seafish

Here to give the UK seafood sector
**the support it needs to thrive.**


# Covid-19 impacts on the UK catching sector in 2020

Summary report

**October 2021**

# Covid-19 impacts on the UK catching sector in 2020

October 2021

Authors:
Nick Patience
Arina Motova
Joe Cooper

Seafish Report No
SR757
ISBN No. 978-1-911073-63-5


Seafish Industry Authority
18 Logie Mill
Logie Green Road
Edinburgh
EH7 4HS

# Contents

# Executive summary

- This report covers the period January to September 2020.

- As part of our annual fleet survey in 2020, we asked vessel owners additional questions related to the Covid-19 pandemic, such as the impact it had on their operations. This report provides an analysis of these and other key survey questions.

- The first pandemic lockdown in 2020 had significant and varied implications for the catching sector as traditional markets closed and prices fell. During the period January to September 2020, UK landing value fell 18% (comparing January to September 2019). Total landings volume by UK vessels was 1% lower in January to September 2020 compared to the same period in 2019. Overall average landings prices dropped 17%.

- The Covid-19 pandemic hit many fishing businesses that were already facing financial difficulties following a particularly difficult winter (December 2019 to February 2020) which saw many vessels tied up due to poor weather. February 2020 was the wettest on record and featured 3 named storms[1]. Most businesses reported that weather and climate change/sea temperature negatively influenced performance in the 12 months leading up to the survey.

- Fishers targeting shellfish were the most acutely affected by the Covid-19 lockdown due to their reliance on domestic foodservice, as well as international export markets. Those targeting demersal species were also badly affected. Comparing January to September 2019 with January to September 2020, total shellfish landing value fell 36%, landings weight fell 19%, and average price fell 21%. For demersal species, these figures were 19% (value), 10% (weight), and 10% (average price).

- Pelagic landings were largely insulated from the market disruptions caused by Covid-19 restrictions because of the seasonality of these fisheries. During the period January to September 2020, pelagic landings value increased by 25%, while landings volume increased by 14%, and average prices rose by 9%.

- The survey sample - 209 vessels represented by 174 individual responses - broadly reflects the 2020 active fishing fleet. Unusually, there was a relatively large proportion of single-person and family fishing businesses represented as well as businesses owning or managing low activity vessels[2].

- Lockdown had a range of impacts on the catching sector: 78% of fishing vessels surveyed were temporarily tied up or operated at reduced levels for a period during the first lockdown in 2020. Survey findings indicate that 8% remained tied up for longer than 12 weeks, while 10% continued operating at reduced levels after 12 weeks.

- Diversification and collaboration allowed some businesses to adapt to the changes more quickly than others. 74% of vessels reported changing their normal business operations during lockdown. A range of business adaptations were introduced, the most prominent of which was a change in fishing patterns (39%). Other vessel operators (28%) began targeting different markets for their catches: tonnage landed

[1] https://www.metoffice.gov.uk/about-us/press-office/news/weather-and-climate/2020/2020-round-up
[2] Vessels with landings value <£10,000 in any given year.

abroad by Scottish vessels, for example, increased by 3% compared to 2019[3]. Respondents also cited use of vans for home deliveries of fish. Sales at the quayside surpassed, in some cases significantly, sales at markets.

- These changes and challenges affected financial expectations of vessel owners. Operations by 74% of vessels covered in the survey sample were financially impacted by the first Covid-19 lockdowns at home and abroad. Owners representing 71% of vessels sampled expected to see a decrease in profits for the 2020 financial year, compared to 2019. Meanwhile, owners representing just 3% of vessels sampled expected an increase in profits in 2020.

- The wider supply chain also faced challenges. Processors, especially those supplying seafood to UK food service outlets or export markets, either reduced or temporarily stopped their operations. Reduced processing operations during this period had knock-on effects for the catching sector.

- Government support was crucial for many fishing businesses. In the survey, vessel owners representing 57% of all vessels sampled reported the use of at least one government support measure between January and September 2020. The most cited measure was *Income Support for Self-Employed* (18%), while the least cited measure was *VAT Deferral* (2%). 10% of vessel owners reported using the government supported furlough scheme (*Coronavirus Job Retention Scheme*).

## Acknowledgements

We express our thanks to those who took the time to participate in our research. Their participation allows us to understand how and where the impacts of Covid-19 were felt as well as the effectiveness of the support provided to manage and mitigate these impacts.

## Introduction

This report is part of a programme of work we have undertaken to capture and communicate the effects of the Covid-19 pandemic on the UK seafood sector. This work includes quarterly impact reviews and a sister publication that examines Covid-19 impacts on the seafood processing industry.

Covid-19 was declared a pandemic by the World Health Organisation in early 2020 and the UK entered its first national lockdown on 23 March 2020. Lockdown impacted almost all aspects of everyday life, including face-to-face interactions. This in turn had a catastrophic impact on the largely services-based UK economy, particularly the food service sector, as offices, bars and restaurants shut while the UK population was instructed to stay at home.

The seafood industry was designated ‘essential’ in terms of food production when the Covid-19 virus first emerged in March 2020, although in the early part of the lockdown this only benefited businesses supplying into the retail sector (i.e., supermarkets and high-street shops[4]).

---

[3] https://www.gov.scot/publications/scottish-sea-fisheries-statistics-2020/pages/3/
[4] https://www.kantarworldpanel.com/global/News/Record-grocery-sales-as-shoppers-prepare-for-lockdown

Events in the UK were replicated across Europe. The food service sector in Europe also closed in these countries which affected UK seafood traded, particularly shellfish. The lack of a domestic market, alongside significantly reduced export trade, created an extremely difficult trading environment for many businesses.

A timeline of the major events and impacts on the UK catching sector is below. 2020 changes in value are related to the same months in 2019 (e.g., June 2019 compared to June 2020).

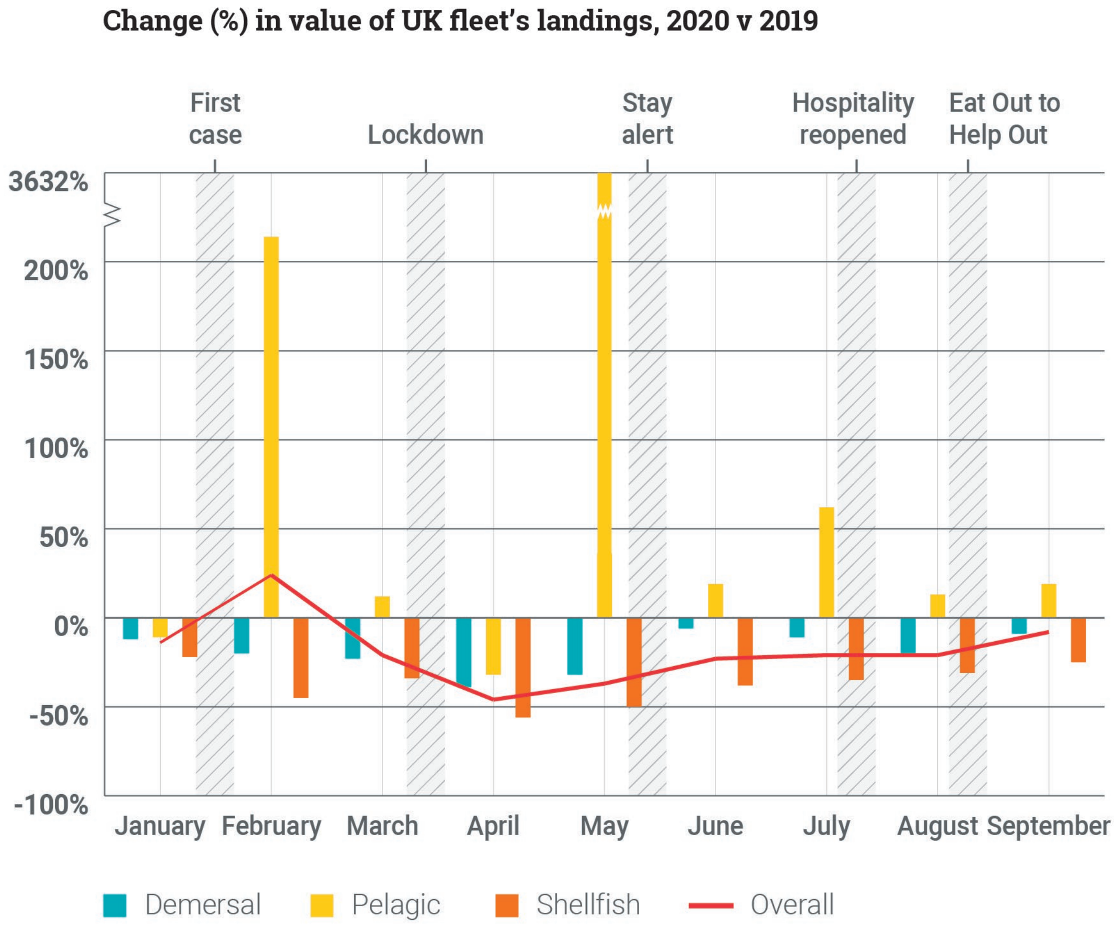


**Figure 1: timeline of UK's Covid-19 pandemic events against changing value landings by UK fleet in 2020**

# Methodology

This section outlines how we collected and analysed the data and how the response rate reflects the overall population of UK vessels classified as 'active' by Seafish and the Marine Management Organisation in 2020.

## Data collection

Each year, we survey UK vessel owners for our fleet economic survey. This work, normally conducted at ports and harbours across the UK by researchers during the summer, covers economic performance and activity-related indicators that are used to inform business and policy decisions.

In 2020, with Covid-19 restrictions on travel and in-person contact, postal surveys replaced face-to-face interviews. All registered vessel owners were sent a survey, and participants could choose to complete and return the survey by post or request an interview with one of the Seafish team.

The surveys were issued at the end of August 2020 with a deadline to return responses (or contact the economics team to arrange an interview) by 30 September. Most of the data was collected between late August and early October, with a few late responses processed in January 2021.

Covid-19-related questions were added in 2020 to seek participants specific views on the impact of Covid-19 on their business. In total, 174 responses[5] were received from 5,457[6] surveys distributed. The overall response rate was 3.2%. The responses collected cover 209 UK flagged vessels; some businesses that provided responses own or manage multiple vessels.

To ensure participant confidentiality the analysis and commentary is presented by groups of vessels (fleet segments) respondents represented. The exception to this is the specific analysis of the government support measures that is based on the number of responses (vessel owners rather than vessels they represented) and provides overview of the overall and home nation specific analysis.

The national mood was somewhat positive in autumn 2020 (as many lockdown measures had been lifted) compared to later points in 2020 and early 2021. This is largely reflected in the data we gathered.

## Characteristics of survey responses

The survey sample (209 vessels) broadly represents the population of active UK fishing vessels (4,224) in 2020. A range of characteristics are covered:

- Revenue: from under £5,000 per annum to over £1 million per annum.
- Vessel engine power: from under 100 kilowatts to 1,000 kilowatts and above.
- Vessel length: from under 6 metres to over 40 metres.

[5] 2 vessel owners declined to participate and 84 of the 5,457 surveys issued were returned to sender, indicating a change of address.
[6] The active fleet comprised 4,224 vessels in 2020. As surveys were sent to every person on the vessel register, this included vessels classified as inactive in 2020.

The sample also covers each of the 33 Seafish defined fleet segments (see Appendix 1) To simplify the analysis, these fleet segments are grouped into seven categories for this report.

The sample covers 4.9% of the UK fishing fleet, with the highest coverage in Scotland, which had 6% of its active vessels covered by the survey. Table 1 provides detail on the sample size and coverage by fleet segment group.

**Table 1. Composition of sample and population by home nation and fleet segment group (n = 209).**

| Nation | Vessel groups for analysis | Number of vessels in sample | Number of vessels in active fleet | Sample coverage (sample / population) |
|---|---|---|---|---|
| England | Nephrops trawl | 2 | 21 | 9.5% |
| | Scallop dredgers | 3 | 107 | 2.8% |
| | Vessels using hooks | 5 | 107 | 4.7% |
| | Pots and traps >10m | 4 | 132 | 3.0% |
| | Small scale u10m fleet | 20 | 623 | 3.2% |
| | Low activity | 32 | 845 | 3.8% |
| | Other | 16 | 192 | 8.3% |
| | **Total** | **82** | **2027** | **4.0%** |
| Northern Ireland | Nephrops trawl | 2 | 63 | 3.2% |
| | Scallop dredgers | 0 | 7 | 0.0% |
| | Vessels using hooks | 0 | 0 | 0.0% |
| | Pots and traps >10m | 1 | 17 | 5.9% |
| | Small scale u10m fleet | 3 | 72 | 4.2% |
| | Low activity | 4 | 53 | 7.5% |
| | Other | 3 | 13 | 23.1% |
| | **Total** | **13** | **225** | **5.8%** |
| Scotland | Nephrops trawl | 13 | 170 | 7.6% |
| | Scallop dredgers | 11 | 82 | 13.4% |
| | Vessels using hooks | 7 | 108 | 6.5% |
| | Pots and traps >10m | 4 | 110 | 3.6% |
| | Small scale u10m fleet | 33 | 602 | 5.5% |
| | Low activity | 27 | 497 | 5.4% |
| | Other | 8 | 145 | 5.5% |
| | **Total** | **103** | **1714** | **6.0%** |
| Wales | Nephrops trawl | 0 | 0 | 0.0% |
| | Scallop dredgers | 1 | 2 | 50.0% |
| | Vessels using hooks | 1 | 9 | 11.1% |
| | Pots and traps >10m | 1 | 17 | 5.9% |
| | Small scale u10m fleet | 4 | 78 | 5.1% |
| | Low activity | 2 | 148 | 1.4% |
| | Other | 2 | 4 | 50.0% |
| | **Total** | **11** | **258** | **4.3%** |
| **United Kingdom** | **Total** | **209** | **4224** | **4.9%** |

# Results

This chapter includes a brief overview of UK landings by species group during January to September 2020 to provide some context to the analysed survey responses. The analysis of survey responses explores the impacts of Covid-19 on vessel operations, response strategies, owners' expected changes to their financial results, and respondents' experiences using government financial support measures. Owners' views on past and future vessel performance are also presented.

## UK landings by species group

Covid-19 restrictions caused considerable changes across the catching sector during January to September 2020. During this period, overall landings were down 1% by volume, compared with January to September 2019. Overall landings value was down 18%. Average prices dropped by 17% compared to the same period in 2019. The impacts of Covid-19 restrictions on landings varied depending on species landed, their main markets, and consumer habits between 2019 and 2020 (January to September).

Shellfish value, weight, and average price indicators were all below 2019 levels in every month from January through September. Overall landings volume for the period January to September 2020 was down by 19% compared to the same period in 2019, while landings value was down 36%. Average prices were down 21%.

UK caught shellfish species are normally destined for high-end food service markets in the UK and in Europe. Both markets were severely restricted under Covid-19 restrictions in the UK and abroad. In France, Spain and Italy, sales of fresh fish fell by 30%[7].

UK lockdown measures were largely mirrored across the European continent, a key market for scallops, lobster, langoustine, and other shellfish. Other important trading partners, e.g., South Korea and China, had introduced earlier and tougher sanctions, which also affected the shellfish fleet.

In April 2020 alone, the weight of shellfish landed by UK vessels fell by 35% when compared to the same period in 2019. Accordingly, shellfish values fell by 56% in April. May 2020 shellfish landings were like April 2020 (Figure 2).

[7] http://www.fao.org/3/cb2537en/CB2537EN.pdf

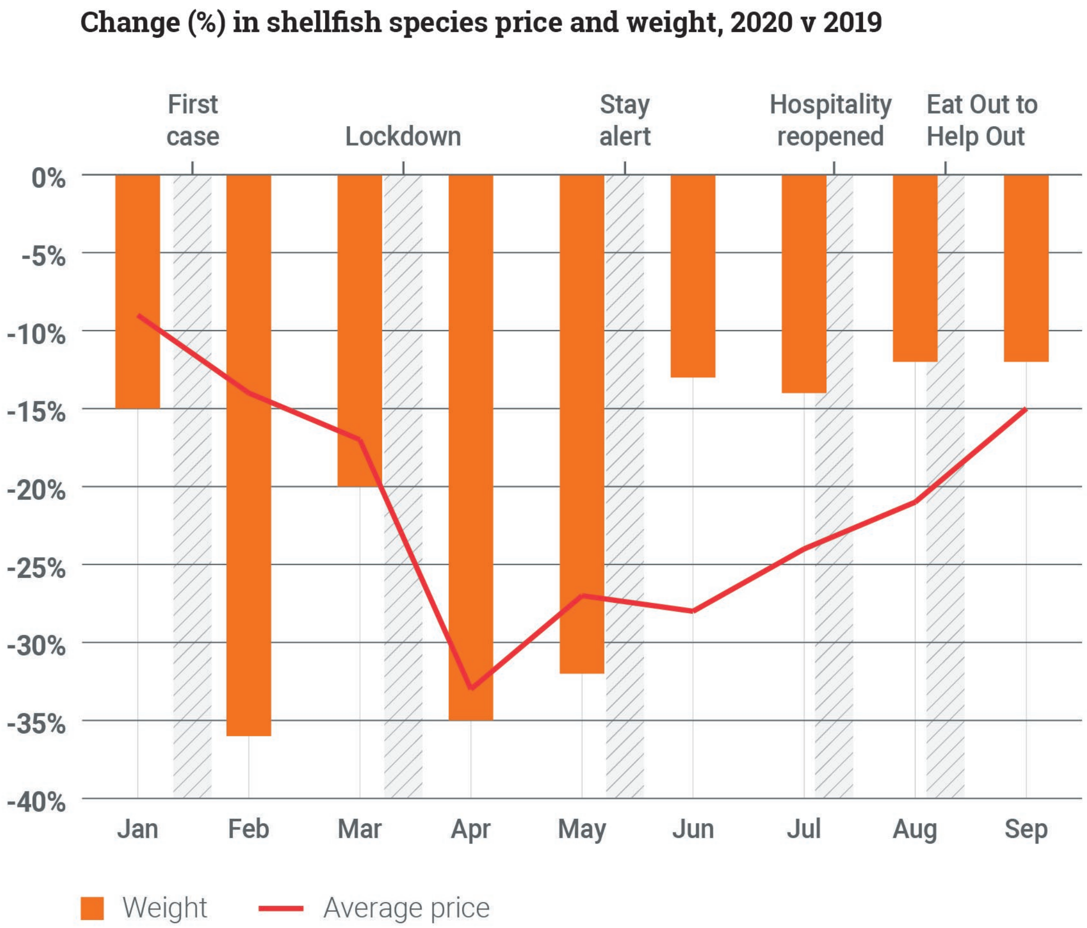


**Figure 2. Evolution of shellfish species landings by UK fleet in January - September 2020 compared to 2019.**

UK caught demersal species (including cod and haddock) are mainly consumed in the UK. For the period January to September 2020, landings of these species fell the most in April and May 2020, compared with 2019 values (Figure 3).

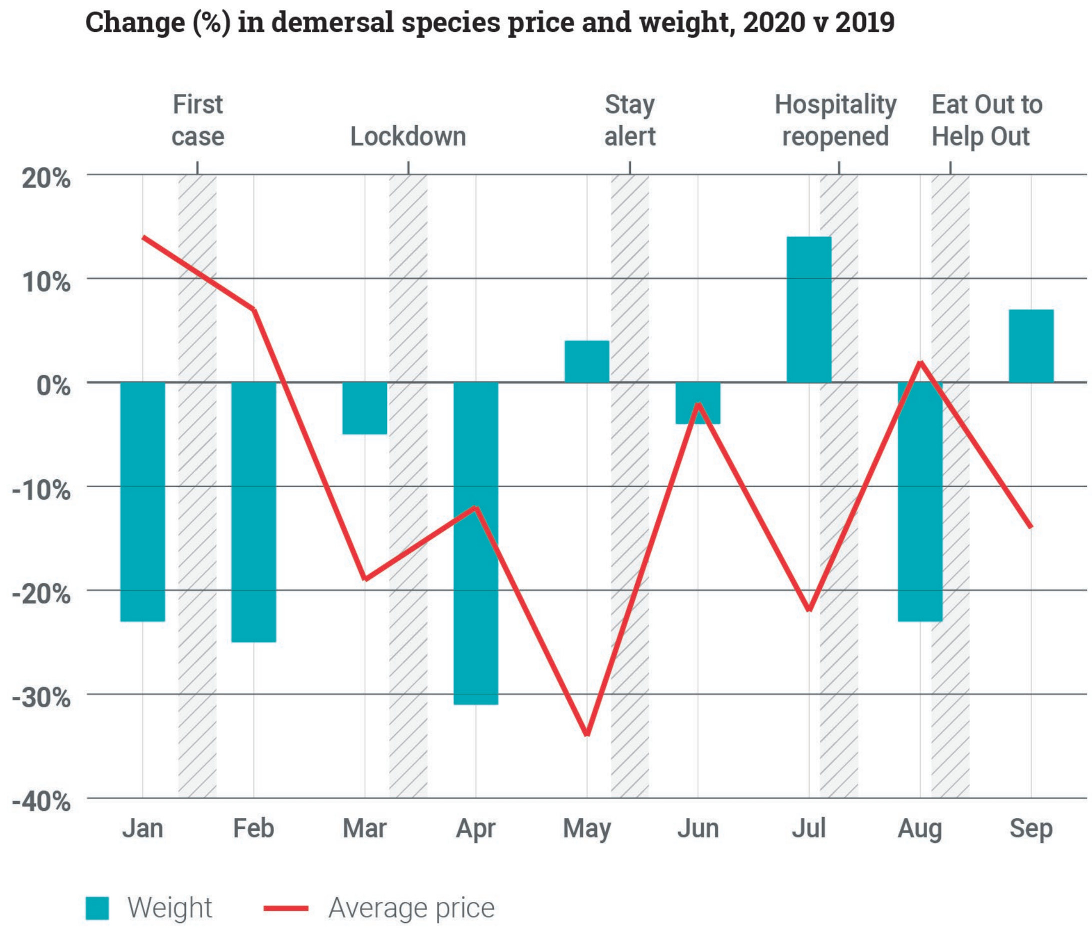


**Figure 3. Evolution of demersal species landings by UK fleet in January - September 2020 compared to 2019.**

The pelagic fleet was the least impacted by Covid-19 restrictions in the first nine months of 2020. This was largely due to an increase in pelagic quota in 2020 and a fishing season that almost concluded before the first lockdown.

Pelagic landings increased by 14% during January to September 2020, while value was up by 25% compared to 2019. Pelagic species are mainly traded as frozen and prepared products that saw an increase of demand on national and international markets.

Therefore, the average price of UK fishing fleet landings increased by 9% during the analysed period. For example, the price for mackerel landed into the UK by Scottish vessels was an average of £1,046 per tonne and mackerel landed abroad was an average of £1,071 per tonne in 2020[8].

[8] https://www.gov.scot/publications/scottish-sea-fisheries-statistics-2020/pages/3/

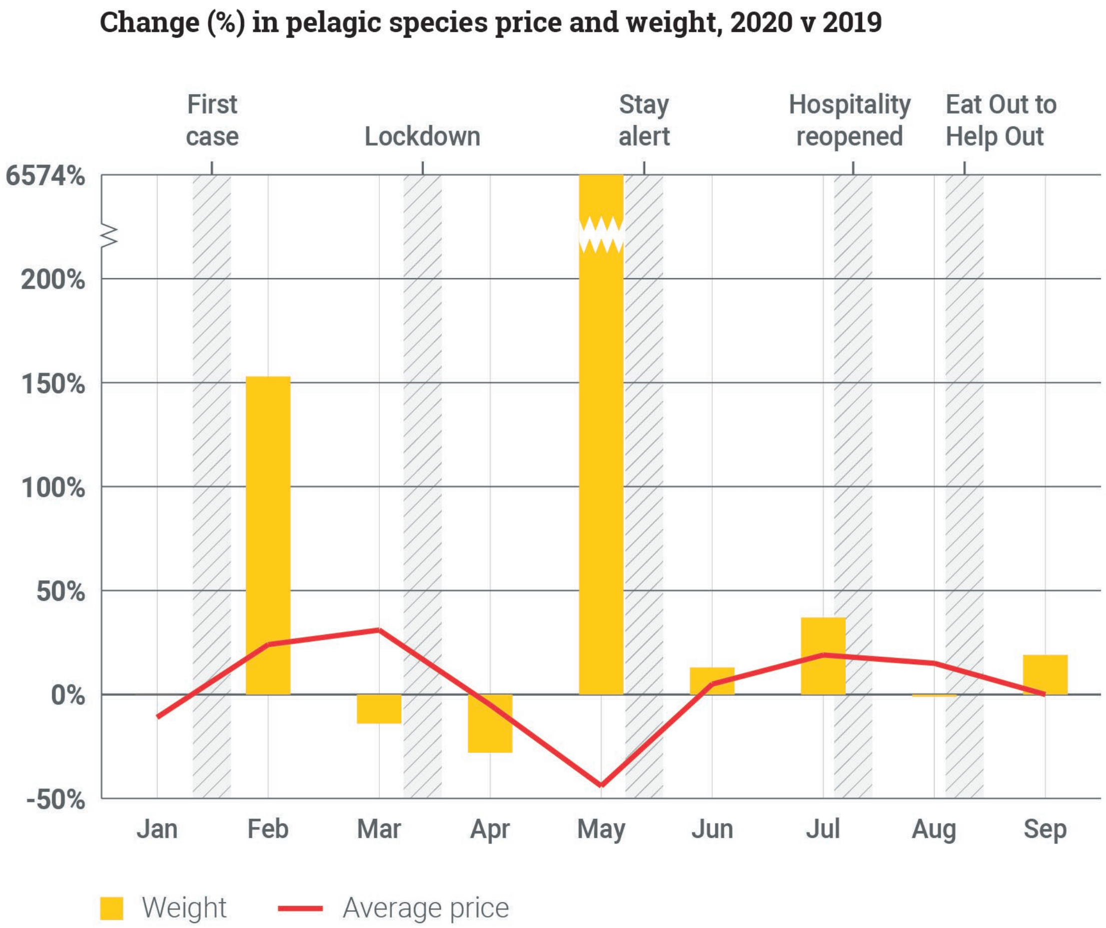


**Figure 4. Evolution of pelagic species landings by UK fleet in January - September 2020 compared to 2019.**

## Operational impacts

The initial lockdown had significant operational impacts on the UK catching sector. This included the challenge of introducing social distancing rules on fishing boats. Physical distancing was often challenging to implement; although was less of an issue for the large-scale pelagic fleet and for smaller single-person boats, which continued operating.

The wider supply chain also faced challenges. Processors, especially those supplying seafood to food service outlets, either reduced or paused their operations which had a knock-on impact for the catching sector.

For example, Kilkeel Seafoods, Northern Ireland's largest processor, suspended all operations on 25 March. Grimsby Fish Market also suspended its operations[9]. Additionally, physical distancing challenges closed eight of the forty stalls at Billingsgate in London at the end of March[10].

[9] https://www.business-live.co.uk/ports-logistics/englands-largest-fish-auction-close-17970814
[10] https://www.standard.co.uk/news/london/billingsgate-traders-coronavirus-two-metre-rule-social-distancing-a4401191.html

More importantly, the pause on normal life affected seafood consumption across traditional food service businesses. Many fish and chip shops, pubs, and seafood restaurants that were unable to provide delivery or click-and-collect services to customers had to close[11].

Limited foodservice demand, both in the UK[12] and internationally, caused seafood market prices to fall. Average prices across all species fell by 9% in March 2020, 22% in April, and 38% in May, compared to 2019. This had a significant impact on fishing businesses and their operations. Some producer organisations (POs) worked with their members to manage supply and improve prices.

Consequently, the majority (78%) of vessels represented in the survey reported either tying up temporarily or operating at reduced activity levels during January to September 2020. Vessel owners representing less than a quarter (22%) of vessels in the survey reported that they continued operating at normal levels during this period.

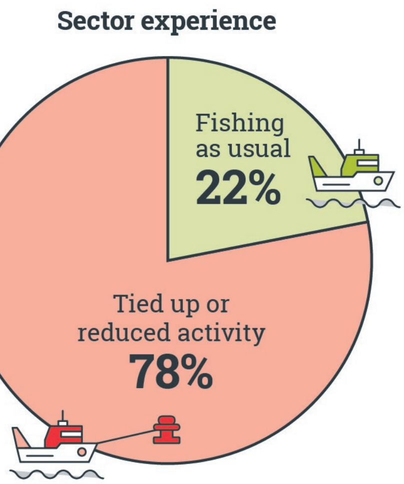


**Figure 5. Immediate effect of lockdown on the catching sector (January to September 2020).**

Of the vessel owners that reported ceasing or reducing operations (78%), the rate at which they returned to normal operating levels varied. By six weeks after lockdown, around 30% of vessels had returned to normal activity levels, while another third of vessels only returned to normal operations 12 weeks after the start of the first UK lockdown.

After 12 weeks, 78% of the affected vessels had returned to normal operating levels. The remaining vessels continued to be operated at lower-than-normal levels (including those that were tied up).

[11] https://www.undercurrentnews.com/2020/03/24/uk-chippy-body-advises-shops-not-doing-home-delivery-to-close/
[12] https://www.telegraph.co.uk/business/2020/03/27/fishing-industry-reeling-coronavirus-restaurant-ban/

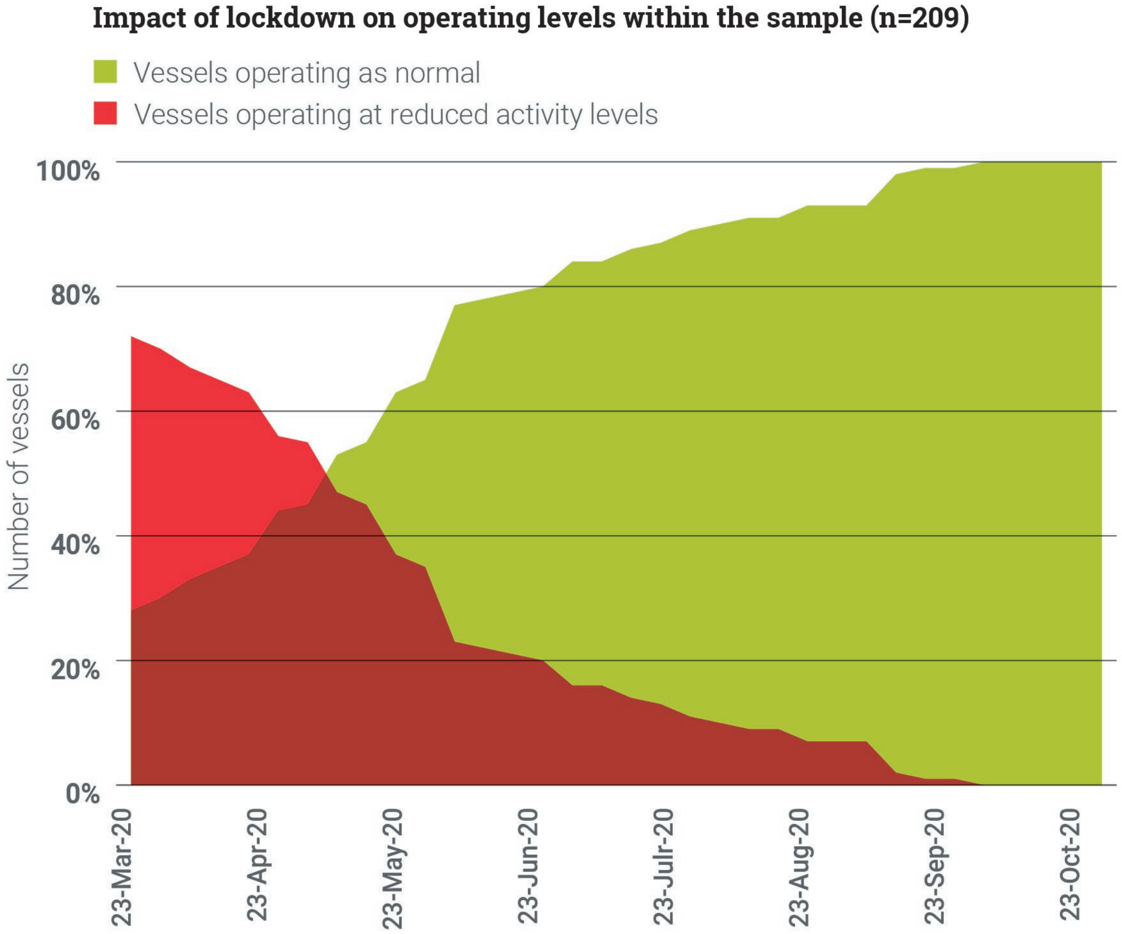


**Figure 6. Duration of time vessels tied up or operating at reduced activity levels.**

Business's expectations for a quick recovery to normal operations were low at the time of the survey. Everyone in the UK was impacted in some way by lockdown in 2020. Figure 6 illustrates how long vessel owners expected it to take for them to return their vessels to business-as-usual operations.

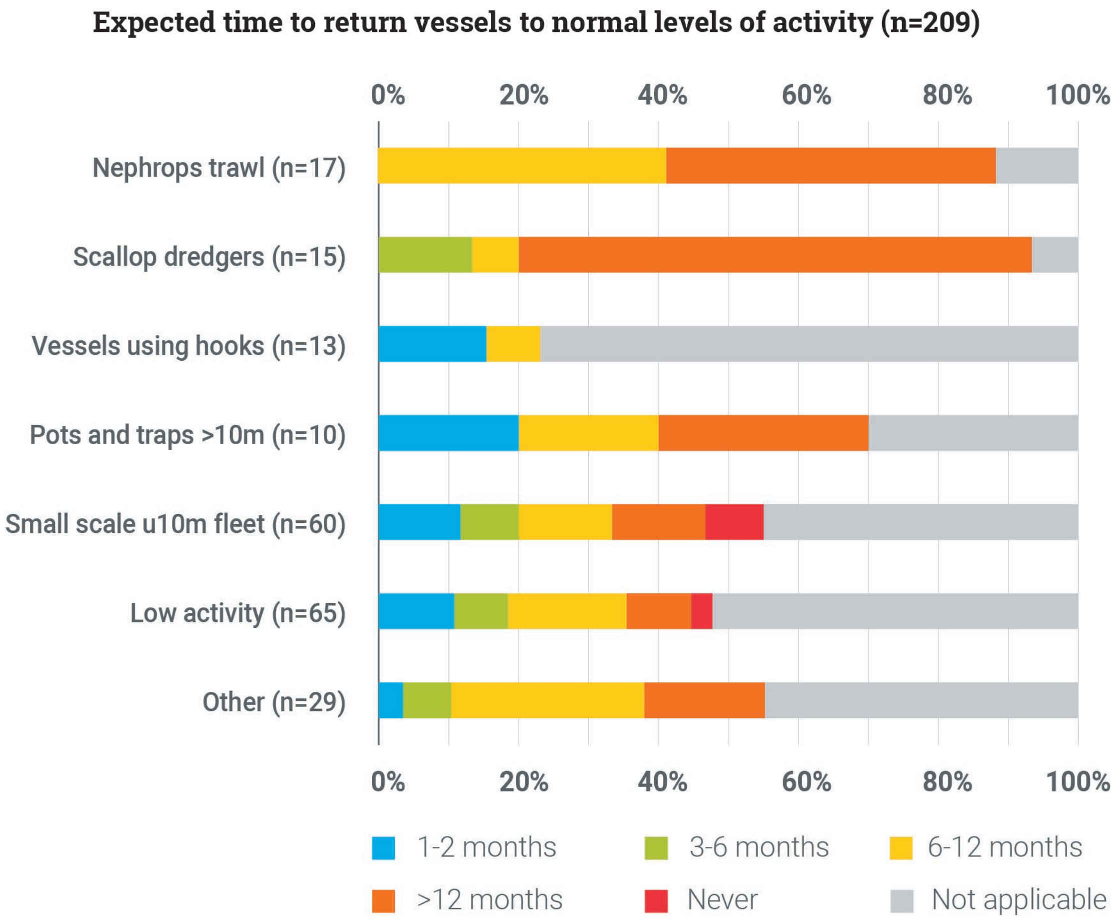


**Figure 7. Expectations for return to normal operating levels across fleet segment groups.**

In autumn 2020, when the survey was conducted, most owners expected it would be a minimum of six months before their vessels returned to normal operating levels. However, vessel owners representing 34% of vessels surveyed expected to operate at reduced levels due to Covid-19, for at least another 12 months.

Additionally, 6% of vessel owners never expected a return to business-as-usual.

Within the low-activity and small-scale under-10-metre fleet segment groups there were also some indications of possible early retirement. Early retirement in these vessel categories was mentioned by survey respondents that were not expecting to return to business-as-usual.

Although the lockdown was nationwide, pathways out of lockdown restrictions varied by devolved administration. The easing of restrictions occurred first in England, from 1 June 2020. This may partly explain why most of the vessel owners whose main port of landing was in England were able to return to 'normal' fishing operations within 12 weeks from the start of lockdown.

Most of the vessel owners that chose to temporarily cease fishing operations or to operate their vessels with less effort (35 of the 36 vessels represented) mainly targeted shellfish species. This reflects the challenges faced by the shellfish sector. These operators were immobilised by early, harsh lockdowns in Asian markets (e.g., China) and later lockdown by similar measures across much of Europe. Both geographic regions are key markets for UK-landed shellfish species.

Owners of vessels targeting scallops were the most pessimistic, as they were reliant on EU markets as well as the food service and tourism sectors in the UK, all of which were heavily affected by Covid-19 restrictions. Respondents representing 73% of surveyed scallop dredgers fleet estimated that it would take over a year for the sector to return to business-as-usual.

## Business adaptations

This section details the changes that many vessel owners and operators implemented in response to the pandemic.

The ways people ate, shopped, met, and worked changed completely from March 2020; and businesses had to adapt their operations in response. As early as January 2020, fishing businesses began to face international market closures. After the UK entered lockdown in March 2020, many businesses faced further reductions in demand as well as new crew safety and on-board operating requirements.

To meet these challenges, various strategies were adopted. The most common adaptive measure adopted by fishers was to change fishing patterns. 39% of vessels shifted their effort to alternative fishing grounds or changed target species, while some reduced the number of trips or trip durations (Figure 8).

Some Producer Organisations[13] also worked with their members to coordinate and manage supply to the market to improve prices. There were changes along the supply chain too. For example, £500,000 was spent expanding the physical amount of space for refrigerated containers at the Port of Hull[14].

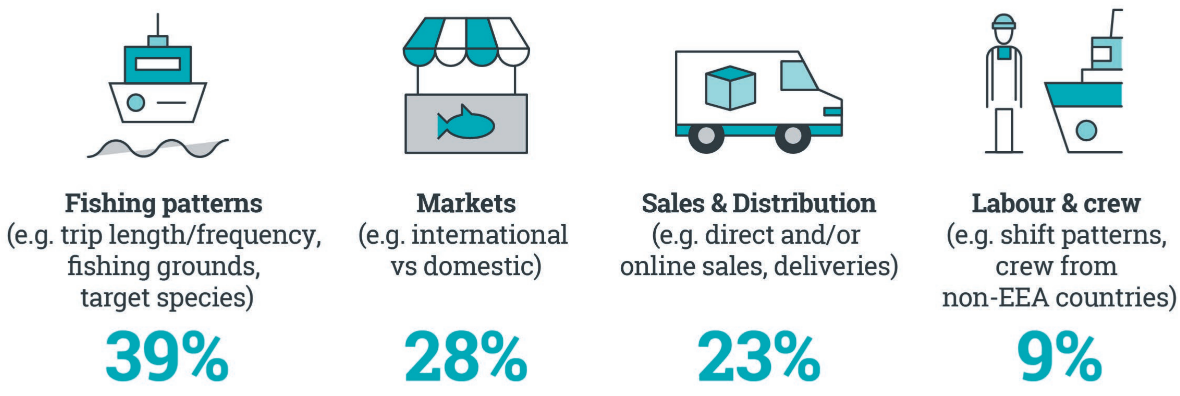


**Figure 8. Business strategies enacted to deal with lockdown.**

[13] https://thefishingdaily.com/latest-news/shorter-trips-and-staggered-landings-cfpo-advises-members/
[14] https://www.business-live.co.uk/ports-logistics/port-hull-expands-refrigerated-container-18062144

The requirement to stay at home meant many households looked at alternative ways to shop. At the same time, some retailers closed their fresh[15] fish counters[16], as employees were redeployed into logistics and distribution, allowing retailers to respond to the uptick in demand. In response to these changes in demand, some fishing businesses were able to find alternative routes to market.

The government also actively promoted direct sales by fishers from the quayside. This additional support helped foster greater collaboration and innovation across the supply chain. There are several examples of adaptive changes introduced by vessel owners and the supply chain which appear to have enhanced direct sales, including:

- A Kent-based fisher used social media to offer a shore-to-door service for residents stuck at home[17].
- A Scottish smokehouse partnered with a nutrition research organisation and local suppliers and created zero-waste fish food boxes[18].
- Some companies started and expanded home delivery services, including those for fish boxes[19],[20],[21].
- A digital platform, Pesky Fish, expanded so that fishers could easily contact, and trade directly with, individual consumers[22].

Adaptations in marketing were mentioned by vessel owners representing 28% of vessels sampled respondents, while vessel owners representing 23% of vessels sampled also mentioned changes across sales and distribution channels to deal with Covid-19 impacts.

The least common response strategy cited by vessel owners was changes related to labour and crewing (vessel owners representing 9% of vessels). Requirements to physically distance crew members – social distancing – when fishing created challenges where deck space is limited and working as part of close, often small, teams is essential to effective vessel operations. However, the sample included a relatively high number of responses from small-scale and less active vessels (29% and 31% of the survey sample, respectively). For these fleet segment groups, social distancing and foreign crew issues were less relevant: most were operated by either a single fisher or by members of a single household.

[15] https://www.undercurrentnews.com/2020/03/18/uks-sainsburys-closes-fish-counters-to-free-up-space-for-essentials/?utm_source=Undercurrent+News+Alerts&utm_campaign=4fe7984787-Retail_foodservice_Mar_18_2020&utm_medium=email&utm_term=0_feb55e2e23-4fe7984787-92556613
[16] https://www.intrafish.com/markets/fresh-fish-counters-were-one-of-covid-lockdowns-first-casualties-heres-why-waitrose-kept-its-open-/2-1-850856
[17] https://www.kentonline.co.uk/thanet/news/straight-from-the-boat-to-your-plate-225233/
[18] https://www.abdn.ac.uk/news/13922/
[19] https://www.bbc.co.uk/news/uk-scotland-highlands-islands-52330228
[20] https://www.independent.co.uk/extras/indybest/food-drink/best-fish-box-delivery-uk-home-seafood-frozen-sustainable-subscription-fresh-a9670591.html
[21] https://www.yorkpress.co.uk/news/18385073.f-r-fowler-son-scales-doorstep-delivery-service-covid-19-crisis/
[22] https://www.undercurrentnews.com/2020/03/25/uk-firm-launches-home-delivery-service-as-seafood-prices-collapse/

## Expected financial impacts

Though some vessel owners reported an increase in expected profits in 2020 compared to 2019 (representing 6 vessels, or 3%), most respondents (71%) expected a reduction in business profits. The uncertainty created by the pandemic, combined with the timing of the survey, with a range of geography-specific restrictions (e.g., an Aberdeen lockdown in August 2020[23]) in place and low expectations of a swift "return-to-normal" at the time of the survey is reflected in the high proportion of respondents that were unsure how their business profits in 2020 would compare to 2019 (Figure 9).

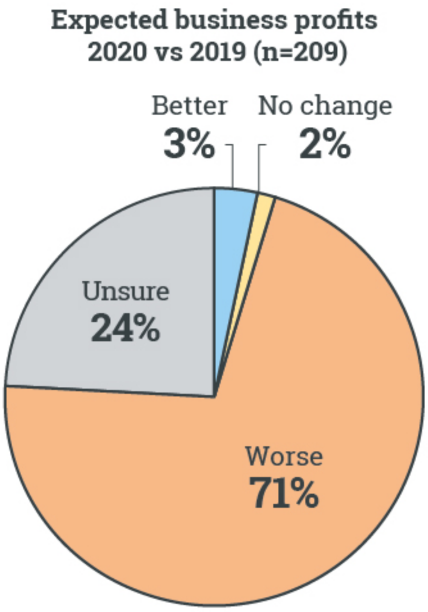


**Figure 9. Expectations for profit levels for the tax year ending in 2021**

An analysis of profit expectations by fleet segment group – highlighting important differences - is presented in Figure 10.

[23] https://www.bbc.co.uk/news/uk-scotland-north-east-orkney-shetland-53672793

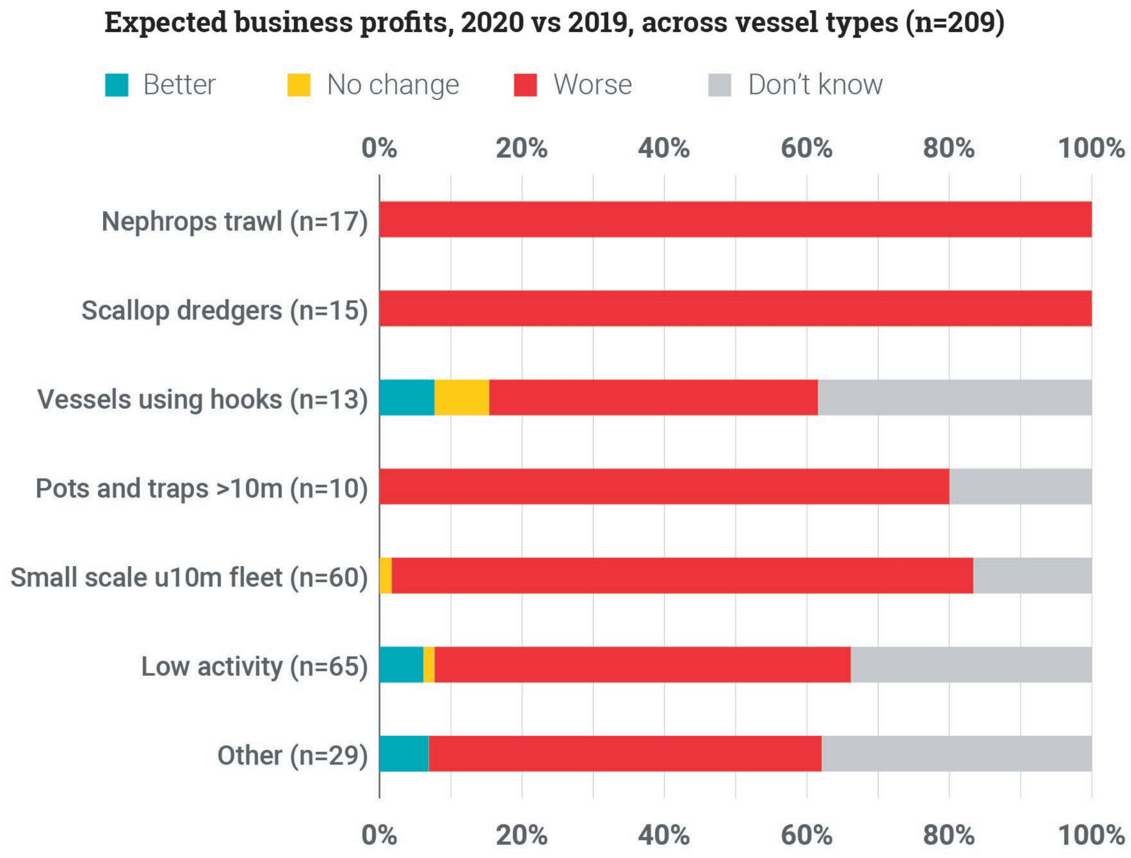


**Figure 10. Expectations for profit levels in 2020/2021 financial year by fleet segment group.**

Every vessel owner in the scallop dredger and Nephrops trawler fleet segment groups expected lower profits, reflecting reductions in both average price and landings for shellfish species during January to September 2020.

The value of scallop landings was down by at least 30% in each month from February to September 2020 (compared to the same period in 2019). January 2020 values, meanwhile, were 22% less than in January 2019. Prices dropped the most in May 2020, when the value of scallop landings was down 41% compared to May 2019. The market remained oversupplied, with little recovery in demand keeping prices far lower than they were in 2019.

Effects were even more severe for vessels targeting Nephrops: the value of Nephrops landings fell by at least 40% in every month from April to September 2020. Summer was an especially challenging period for these fishing businesses, given the closure or reduced activity of key foodservice markets in the UK scampi market and across the European fresh/whole Nephrops market. The growing value of the British pound against the Euro also made shellfish relatively more expensive for European customers and dampened demand from the continent.

Since the onset of the pandemic, government financial support helped many businesses manage difficult operating conditions. Initial UK-wide support measures were announced with lockdown; however, these support measures were not comprehensive. Additional support measures were designed and implemented by each devolved administration to help fill gaps in the UK-wide schemes.

The next section presents the uptake of various support measures by the UK catching sector. The results are presented per respondent (vessel owner), rather than by fleet segment group.

## Government support: uptake and opinion

57% of respondents reported receiving government support from at least one government support measure between January and September 2020 [24] (Figure 11).

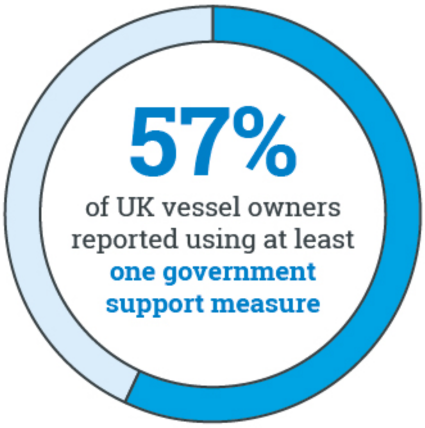


**Figure 11. Number of businesses receiving financial support from the government (n=174).**

Respondents' reported uptake of government support varied by home nation [25]. 80% of Northern Irish businesses reported using at least one government support measure. 51% of English businesses, 61% of Scottish businesses, and 50% of Welsh businesses surveyed reported using at least one government support measure.

UK-level funding measures aimed to help with the immediate impacts of lockdown and were made available to all eligible UK businesses in the first weeks of the lockdown. The most used measures reported by survey respondents were the Income Support for Self-Employed (18%) and Bounce-Back Loan (15%) schemes (Figure 12).

[24] Survey questions were not intended to assess businesses' eligibility criteria for different support measures, which differed across respondents' characteristics and home nations.
[25] Home nation here is defined as administration port, rather than port of landing or home port. Administration ports receive records of landings from vessel owners and may exist as offices to administer landings. Owners in the survey registered multiple vessels in the same home nation.

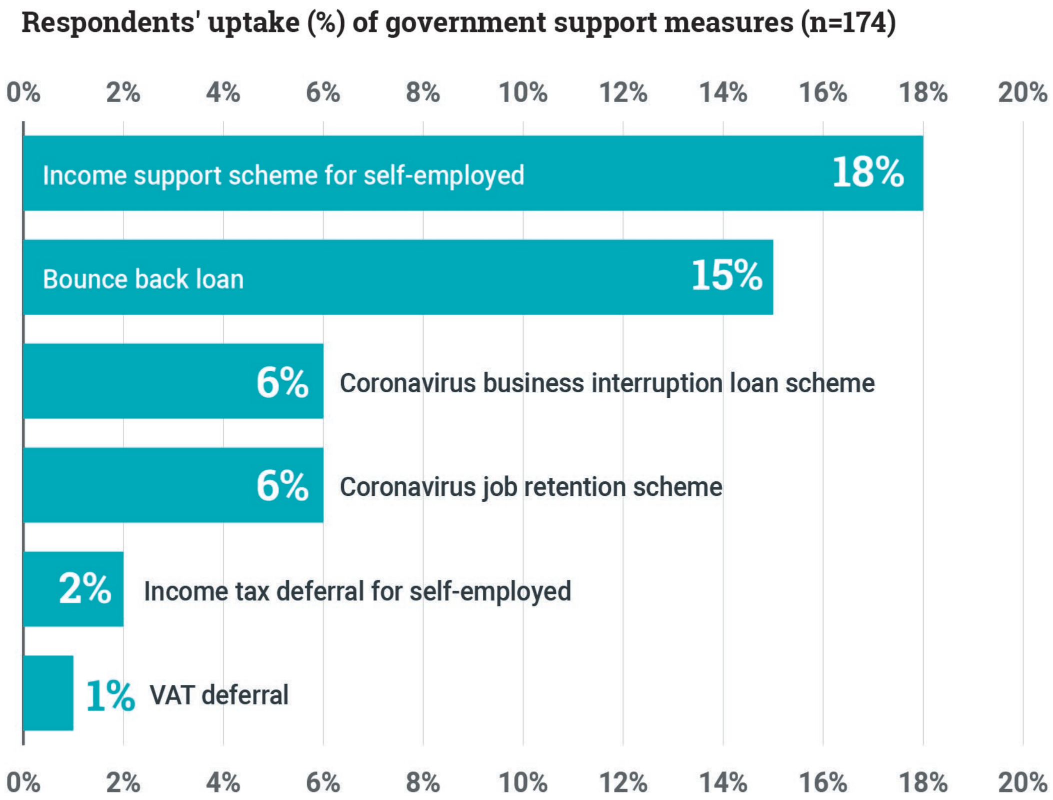


**Figure 12. Uptake of UK financial support schemes (n = 174).**

The survey considered fishers' opinions about receiving government support, namely: whether financial support was easy to access and whether the measures were timely. Both questions were subjective; responses by individual vessel owner are presented below by the type of financial support scheme used (Figure 13).


**Figure 13. Opinions of accessibility of UK financial support schemes.**

Most respondents reported that measures were easy to access, though some felt funds weren't received timely enough. For example, while 92% of respondents that received the *Bounce-Back Loan* reported that it was easy to access, only 38% reported that the loan was received on time when needed.

Only 11 vessel owners reported using the *Coronavirus Job Retention Scheme*. This measure was commonly referred to as "furlough". The measure, which had high uptake across much of the UK, – was not used by many vessel owners. Low uptake by respondents is likely due to the traditional crew-share[26] remuneration system used on fishing vessels, whereby crew are more likely to be self-employed. In addition, the sample included a large proportion of owners of smaller, single-person and family boats. The furlough scheme was not suited to support these types of businesses.

At the end of April 2020, further government support was launched, including the *Domestic Seafood Supply Scheme in England*. This scheme aimed to support businesses who supplied directly to the UK market. By 12 June 2020, 20 projects related to this scheme were approved[27].

Around this time, each devolved administration also established further nation-specific funds for the catching sector. The uptake of those schemes, based on the responses provided, is shown in Figure 14. The analysis of experience related to use of the nation-specific schemes is presented in Figure 15.

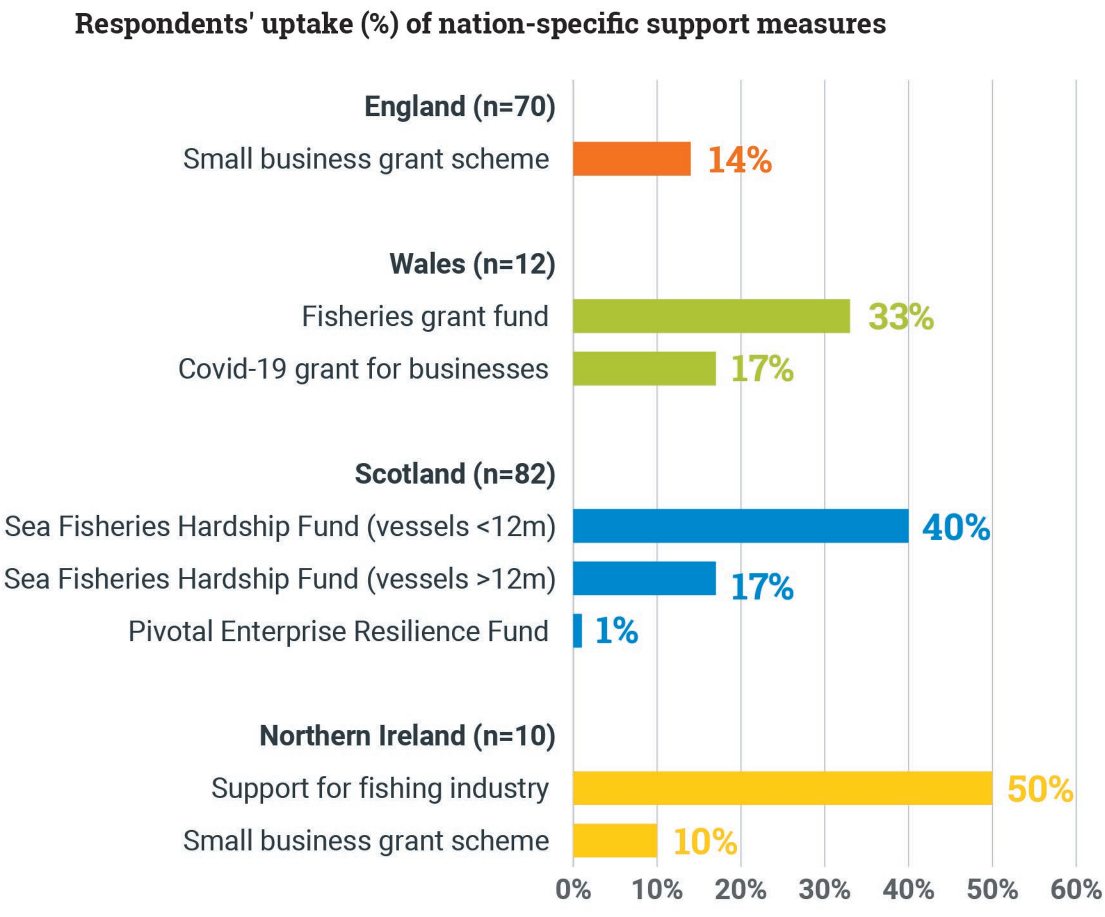


**Figure 14. Vessel owner uptake of nation-specific funding schemes (n = 174)**

[26] Crew-share remuneration is an output-based model of pay, where fishing income is evenly split between crew members for each day of work at sea.
[27]https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892089/DSSS_Approved_Projects_12.06.2020.csv/preview

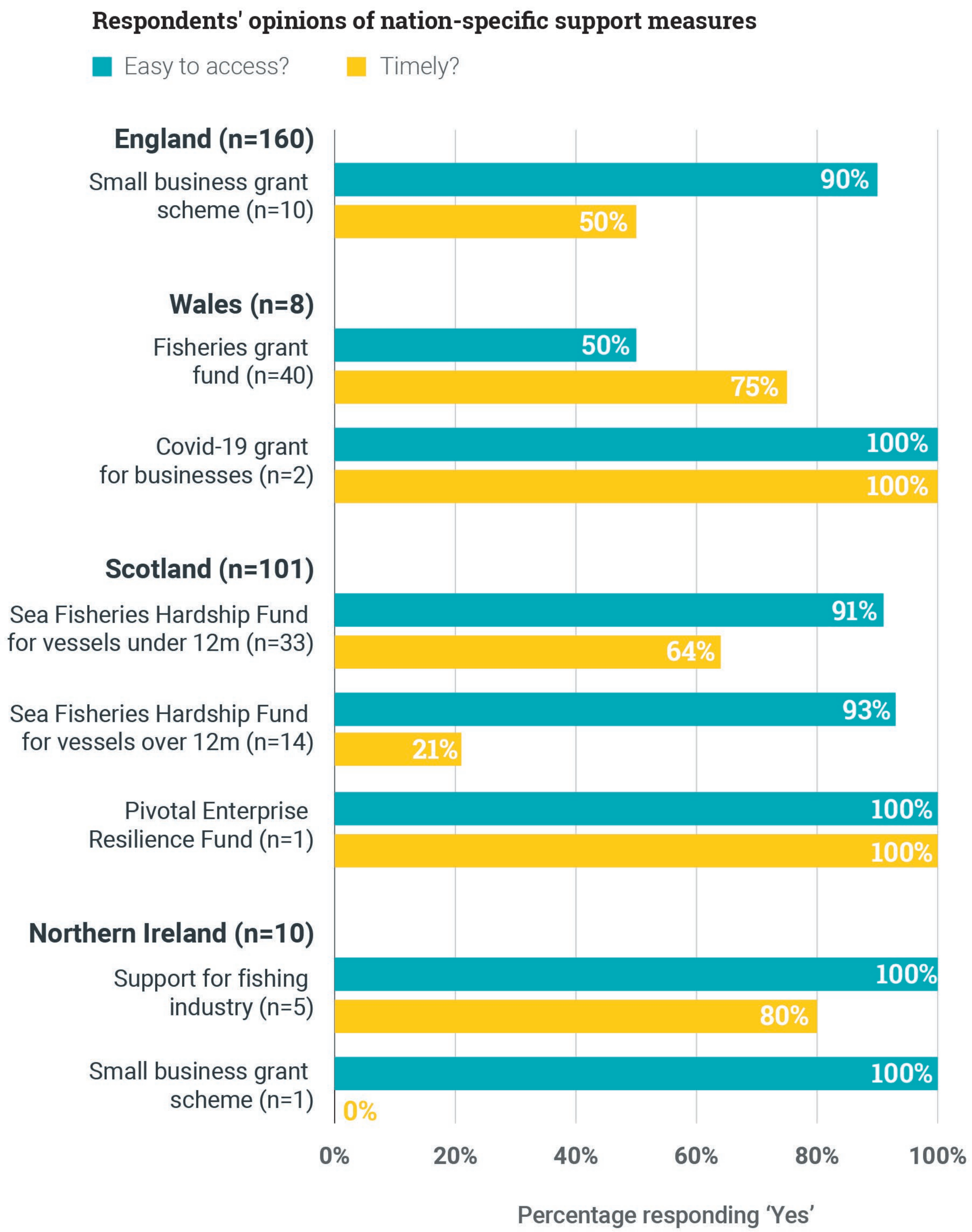


**Figure 15. Business views of nation-specific funding (n = 174)**

### England

10 respondents reported use of *The Small Business Grant Scheme* in England; most reported it as being easy to access. The *Fisheries Response Fund*[28], made available for fisherman in England in early June, was not specifically covered in the survey questionnaire. However, 2 respondents reported using it.

Similarly, as in the *Fisheries Hardship Fund* for over 12 metre vessels in Scotland, the Fisheries Response Fund in England provided support to under 24 metre vessels. This covered fixed costs such as insurance, port costs, etc. The support was capped at £10,000.

### Wales

Vessel owners representing vessels in Wales had limited representation in the survey sample (8 responses). The Welsh *Fisheries Grant Fund* provided one-off support to cover fixed costs for welsh vessels based on vessel size. This funding was capped at £10,000 per vessel.

### Scotland

In Scotland, the *Sea Fisheries Hardship Funds*[29] covered fixed costs for fleets that target shellfish. There were two similar funds: one for vessels under 12 metres in length and the other for vessels over 12 metres in length. Marine Scotland directly contacted businesses/individuals that were eligible to apply for this support, after the scheme was announced on 25 March 2020.

The support scheme for under 12 metre vessels provided grants of 50% of a vessel's average two-month earnings in 2019. Grants - delivered as one payment - were capped at £27,000 per vessel. 40% of Scottish vessel owners participating in the survey received this financial support[30].

The *Scottish Sea Fisheries Hardship Fund* for over 12 metre vessels was capped at £21,370 per vessel (or £42,740 per business with multiple vessels) and was implemented a bit later than support scheme for under 12 m vessels. 14 respondents reported receiving this type of support.

### Northern Ireland

Northern Ireland's *Support for the Fishing Industry* scheme had the highest uptake among the home nation-specific measures, as a proportion of the vessel owners representing Northern Irish vessels in the survey.

This *Support for the Fishing Industry* scheme was announced in April 2020 by the Department for Agriculture, Environment and Rural Affairs (DAERA). The scheme offered three monthly payments of up to £104,000, paid in May, June, and July 2020. This scheme, like other nation-specific support for the catching sector, was intended to cover vessels' fixed costs based on vessel size. The total initial package for the *Support for the Fishing Industry* scheme in Northern Ireland was £1.5m[31].

---

[28] https://www.gov.uk/guidance/seafood-response-fund
[29] Funds were "made available to support full-time operators of Scottish registered creel vessels, scallop vessels and Nephrops trawlers", COVID-19: Sea Fisheries Hardship Fund (Vessels over 12 metres) | Brodies LLP
[30] Vessels received this support made up the largest proportion of the survey sample.
[31] https://www.daera-ni.gov.uk/news/poots-announces-ps15m-support-package-fishing-industry

The Northern Ireland *Small Business Grant*[32] scheme provided grants of £10,000 for businesses eligible for small business rate[33] relief. One respondent within the sample confirmed they were eligible for - and received - the *Small Business Grant*. Further support measures became available in Northern Ireland in autumn 2020.

### Other support

In addition to government support measures, third-sector organisations also provided financial support to fishing businesses. Seafarers UK established a £2m UK *Covid-19 Emergency Fund* in April 2020[34]. The Fishmongers' Company facilitated business diversification and created an interactive seafood retail map[35], which is reported to have promoted buying locally.

In the next section, results are again presented at the fleet segment group level, rather than at the individual response level.

## Recent business performance (over the last 12 months)

Respondents were broadly negative when asked about business performance over the last 12 months, with vessel owners representing 59% of vessels in the sample reporting below average performance (Figure 16).

In 2020, forecasted overall operating profit[36] for the UK fishing fleet was £217 million, an expected 19% fall from 2019 figures[37]. This followed two years (2018 and 2019) of stability in terms of economic performance.

In the survey, vessel owners reported that almost a quarter (22%) of sampled vessels had poor financial performance in the previous 12 months. A further 37% reported below average performance.

Reports of poor performance reflect the reduction in average prices recorded[38] in January to September 2020 compared to the same period in 2019. Total landings value and weight also remained well below 2019 levels for the same period. The reported financial performance of vessels in the 12 months to September 2020 is shown in Figure 16.

---

[32] https://www.gov.uk/government/news/covid-19-guidance-information-for-ni-businesses-employers
[33] https://www.legislation.gov.uk/nisr/2021/87/schedule/made
[34] https://www.theseafarerscharity.org/assets/uploads/documents/The-Seafarers-Charity-Covid-19-Emergency-Fund-Guidelines.pdf
[35] https://fishmongers.org.uk/supporting-the-fishing-seafood-industry-through-covid-19-and-beyond/
[36] Total income minus total operating costs.
[37] https://www.seafish.org/document/?id=d9e7982d-e374-4de7-85a4-ca80c35f5666
[38] https://www.gov.uk/government/statistics/uk-sea-fisheries-annual-statistics-report-2020

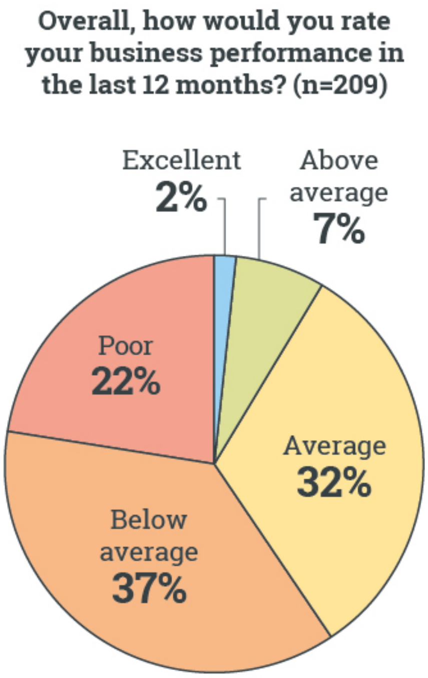


**Figure 16. Business performance ratings over previous 12-month period.**

Vessel owners representing 9% of vessels sampled were positive about business performance in the 12 months up to September 2020. 7% rated their performance as above average and a further 2% reported excellent business performance.

The most positive responses were from owners of small-scale, under 10 metre, low activity vessels (Figure 17). In the 12 months to September 2020, increased local demand and expanded direct sales markets (e.g., from the quayside) helped some small-scale vessel owners improve their business performance.

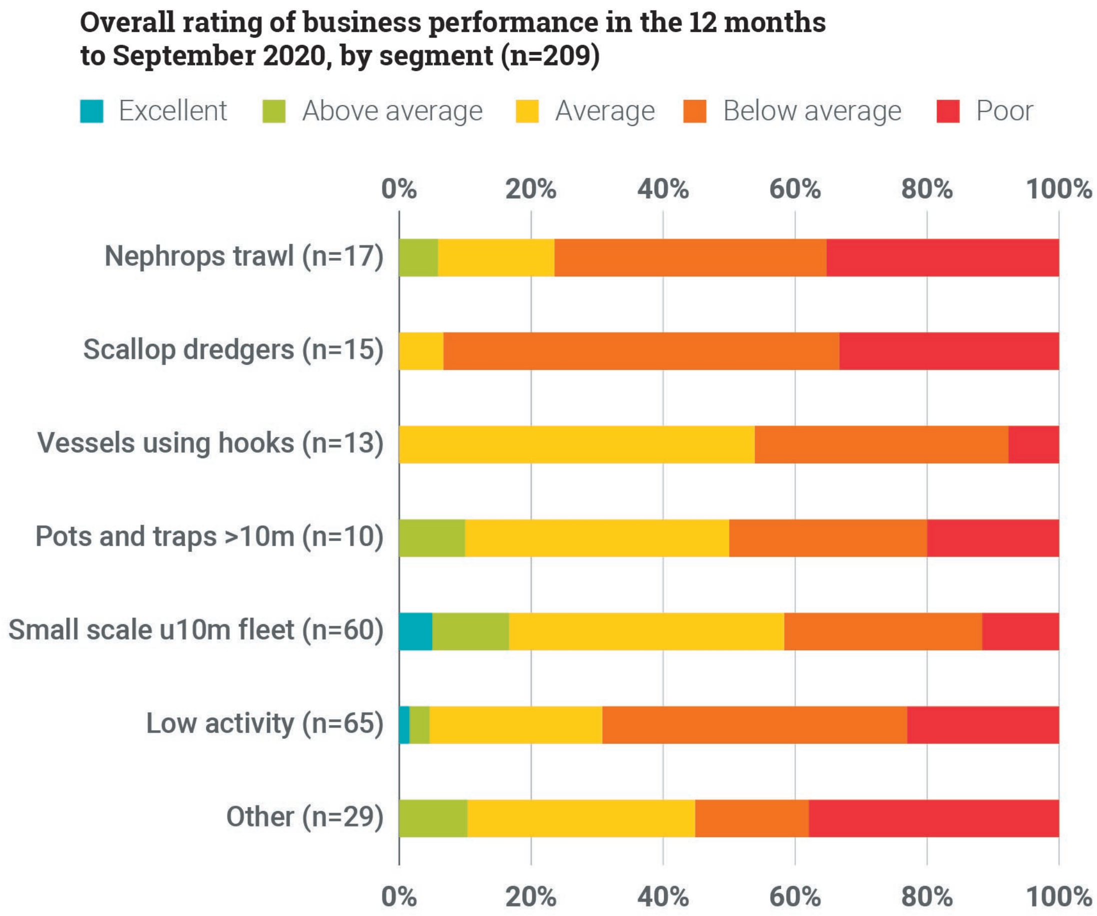


**Figure 17. Expected vessel performance in previous 12-month period by vessel group.**

Across all fleet segment groups, owners of Scallop dredgers and Nephrops trawlers were the least positive about recent business performance. As both scallops and Nephrops are primarily supplied to foodservice markets, Covid-19 restrictions had a strong negative impact on demand for these species.

Vessel owners that rated their business performance as excellent attributed the improvement to factors including improved catch prices, access to fishing grounds, and access to markets. The main factors affecting business performance at the time of the survey, both positive and negative, are presented in figure 18.

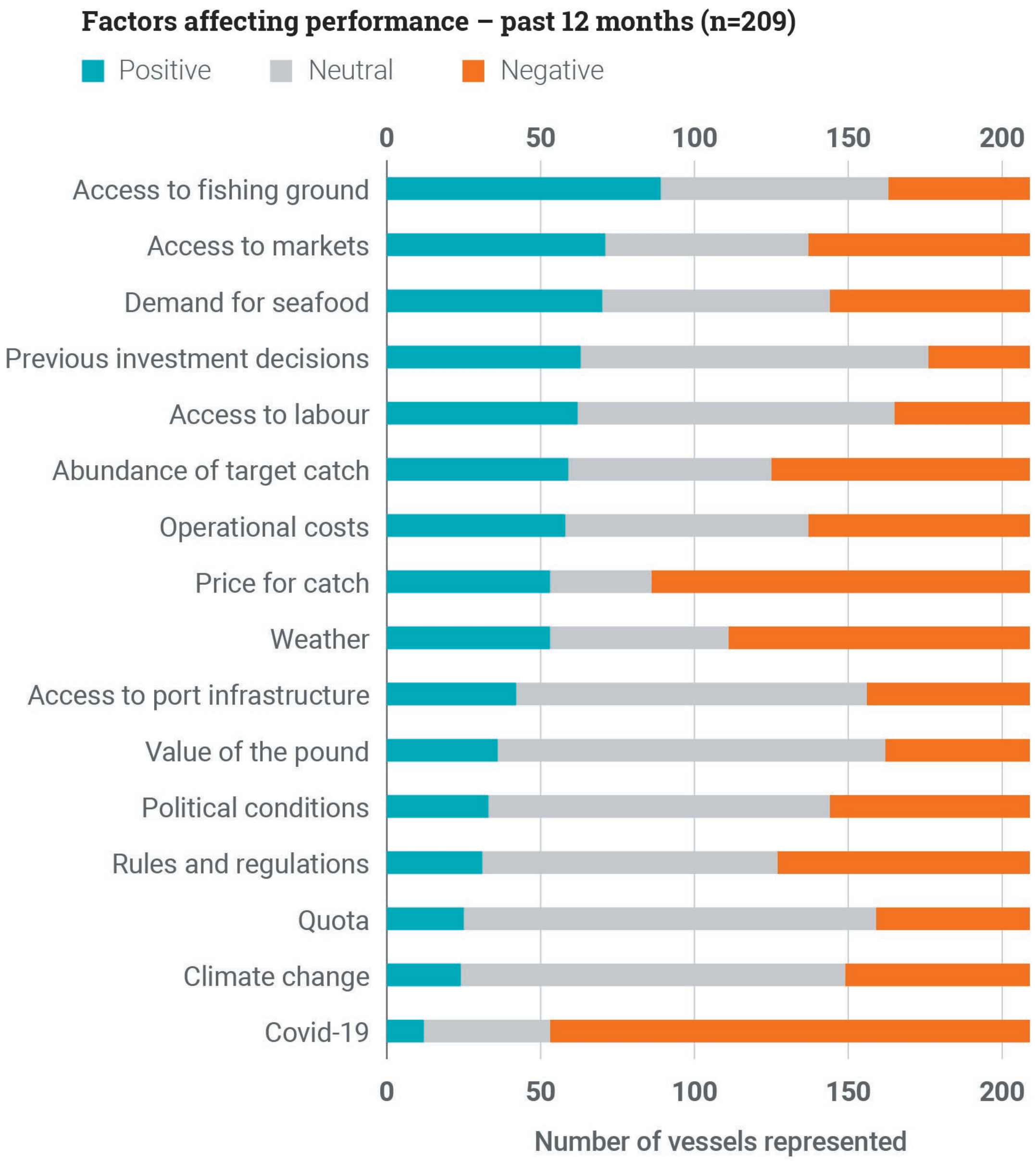


**Figure 18. Factors affecting business performance in the 12 months to September 2020.**

The most cited factor negatively influencing business performance was Covid-19 (75%). A few vessel owners reported Covid-19 as having had a positive impact on business performance. However, none of the businesses that ranked their vessel performance as excellent cited Covid-19 as being a positive factor.

Respondents representing 47% of vessels in the sample reported that weather had negatively impacted business performance in the previous 12 months. Poor weather conditions can increase fuel consumption and cost as well as preventing smaller boats from going to sea.

The factors most cited as having had a positive impact were access to fishing grounds (43% positive) and access to markets (33% positive), followed by overall demand for seafood (30% positive). These responses may have been influenced by the timing of the survey which, in

September 2020, was following a period with relatively fewer Covid-19 restrictions and generally higher optimism across society compared to the first months of the pandemic.

The next section presents reported business planning decisions and owner expectations in the medium-term (next three to five years).

## Short- and medium-term business outlook

Whilst almost 60% of survey respondents ranked their vessels economic performance as poor or below average, 14% of respondents hoped to expand their businesses in the next 12 months (from September 2020).

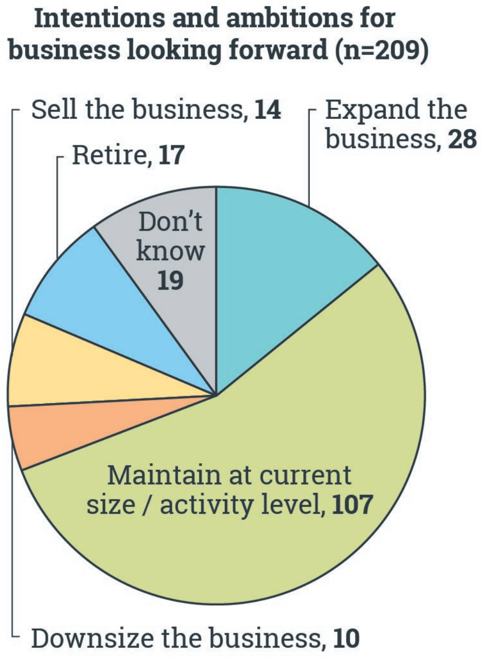


**Figure 19. Business outlook for the next three to five years (n = 209).**

Many planned investments reported in the survey were related to modernising existing or building new vessels. These vessel owners cited improving safety, reducing operational costs, and expanding capacity as their main reasons for modernising or building new vessels in the medium-term. Technology[39] [40]and the use of social media were also cited as possible avenues for business expansion.

Fewer than a quarter of vessel owners planned to sell their boats or retire in the 12 months after the survey was conducted. Uncertainty and increasing competition for marine space were cited as reasons to leave the fishing industry. Some vessels were owned and operated on a part-time basis by older individuals who expected to retire and leave the industry in the medium-term.

[39] https://www.heraldscotland.com/business_hq/18365148.edinburgh-fishmonger-sees-online-business-soar-amid-covid-19-crisis/
[40] https://www.seafoodsource.com/news/foodservice-retail/covid-19-crisis-drives-european-producers-to-trial-new-ways-to-sell-seafood?utm_source=marketo&utm_medium=email&utm_campaign=newsletter&utm_content=newsletter&mkt_tok=eyJpljoiT0RjMU1ESTJPRFZsTURZMSIsInQiOiJuTWEwZWdcL2ZoUlF0ZkNOb0hcL3hYTHM4T3dLU2FlbjgzNmtwXC9QTjZCVUw1M

Vessel owners were relatively optimistic in September 2020 when asked to consider their businesses in the next three to five years (medium-term) compared to the next 12 months (short-term). Most vessel owners (107) expected that their vessels would be deployed with the same effort and gear in the medium-term (next 3 to 5 years).

Several reasons were cited for why vessel owners would seek to maintain current levels of activity, such as 'to provide a route to retirement' and 'to actively manage both political and regulatory uncertainties'.

19% of respondents were positive about the future of their business in the medium-term, compared to only 3% who were positive in the short-term. Specifically, the owners of five vessels expected very good performance in the next 12 months, while 34 expected positive ("good") business performance in the next three to five years (Figure 20). Similarly, 19% of vessel owners expected negative business performance in the medium-term, compared with 71% in the short-term.

Expected business performance in the medium-term varied by fleet segment group. Overall, owners of Nephrops trawlers were most pessimistic, while owners of low activity vessels were most optimistic (Figure 20).

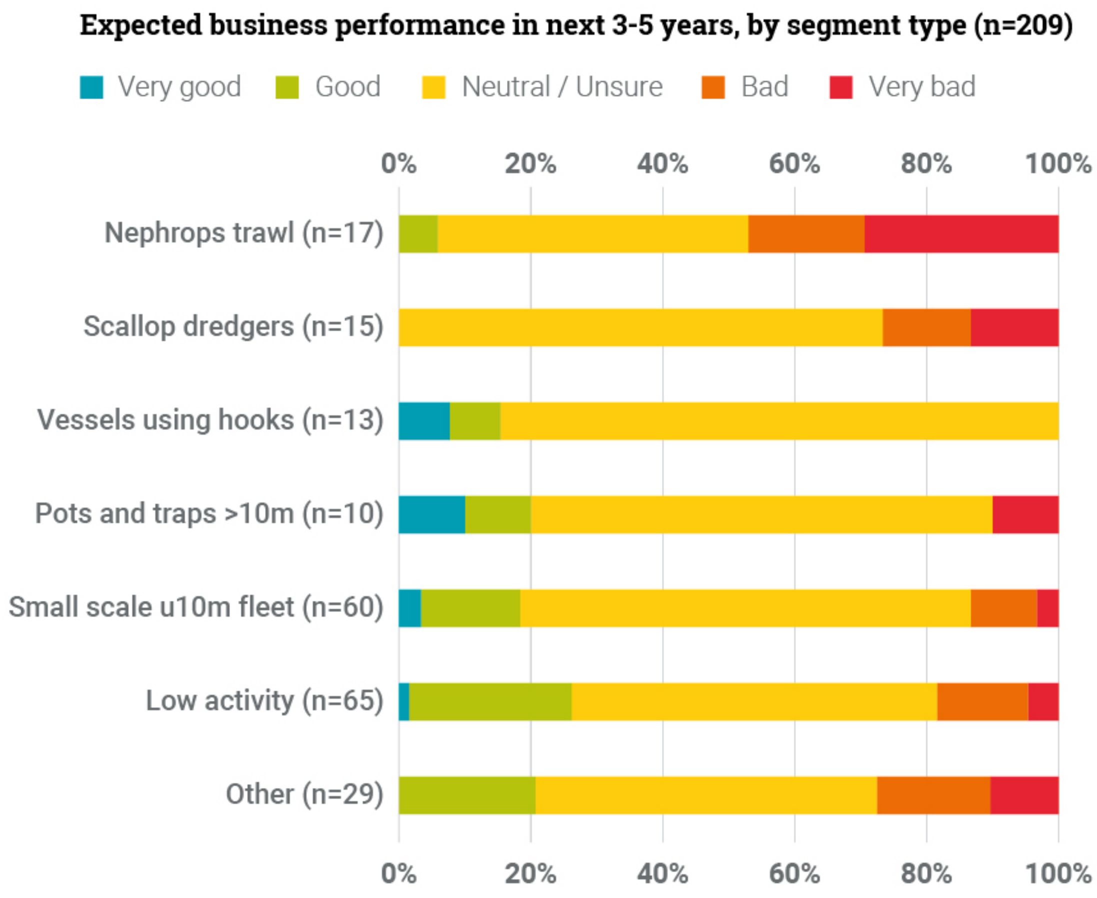


**Figure 20. Medium-term outlook by fleet segment group.**

Many businesses were uncertain about how their business performance would change in the short- and medium-term. This may be explained by the uniquely uncertain operating environment at the time of the survey, influenced by both Covid-19 and EU Exit.

Vessel owners also commented on factors affecting business performance in the medium-term (both positive and negative). These factors are presented in Figure 21.

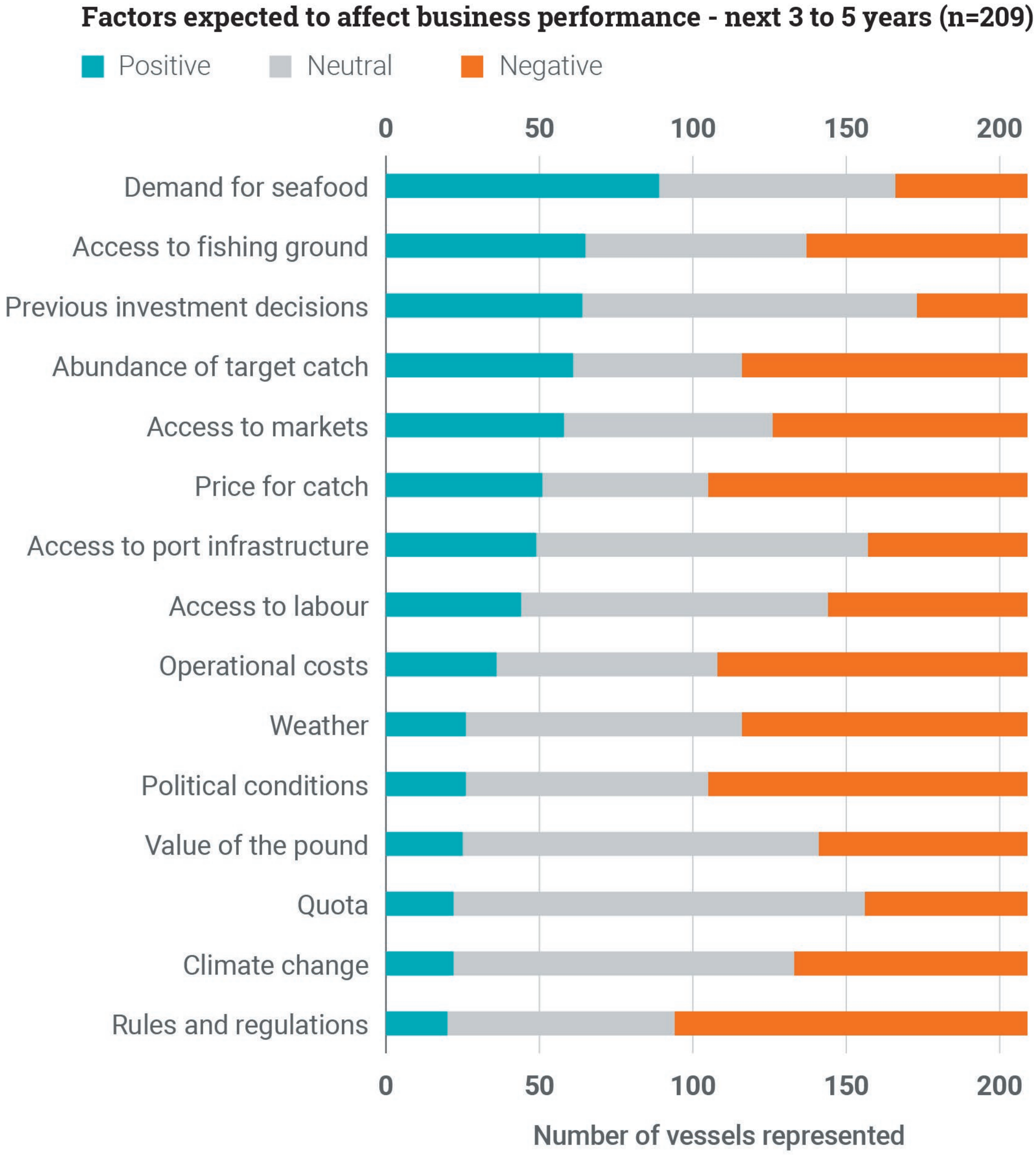


**Figure 21. Factors affecting vessel performance, medium-term outlook.**

Seafood demand (43%) and access to fishing grounds (31%) were the most cited factors expected to positively impact business performance in the medium-term. Previous investment decisions (31%) were also expected to have a positive impact on business performance in the next three to five years.

Vessel owners representing 55% of vessels sampled expected to see worse business performance in the medium-term because of rules and regulations. Other factors cited as being negative included average prices and political conditions.

# Appendix 1. UK fleet segmentation and grouping

**Table 2. Correspondence between Seafish fleets and analytical groups created for this report.**

| Seafish fleet segments | Groups analysed |
|---|---|
| Low activity over 10 m<br>Low activity under 10 m | **'Low-activity'** |
| Area VIIA Nephrops over 250 kW<br>Area VIIA Nephrops under 250 kW<br>North Sea Nephrops over 300 kW<br>North Sea Nephrops under 300 kW<br>WOS Nephrops over 250 kW<br>WOS Nephrops under 250 kW | **'Nephrops trawl'** |
| Area VIIA demersal trawl<br>Area VIIBCDEFGHK 24–40m<br>Area VIIBCDEFGHK trawlers 10–24m<br>Gill netters<br>Inactive<br>Miscellaneous<br>North Sea beam trawl over 300 kW<br>North Sea beam trawl under 300 kW<br>NSWOS demersal over 24 m<br>NSWOS demersal pair trawl seine<br>NSWOS demersal seiners<br>NSWOS demersal under 24m over 300 kW<br>NSWOS demersal under 24m under 300 kW<br>Pelagic over 40 m<br>South West beamers over 250 kW<br>South West beamers under 250 kW | **'Other'** |
| Pots and traps 10–12 m<br>Pots and traps over 12 m | **'Pots and traps > 10m'** |
| UK scallop dredge over 15 m<br>UK scallop dredge under 15 m | **'Scallop dredger'** |
| Under 10 m demersal trawl/seine<br>Under 10 m drift and/or fixed nets<br>Under 10 m pots and traps | **'Small scale under 10 m fleet'** |
| Longliners<br>Under 10 m using hooks | **'Vessels using hooks'** |

For more detail on the UK fleet segmentation criteria, annual fleet surveys, and survey methodology see the UK Economic Fleet Estimates and Fleet Enquiry Tool - Methodology Report — Seafish Methodology report.

# Appendix 2. Survey questionnaire (Section 5-6)

Here to give the UK seafood sector the support it needs to thrive.

seafish

## Fleet Survey Form

**Before completing this form, please read the accompanying guide, 'How to fill in your Fleet Survey Form'.**

Fill in this form in **CAPITAL LETTERS using black or blue biro only**, writing in the space provided.
If you need extra space please write on a separate sheet (indicating the relevant question number).
We may contact you if we need to verify any of your answers or if you have opted for an in-depth interview.

All information collected is treated as **strictly confidential**.

**Please return your completed survey form in the prepaid envelope by 30 September 2020.**

If you have any comments or questions please get in touch:
**Email:** fleet.survey@seafish.co.uk **Tel:** 07876 035 759

### Section 1: Your details

Surname:
First name:
Title: Mr Mrs Miss Ms
Other (e.g. Rev, please specify):
Telephone number:
Postal address:
Post town/city:
Postcode:
Email address:

Please turn over to Section 2 >

FOR OFFICIAL USE ONLY:
Survey form ID number:

1

### Section 5: Recent business performance and future outlook

These questions are about your overall recent business performance and your longer- term expectations. If you want to say more on this topic we encourage you to have a discussion with one of our researchers. Let us know if you want to do this by selecting 'yes' to question 20.

There are some more detailed questions on COVID-19 in Section 6 where you can tell us about the effect it has had on your business.

**17. Overall how would you rate your business performance over the last 12 months?**

Excellent: Above average: Average: Below average: Poor:

**17a. In the past 12 months, what factors have affected your business performance?**
*Please select all that apply from the list below, indicating whether the effect was positive or negative.*

| | Positive | Negative | | Positive | Negative |
|---|---|---|---|---|---|
| Abundance of target catch | | | Access to labour | | |
| Price for catch | | | Previous investment decisions | | |
| Weather | | | Political conditions (e.g. Brexit) | | |
| Access to fishing grounds | | | Rules and regulations | | |
| Access to markets | | | Demand for seafood | | |
| Operating costs (e.g. fuel, repairs, gear) | | | Climate change and/or sea temperature | | |
| The value of the pound | | | Access to port infrastructure | | |
| Quota | | | COVID-19 | | |
| Other (please specify): | | | | | |
| Other (please specify): | | | | | |
| Other (please specify): | | | | | |

**18. Overall how would you rate your outlook for your business performance in the next 3-5 years?**

Very good: Good: Neutral / Unsure: Bad: Very bad:

Please turn over to complete Section 5 >

7

**18a. In the next 3-5 years, what factors do you think will affect your business performance?**
*Please select all that apply from the list below, indicating whether you think the effect will be positive or negative.*

| | Positive | Negative | | Positive | Negative |
|---|---|---|---|---|---|
| Abundance of target catch | | | Access to labour | | |
| Price for catch | | | Previous investment decisions | | |
| Weather | | | Political conditions (e.g. Brexit) | | |
| Access to fishing grounds | | | Rules and regulations | | |
| Access to markets | | | Demand for seafood | | |
| Operating costs (e.g. fuel, repairs, gear) | | | Climate change and/or sea temperature | | |
| The value of the pound | | | Access to port infrastructure | | |
| Quota | | | | | |
| Other (please specify): | | | | | |
| Other (please specify): | | | | | |
| Other (please specify): | | | | | |

**19. Given the factors you indicated above, what are your intentions or ambitions for your fishing business over the next 3-5 years?**
*Please tick all that apply.*

Expand the business: Maintain the business at current size and activity level:
Downsize the business: Sell the business: Retire: Don't know: *(go to question 20)*
Other (please specify):

**19a. Please provide more details about how you intend to do this (e.g. buy another vessel, change target species, replace vessel with a smaller one).**

**20. We are looking to speak to some people in more detail about the factors affecting recent business performance and long-term business outlook. Would you like to speak to one of our researchers on this topic?** *(See guidance note 14)*
*If you answer yes one of our researchers will contact you to arrange a mutually convenient time for the discussion.*

Yes: No:

Please continue to Section 6 >

8

### Section 6: COVID-19 impacts

We are assessing the impact of COVID-19 on the whole of the UK seafood industry and would like to learn more about how it has affected your business.

**21. Did you stop or reduce operations at any point during lockdown?**
*Please tick all that apply.*

Yes, complete closure: *(complete question 21a)* Yes, reduced activity: *(complete question 21a)*
No, I did not stop or reduce activity: *(go to question 22)*

*If yes to question 21...*
**21a. Please indicate the duration of complete closure and/or reduced activity in weeks.**

Complete closure: weeks Reduced activity: weeks

**22. Did you make any changes to your normal business operations to adapt to COVID-19 restrictions?**
*Please tick all that apply.*

Labour & crew changes (e.g. shift patterns, crew from non-EEA countries):
Fishing patterns (e.g. trip length/frequency, fishing grounds, target species):
Markets (e.g. international vs domestic):
Sales & distribution (e.g. direct and/or online sales, deliveries, etc.):
No change: *(go to question 23)*
*Other (please specify):*

**22a. If you made any of the changes listed in question 22, are you now back to business as usual? (i.e. prior to COVID-19)?**

Yes: *(go to question 23)* No: *(go to question 22b)*

Please turn over to complete Section 6 >

9

*If yes to question 22a...*

**22b. When do you expect to return to business as usual?**

1-2 months: ☐ 3-6 months: ☐ 6-12 months: ☐ More than 12 months: ☐

Never: ☐ *(go to question 22c)*

**22c. If you answered 'never' to question 22b, what are your future plans for the business?**

**23. Have the lock-down and COVID-19 restrictions affected your business financially?**

Yes: ☐ *(go to question 23a)* No: ☐ *(go to question 24)*

*If yes to question 23...*

**23a. Please explain how you expect your business profits this financial year to compare to last financial year?**
*Please give an approximate percentage, e.g. 20% lower or 15% higher and explain how (e.g. fewer days at sea resulting in less income or direct sales are more profitable)*

**24. Has your business been impacted by more unpaid orders than usual during lock-down and COVID-19 restrictions?**

Yes: ☐ *(go to question 24a)* No: ☐ *(go to question 25)*

*If yes to question 24...*

**24a. What proportion of your orders (in terms of value) has gone unpaid since the beginning of this calendar year?**

%

*If yes to question 24...*

**24b. Does your insurance cover these bad debt payments?**

Yes: ☐ No: ☐

**25. Overall what is your outlook for your business performance in the next 12 months?**

Very good: ☐ Good: ☐ OK: ☐ Bad: ☐ Very bad ☐

**26. Did you use any Government support measures to help your business?**

Yes: ☐ *(go to question 26a)* No: ☐ *(go to Section 7)*

10

*If yes to question 26...*

**26a. Which Government support measures did you use?**
*Please select from the list below, tick all that apply and also indicate how easy it was to access and timely each measure was by ticking yes or no.*

| UK-wide support measures: | I used this measure | Was this measure easy to access? | | Was this measure timely? | |
|---|---|---|---|---|---|
| Statutory sick pay relief package (SMEs) | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Coronavirus job retention scheme | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Bounce back loan | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Coronavirus business interruption loan scheme | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Future Fund | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Fast Start Competition | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| VAT deferral | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Income support scheme for self-employed | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Income tax deferral for self-employed | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| **England only support measures:** | | | | | |
| England: Small business grant scheme | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| England: Domestic Seafood Supply Scheme | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| **Northern Ireland only support measures:** | | | | | |
| Northern Ireland: Support for fishing industry | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Northern Ireland: Small business grant scheme | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| **Scotland only support measures:** | | | | | |
| Scotland: Sea Fisheries Hardship Fund for vessels under 12m | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Scotland: Sea Fisheries Hardship Fund for vessels over 12m | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Scotland: Pivotal Enterprise Resilience Fund | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| **Wales only support measures:** | | | | | |
| Wales: Fisheries grant fund | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Wales: COVID-19 grant for businesses | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| Wales: Economic Resilience Fund | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| **Any others not listed above** (please specify): | | | | | |
| | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |
| | ☐ | Yes: ☐ | No: ☐ | Yes: ☐ | No: ☐ |

**Please turn over to Section 7 >**

11

**Seafish**
18 Logie Mill
Logie Green Road
Edinburgh
EH7 4HS

www.seafish.org
processingenquiries@seafish.co.uk