Minutes of Supply Chain & Consumer Panel Meeting

Held on 27 October 2021 by video conference

Present:	Dr Tom Pickerell	Independent Chair
	Mike Berthet	Independent, Food Service; Deputy Chair
	Steve Challouma	Nomad Foods
	Andrew Crook	National Federation of Fish Fryers
	Mark Drummond	Independent, Fish & Chip Sector
	Ingrid Kelling	Herriot-Watt University
	Andrew Kenny	National Federation of Fishmongers
	Giles Quick	Kantar World Panel
	Sarah Riddle	Northern Light Consulting Ltd.
	Oliver Tanqueray	Client Earth (Seafood Sustainability Coalition)
	Julie Waites	Frozen At Sea Fillets Association (FASFA)
Apologies	Leah Buckley	British Retail Consortium
Executive:	Marcus Coleman	
	Aoife Martin	
Board observers	Mike Sheldon (Chair)	
	David Brooks	
	Nigel Edwards	
	Mike Mitchell	
Minutes:	Helen Duggan (Secretariat)	

1 **Welcome & Apologies**

1.1 The Chair welcomed everyone to the meeting. A specific welcome was extended to Julie Waites who had recently joined the panel as the FASFA representative, and to the Seafish Board members who had joined this meeting as observers.

1.2 Apologies were received from Leah Buckley.

2 **Minutes of Previous Meeting(s)**

2.1 The minutes of 11 May 2021 were approved as a true record with no amendments required.

3 **Action Tracker**

3.1 All actions arising from previous meetings are complete with three exceptions.

3.2 The ‘Micro plastics in seafood’ key features summary is still in development and will be shared widely once available. Reference will be removed from the action tracker.

3.3 The Market Insight team have been hosting webinars to share updates during the summer, so the proposal for Giles to present an update has not been included on the agenda for this meeting.

3.4 An update on our carbon footprint work will be included on the agenda for the next panel meeting, as other agenda items needed to take priority today. (**Action 1)**

4 **<u>Seafish Annual Plan for 2022-23</u>**

4.1 Aoife delivered a presentation on the proposed content for the Annual Plan for 2022-23, outlining the following key activities categorised by the 5 Challenges:

<u>Challenge 1 – Changing landscape:</u> 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.

<u>Challenge 2 – Seafood consumption:</u> 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.

<u>Challenge 3 – A safe and skilled workforce:</u> 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.

<u>Challenge 4 – Ensuring sustainable supply:</u> 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.

<u>Challenge 5 – Innovation and data:</u> 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), and 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.

Aoife asked the panel to provide feedback on the following questions:

- 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?

<u>A summary of the points made and Seafish' response:</u>

4.2 Panel members would like to see the Sustainable Development Goals referenced in some way, to provide a level of guidance on how Seafish activities align to them. For example, a light-touch reference could be weaved into the narrative around key areas of work.

4.3 The panel agreed the broad scope is on point and very comprehensive. It was noted that it is difficult to identify what the top priorities are and how we are measuring impact and success against those.

4.4 It was clarified that the panel discussions and advisory groups help shape the level of focus and resources allocated to the priorities across the Challenges. They also guide how this may shift over time. For example, the Love Seafood initiative is positive work that has a long-term focus and needs to be thought of in a generational sense. Whilst our work on EU Exit and labour is focussed on helping to address a near-term industry need.

4.5 There may be opportunities to streamline activities so Seafish resources are not spread too thin. It is important for Seafish to focus on activities no-one else can carry out. The Seafish Issues Groups, market insight and our work supporting industry to adapt to the UKs changing trading relationship with the EU were noted as particularly important to protect current service levels on. Mike B was pleased to see the Young Seafood Leaders Network (YSLN) remains a priority and is keen to support future activities however he can.

4.6 Labour and skills is a cross-cutting priority for the whole seafood supply chain. No gaps in proposed activities were identified and there is support for this continuing to be a prioritised area of work. It was noted that a better understanding of specific issues would be helpful and Seafish are well placed to help with that.

4.7 It is important for Seafish to continue to improve our approach to clearly communicating what outputs and services are available or in progress. This will make them more easily accessible to the businesses they are intended to support, particularly smaller companies.

4.8 Our work on protecting and enhancing industry reputation covers a range of key topics, including labour, climate change, environmental sustainability, plastics, animal welfare. The panel shared positive feedback on the information we make available to facilitate industry's response (e.g. the blog outlining key messages in response to Seaspiracy). An improved communication platform would provide quicker and easier access to key lines for more stakeholders.

4.9 Research shows that the cost of brands not being able to demonstrate robust sustainability credentials will become lost sales. It was noted how activities promoting consumption, protecting reputation and securing sustainable supply are intrinsically linked and our prioritised activities all aim to support seafood being positioned as the smart and sustainable choice.

4.10 Mike B asked Seafish to clarify what support is being provided to encourage engagement with the Responsible Fishing Vessel Standard. Aoife confirmed that we are happy to help promote key announcements to our network and Marcus sits on the Global Seafood Alliance's Board (who are the standard holder responsible for operation of the initiative) but that there was no dedicated resource available.

5 Seafish Strategic Review Update

5.1 Aoife explained how the input received from the previous panel discussions helped shape the approach taken to wider consultation activities. Aoife reminded the panel of the context of the Strategic Review and framework of our approach. It was explained that Seafish reports to an independent steering group consisting of the four Devolved Administrations (DAs) to ensure the review also meets Cabinet Office requirements. Aoife also provided a summary of the responses of the cross-sector workshops and online surveys.

5.2 A presentation updating members on the strategic review was shared with members in advance of the meeting. This included four sets of questions the panel members were asked to prepare feedback on. Input from today's discussion will conclude consultation with the Panels and aid preparation for the final stage of Board discussion in November, prior to recommendations being shared with the DAs.

5.3 The workshop and online survey findings combined confirmed that there is strong support for Seafish, and that everything that Seafish does is valued (some activities more than others). The 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 our 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?

A summary of the points made and Seafish' response:

5.3.1 The level and scope of input into the consultation phase is in line with what we'd expect. The workshops allowed a deep dive with a broad selection of stakeholders. Their input has been triangulated with the panels. There is confidence the baseline discussions that we are now building on is solid.

5.3.2 There was general agreement that Seafish should continue to primarily align our priorities to industry needs and requirements. Where these align with government priorities, which they often do, we should work together - particularly where that could alleviate funding restrictions.

5.3.3 Seafish has improved the agility of our approach to allocating resources. We remain focussed on making sure we can remain flexible without being overstretched.

5.3.4 Care should be taken not to dismiss essential areas that aren't obvious priorities to the panel (no potential examples were noted). It is apparent from wider consultation that there are different perspectives shared between levy payers Vs non-levy payers and small Vs large businesses.

5.3.5 Twelve broad work areas were listed to help aid discussion (these can be found in the table below). There was general agreement that Seafish should not step away from any of the work areas listed.

5.3.6 Our work to provide information and research to help understand key supply chain issues affecting consumer demand was noted as a particular priority and growing in demand.

5.3.7 FASFA members particularly benefit from activities under the Challenge 1: Changing Landscape umbrella (work areas a and b). There is clear benefit to all activities so it becomes a question of what level of resources should be allocated to each.

5.4 Members were asked to state their top five preferences of future Seafish priorities. A points system has been used to identify the prioritisation results summarised below.

- Priority 1 = 5 points
- Priority 2 = 4 points
- Priority 3 = 3 points
- Priority 4 = 2 points
- Priority 5 = 1 point

Prioritisation results:

Work activity	Final Rank / (total points)
1. Work with industry and government to develop and deliver solutions to seafood trade issues.	1 (31)
2. Assess the impacts of the pandemic on the seafood supply chain and changes that need to be made as a result.	~12 (0)
3. Use our Love Seafood brand to deliver targeted campaign to promote seafood in the UK	5 (16)
4. Promote seafood in overseas markets.	~12 (0)
5. Preserve and enhance the reputation of the UK seafood industry.	2 (28)
6. Establish the industry as a safe and attractive place to work.	4 (21)
7. Support the industry to access the labour it needs.	7 (9)
8. Assist the UK to develop and implement a leading fisheries management system.	9 (5)

9. Provide information and research to help understand key supply chain issues affecting consumer demand, e.g. plastics and microplastics, fisheries management, environmental sustainability, human rights and ethical issues, climate change, horizon scanning.	3 (26)
10. Deliver comprehensive economic analysis on the operation of the 'whole' seafood supply chain.	10 (see below)
11. Improve understanding of how policy changes could impact on seafood businesses and assist industry to respond.	8 (8)
12. Provide insight, data and advice to increase business prosperity and supply chain resilience.	6 (14)

Supporting discussion points are summarised below:

5.4.1 One panel member noted they would have included work area 3 as a top five priority if it had a clearer focus on sustainability.

5.4.2 Two panel members included work area 6 as part of work area 7 when listing their priorities.

5.4.3 One panel member noted their priority #5 as "work area 12 (including 10)".

5.4.4 Work areas 2 and 4 were not included in any member's top five priorities.

5.4.5 Aoife confirmed that we have overlayed the Horizon Scanning map priorities to sense check all are represented within these twelve work areas.

5.5 Seafish levy arrangements have been identical since the Fisheries Act was implemented in 1981, with rates remaining largely unchanged by inflation or evolution of the sector – this is an antiquated system and devalues the levy income. 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?

A summary of the points made and Seafish' response:

5.5.1 All members agreed that steps should be taken to increase the total levy income and establish a fairer system that will be regularly reviewed. Most expressed support for linking a levy review to each strategic review. This would lead to regular reviews in a flexible way.

5.5.2 There was consensus that the salmon and trout sectors and all product forms should be included in the levy rates. It was noted how they benefit from the work undertaken by Seafish already, particularly promoting consumption. It was acknowledged that the significant uplift in resources would be balanced with the need to support the salmon and trout sectors with the challenges they face.

5.5.3 Marcus clarified that Seafish has no power to change the levy. The Board will submit a series of recommendations to the 4 DAs at the end of November. The governments will then decide what changes they wish to make, if any. The statutory process to change legislation will then follow. Defra has made provisional arrangements to address the Strategic Review recommendations in Autumn 2022.

6 Love Seafood Update

6.1 A report of what has been achieved during Year 1 is being prepared and will be shared once available (**Action 2**). Kate Forbes, Category Director at Birds Eye was appointed as Chair of the Love Seafood Group in August. Marcus shared an initial overview of the Love Seafood Year 2 activity strategy. Details can be found in the Love Seafood – Year 2 Concepts presentation slides (attached). The new slogan for Year 2, Bring on Better Living, will be positioned against the existing brand imagery. Our approach is being guided by consumer research carried out during the summer. Activities will focus on Convenience In Home and Choice Out of Home, continuing to target our priority 'mid market' and 'starting out' audience segments.

6.2 Positive feedback on the Year 2 activity strategy was noted. Members would like to see more information on the data and measurables, perhaps as part of the update at the next meeting.

7 Any other industry issues – roundtable discussion summary

7.1 Consumption remains high when compared to 2019. A decline in retail sales is coming through as expected against the peak of 2020 as covid restrictions are eased. All sectors are facing unprecedented levels of operational challenges, with cost increases across all commodities, supply chain vulnerabilities and labour issues affecting most businesses. Increases on packaging costs are expected to continue throughout next year and the expected energy price increases will be a significant issue for many. VAT is expected to return to its pre-pandemic level in April 2022. The situation is expected to get worse before it gets better.

7.2 Availability of haddock is a particular issue with many businesses having to switch to other species due to the significant price increases being experienced. Seafish and FASFA were asked to consider what actions could be taken to help businesses have a better understanding of the cause. This is partly due to restrictions on cod fishing as haddock is a bycatch species. Aoife explained discussions are underway to establish a research project exploring routes to market for small haddock caught domestically in place of imported haddock and other whitefish. Aoife will share an update on the Scottish haddock supply project at the next meeting. **(Action 3)**

7.3 The main theme for businesses working with the Sustainable Seafood Coalition is the changing consumer perceptions of environmental sustainability. There is a clear expectation that sustainability claims need to become more holistic and cover the complete product lifecycle, including plastic use, carbon footprint and social responsibility. There are several initiatives in the policy making space that are influencing this. The Competition and Markets Authority recently published its updated guidance on misleading environmental claims, titled the Green Claims Code. The EU Markets Advisory Council are working on an ecolabelling framework for seafood and a team at Oxford University are researching consumer perceptions for sustainability.

7.4 Several FASFA members are investing heavily in new vessels over the next 5 years. The future of the Kirkella remains uncertain. The bilateral agreement between Russia and Norway will result in significantly reduced quota for haddock. FASFA members remain positive that the quotas being set are appropriate, however the reduction in supply will lead to increased prices.

8 AOB

8.1 Nothing to note.

9 Dates of Future Meetings

9.1 Helen will share a doodle poll to confirm a date for the Spring meeting once the most appropriate timing has been agreed with the Executive Team and panel Chairs. **(Action 4)**

10 Close

10.1 Everyone was thanked for their strong contributions and high-quality discussion.

10.2 Meeting closed at 16:30.

Action list

No.	Action	Timeline	Owner
1.	Seafish will share an update on our Carbon Footprint work at the next meeting.	Next meeting	Aoife
2.	Helen will make sure the panel receive a copy of the Love Seafood Year 1 impact report.	As soon as available	Helen
3.	Aoife will share an update on the Scottish haddock supply project at the next meeting.	Next meeting	Aoife
4.	Helen will circulate a doodle poll to confirm a date for the Spring meeting.	Early 2022	Helen