Secretariat)
Greg Smith (Observer)

Observers:

Mike Mitchell	(Seafish Board Member)
Dr Tom Pickerell	(New Chair from August)

Apologies:

Hazel Curtis	(Seafish)
Leah Riley Brown	(British Retail Consortium (BRC))
Malcolm Large	(FASFA)

Welcome and Apologies

1. The Chair welcomed everyone to the meeting and outlined the format.

2. Ingrid was specifically welcomed to her first meeting. Helen will share an update on the recruitment of a second new member once ongoing discussions have concluded.

3. Tom will become the new Panel Chair in August, following Chris' pending retirement.

4. Malcolm did not attend due to a technical error. His input into the Strategic Review discussion was captured after the meeting and has been included in the minutes highlighted as '**post-meeting notes**'.

Minutes of the previous meeting

5. Members reviewed the minutes of the previous meeting. No amendments were proposed. The minutes were accepted as an accurate record.

6. The Best Aquaculture Practices (BAP) programme has joined others in expressing their concerns to Government about the ongoing disruption to live bivalve mollusc EU exports.

Actions arising

7. The following actions are still to be completed in due course:

	ACTIONS PENDING

1.	Helen will share the 'Microplastics in seafood' key features summary once available.
2.	Giles will present a UK Seafood Market Insight update at a future meeting.
3.	Seafish will share an update on our Carbon Footprint work at a future meeting.

Love Seafood Update

8. Greg shared a marketing update with the panel, which included top-line Love Seafood Year 1 results, the Defra funded 'Feel Good Food' campaign and calendar planning for Year 2. Action 4: Helen will share the presentation slides soon after the meeting.

9. Chris shared an update on the recent Love Seafood Group meeting. Key points included:
    - Disappointment was noted by some LSG members that no decision has yet been made on future plans for the Fish and Chip Awards.
    - There's a strong appetite for seafood businesses to be given more notice of upcoming campaign activity. This will enable them to engage and contribute to the success of the initiative more effectively. This was particularly emphasized for the out-of-home food service sector. For industry representatives, the success of Love Seafood depends on how well industry engage with it, not just how well the campaigns perform from a consumer perspective.

10. The marketing team were congratulated on the successful launch of the Love Seafood brand and the impact of the work delivered so far. The perception uplifts following the Feel Good Food campaign are particularly encouraging. The resources allocated to Love Seafood for Year 2 are the same as Year 1. It is expected the same level of investment will work harder for us, as we incorporate learnings along the way.

11. So far, the campaign focus has been on 'at-home consumption', mainly due to the pandemic. Defra's offer to submit further proposals for funding an immediate follow-up campaign, retaining the same focus on the same species, was politely declined although discussions continue with Defra to see if a more aligned approach can be found. Seafish will continue with the approved marketing strategy to broaden awareness on the seafood category in general, throughout the rest of FY21/22 and beyond. This is in line with our remit to support all sectors, species and formats

12. Up-coming campaigns will address the balance by promoting out-of-home consumption of fish and chips in July, followed by a broader 'white-fish in food service' campaign in late summer. Our approach to delivery will continue to be adjusted to align with industry needs throughout the Covid-recovery phase.

13. We are learning as we go with the Love Seafood Group, who help guide our approach to the delivery of the initiative. We intend to condense the sessions and encourage a higher-level focus, as opposed to a specific sector or product level. The initial tenure period will end late 2021. Membership will be reviewed to make sure representation helps amplify the message across industry. A strong link with this panel will be retained.

14. In terms of target audience, we have learnt it is easier to engage the Mid-market Families, who were the target audience of the Feel Good Food campaign. It's harder to reach our other two target audience groups – Starting Out and Stretched Families. These younger audiences are important for future consumption levels, so will be a key focus in Year 2.

15. Numerous sources are reporting that younger consumers have decided to stop eating seafood following the since-disputed claims made in the Seaspiracy documentary. Greg confirmed the next phase of Love Seafood research activity will include focus groups to explore younger consumer triggers. Members were invited to share any consumer research they have access to that may be relevant. It was noted that there has been a generational shift, with younger consumers focussed on eating healthier and better quality food.

16. The use of influencers is particularly important for reaching Stretched Families. The use of user-generated content will be explored further in Year 2 and 3.

17. Mike B offered to help guide engagement with food service businesses, given they'll be fully consumed with re-opening and surviving the Covid-recovery phase. Action 5: Greg and Mike B to discuss Love Seafood/food service engagement planning soon after the meeting.

18. Post meeting note: Andrew K noted that the Love Seafood recipe books distributed to the independent retailers are the best, most balanced point of sale resource Seafish have ever supplied. They feature a really good range of species that are all commonly available.

Industry Roundup

19. The Panel members shared their observations on live challenges and opportunities facing the sectors they represent. Key discussion points follow.

20. The Fish and Chips (F&C) sector are experiencing significant increases in raw material prices across the board, way ahead of any expected inflation. Specific drivers for this are unclear. The temporary VAT rate of 5% was extended to 31 September 2021 for eligible businesses (at which point it will move to 12.5% before returning to 20% from 1 April 2022). Summer trading is expected to be good due to the increase in domestic tourism.

21. Promotions of food high in fat, salt or sugar (HFSS) will be restricted from April 2022. Details of restrictions have recently become available. Implications are being explored and a consultation with industry on how the policies can be implemented is underway.

22. Food service demand is difficult to predict with so many uncertainties still in play. School meals demand is returning slowly but surely. It will be interesting to see how the market shifts during summer, as consumers start to return to eating out of home.

23. The 'eating out of home' landscape continues to be very fluid. Some businesses are expected to adapt their menus to help chefs cope with the high demand as restrictions lift. Workforce shortages are causing some disruption as EU residents return home. Positive news stories need to be promoted as far as possible.

24. The growth in the home delivery fishbox market seems to have plateaued.

25. The long-term view is positive for retail, particularly in the frozen sector. However, year-on-year comparisons are showing a decline due to the extreme peak of stock-piling this time last year, just before the first lockdown. The retail market is in a very good place if compared to 2019. Medium-term decline (in comparison to 2020) may continue, but processors supplying the retail sector expect 2021 trading volumes will compare

positively to 2019 overall. Chilled retail sales remain in double digit growth despite the closure of fish counters over the last 12-18 months.

26. Kantar predict that up to 70% of the UK workforce will continue to work from home in some fashion, possibly up to an average of 2 days per week. As a result, a market shift from 'food to go' to 'eating in home' is likely. 'Health' as a driver for choice is expected to return. The new generation of e-commerce shopping is expected to remain.

27. Overfishing, bycatch and human rights abuses are a 'hot topic' following the release of the Seaspiracy documentary. The recent Seafish blog '10 Reasons to feel good about UK Seafood' is a welcome resource to help industry promote the good work underway. Large processors have not seen an influx of consumer enquiries but remain vigilant and prepared to respond.

28. Post meeting note: Andrew K shared that National Fishmonger Federation members remain busy, with the new customers (due to the pandemic) continuing to return. Packaging costs are increasing unexpectedly in the independent retail sector too. A recent drop in sales to younger consumers is being linked to the release of Seaspiracy due to timing.

Seafish Strategic Review

29. A short paper was shared with the Panel in advance of the meeting to outline the context to the Strategic Review and help members prepare for the discussion. Panel members were invited to share their contributions to help shape the future role and remit of Seafish.

30. Marcus outlined the background to the Strategic Review. All public bodies are required to undergo periodic reviews. The last time this happened was 2011. The review was planned for 2020 and put on hold due to the pandemic.

31. The purpose of the Strategic Review is to make sure Seafish remains relevant to industry. The levy rates have not changed since 1999 and there is a long-term trend of rising costs and increasing demand for our work, so our funding model is not sustainable.

32. The Strategic Review is Board-led and will also incorporate a Tailored Review, which is a separate requirement for Government to review the efficiency and effectiveness of Seafish as a public body.

33. The industry consultation period is starting with the panel discussions. Industry focus-group workshops will be held in June, with end-to-end supply chain representation at each. There will then be an open consultation on-line during August and September which will be widely promoted. The outcome of the consultation and recommendations will be discussed at the Board meeting in November, which is attended by representatives from each of the Devolved Administrations.
    - Post meeting note: Malcolm feels it is very important to have a member of the Seafish Executive team present at the workshops, primarily to avoid mis-informed discussion on levy.

34. The members were invited to share their views in relation to three core questions that the consultation will be based on (outlined below). Key discussion points follow.
    - What services and functions should Seafish deliver in the future?

- How should Seafish be organised to effectively deliver with impact, whilst ensuring our products and services are delivered nationally for the benefit of the sector across the UK?
- How should Seafish be funded to ensure levy is equitable and that its recovery is efficient and effective?

Scope of delivery

35. As a public body, Seafish are legally obliged to focus on what the market cannot do for itself. It is recognised that will be different for different sectors. It was suggested that it would be helpful to produce a gap analysis of all Seafish activities against what work industry and NGO's lead on themselves.

36. It is considered that one of the main objectives of Seafish should continue to be encouraging more consumption of seafood. One member suggested increasing seafood consumption should be the sole focus, as this benefits the whole industry. It was suggested the primary audience for this work should be the younger generation (only).

37. For generational change to happen there is a need to focus on 'smart consumption', as opposed to simply 'increasing consumption'. The younger generations are looking for positive stories and their consumption choices are driven by a much wider narrative in relation to quality and sustainability.

38. Seafish plays an important role in facilitating targeted dialogue between stakeholders that wouldn't otherwise engage with each other. This helps connect different industry sectors as well as facilitating collaboration between the industry, government, NGOs and local enterprise partnerships. The Issues Groups are an excellent example of this and need to be continued. Seafish could also play a vital role in helping coordinate engagement with the separate departments within government (beyond Defra).

39. It is important for industry to have access to 'one voice' that can be the go-to for credible information and reliable support. The work the regulation team are delivering on EU Exit is a good example of the importance and benefit of this.

40. It is vital that the accessibility of Seafish' work continues to be improved so it can have greater impact.

41. Seafish have a unique ability to pull together the broader narrative from the individual channels of insight. The value of this should not be underestimated.

42. It was noted that health and safety in the workplace is very important and work on Fishermen's Safety should continue.

43. Several examples of vital work that is felt to be of great benefit to industry were shared and included: Love Seafood initiative; free access to Market Insight information and the work on Fish and Chips nutrition. Post meeting note: Malcolm added the Fish and Chip Awards and National Fish and Chip Day to this list.

44. The support given to the broader food sector in comparison to the fish and chip shop sector is disproportionate. Seafish should consider consolidating our approach to engaging with the 'out of home' sector as one. More training resources for chefs would be beneficial to the wider seafood sector too. Post meeting note: Malcolm agreed.

How Seafish is organised

45. Marcus shared a brief overview of the current operational structure. We have two offices (Edinburgh and Grimsby) and home-based staff located strategically across the UK. Core activities are delivered at a pan-UK level. This is complemented by resources allocated to each devolved nation, which includes work delivered via the Regional Team.

46. It was noted that Seafish are demonstrating, and are respected for, the ability to deliver big initiatives (e.g. Love Seafood, Fishing Safety) whilst also tailoring delivery to more bespoke activities at a sector and regional level.

47. It was suggested a presence in London could help increase accessibility, as many key contacts visit London regularly and could engage with Seafish staff whilst there.

48. Post meeting note: Malcolm suggested we review the need to maintain two offices, as we have demonstrated we can deliver a lot of our work just as effectively virtually.

49. Post meeting note: Malcolm also suggested it could be helpful to explore focussing our work on different sectors and tiers of the supply chain, as opposed to geographically. Core services could still be delivered alongside this as well (reference was made to the ADHB model).

How Seafish is funded

50. The key principles of how levy is currently applied were explained. Everyone agreed now is a good time to review the levy and that it is not currently fair and equitable.

51. It is complex for businesses to calculate what levy is owed, as well as being complex for Seafish to audit. Everyone would benefit from it being simplified. Linking levy to import tax rates could make it easier to calculate what is due.

52. There was consensus that we need to catch up with increases that haven't been made in the last 20 years. Any changes need to be 'future proofed' too. A formal review process to prompt periodic, inflation linked could be worth considering.

53. The implications of whether to base levy on volume or value needs to be carefully considered. As do the unintended consequences of any levy changes in future scenarios (e.g an inflation linked arrangement could increase costs unfairly).

54. The view was shared that levy payments are passed on through the supply chain indirectly, so the cost is ultimately paid by the consumer. Taking levy payments at the final point of sale could be considered. Post meeting note: Andrew K noted that levy should continue being collected at the 'start' of the UK supply chain. How levy is then passed on through the supply chain feels fairer, even though it is only paid once.

55. Members suggested a working group should be set up to explore this further, so that the complexities and opportunities can be considered in an informed way.
    - Post meeting note: Malcolm strongly supported this recommendation, noting it was difficult to imagine how the proposed workshops and online consultation could result in an informed recommendation.

56. Action 6: Helen will capture Malcolm's input (completed).

Date of next meeting

57. The next meeting will be held in October. Action 7: Helen will circulate a doodle poll and coordinate arrangements once potential dates have been identified.

Meeting close

58. Chris was formally thanked for being an exemplary Chair throughout the 9 years of his tenure, which started when the Panels were first set up. He has been a source of great support and an excellent mentor to the Seafish Executive Team. We are especially grateful for his advice and guidance on the development and launch of Love Seafood. Mike M thanked Chris for his service on behalf of Seafish, Panel members and the wider Seafood industry. Chris has always been prudent in sharing relevant experience and advice, helping to ground the perspective that seafood is a protein in a wider marketplace.

Action list

No.	Action	Timeline (Status)	Owner
1.	Helen will share the 'Microplastics in seafood' key features summary once available.	Summer	Helen
2.	Giles will present a UK Seafood Market Insight update at a future meeting.	October	Giles
3.	Seafish will share an update on our Carbon Footprint work at a future meeting.	October	Aoife
4.	Helen will share the marketing update presentation slides soon after the meeting.	May	Helen
5.	Greg and Mike B to discuss Love Seafood/food service engagement planning soon after the meeting.	May	Greg
6.	Helen will capture Malcolm's input and incorporate into the Draft Minutes	May	Helen
7.	Helen will circulate a doodle poll and coordinate arrangements for the October meeting.	June	Helen