

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

FISHERIES BILL

First Sitting

Tuesday 4 December 2018

(Morning)

CONTENTS

Programme motion agreed to.
Written evidence (Reporting to the House) agreed to.
Motion to sit in private agreed to.
Examination of witnesses.
Adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Saturday 8 December 2018

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The Committee consisted of the following Members:

Chairs: † JAMES GRAY, DAVID HANSON

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|---|---|
| † Aldous, Peter (<i>Waveney</i>) (Con) | † O'Hara, Brendan (<i>Argyll and Bute</i>) (SNP) |
| † Brown, Alan (<i>Kilmarnock and Loudoun</i>) (SNP) | Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab) |
| † Carmichael, Mr Alistair (<i>Orkney and Shetland</i>) (LD) | † Pollard, Luke (<i>Plymouth, Sutton and Devonport</i>) (Lab/Co-op) |
| † Debbonaire, Thangam (<i>Bristol West</i>) (Lab) | † Smith, Owen (<i>Pontypridd</i>) (Lab) |
| † Duguid, David (<i>Banff and Buchan</i>) (Con) | † Stewart, Iain (<i>Milton Keynes South</i>) (Con) |
| † Eustice, George (<i>Minister for Agriculture, Fisheries and Food</i>) | † Sweeney, Mr Paul (<i>Glasgow North East</i>) (Lab/Co-op) |
| † Grant, Bill (<i>Ayr, Carrick and Cumnock</i>) (Con) | † Tracey, Craig (<i>North Warwickshire</i>) (Con) |
| † Hill, Mike (<i>Hartlepool</i>) (Lab) | Gail Poulton, Lis Gerhold, <i>Committee Clerks</i> |
| † Hollinrake, Kevin (<i>Thirsk and Malton</i>) (Con) | |
| † Jones, Mr Marcus (<i>Nuneaton</i>) (Con) | |
| † Lefroy, Jeremy (<i>Stafford</i>) (Con) | |
| † Morris, James (<i>Halesowen and Rowley Regis</i>) (Con) | † attended the Committee |

Witnesses

Bertie Armstrong, CEO Scottish Fishermen's Federation

Barrie Deas, Chief Executive, National Fishermen's Federation Organisation

Andrew Kuyk CBE, Managing Director, UK Seafood Industry Alliance

Paul Trebilcock, UK Association of Fisheries Producer Organisations

Martin Salter, National Campaigns Co-ordinator, Angling Trust

Public Bill Committee

Tuesday 4 December 2018

(Morning)

[JAMES GRAY *in the Chair*]

Fisheries Bill

9.25 am

The Committee deliberated in private.

9.28 am

The Chair: As you all know, we are here to consider the informative bit of the Fisheries Bill. We will first consider the programme motion, which is on the amendment paper. After that we will consider a motion to enable the reporting of written evidence for publication and then a motion allowing us to deliberate in private. I call the Minister to move the programme motion.

Ordered,

That—

- (1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 4 December) meet—
 - (a) at 2.00 pm on Tuesday 4 December;
 - (b) at 11.30 am and 2.00 pm on Thursday 6 December;
 - (c) at 9.25 am, 2.00 pm and 5.00 pm on Tuesday 11 December;
 - (d) at 11.30 am and 2.00 pm on Thursday 13 December;
 - (e) at 4.30 pm, 7.00 pm and 9.00 pm on Monday 17 December;
 - (f) at 9.25 am and 2.00 pm on Wednesday 19 December;
- (2) the Committee shall hear oral evidence on Tuesday 4 December in accordance with the following Table:

| <i>Date</i> | <i>Time</i> | <i>Witness</i> |
|------------------------|------------------------------------|--|
| Tuesday 4 December | Until no later than 10.25 am | Scottish Fishermen's Federation; National Fishermen's Federation Organisation |
| Tuesday 4 December | Until no later than 10.55 am | UK Seafood Industry Alliance |
| Tuesday 4 December | Until no later than 11.25 am | UK Association of Fisheries Producer Organisations; Angling Trust |
| Tuesday 4 December | Until no later than 2.30 pm | New Under Ten Fishermen's Association |
| Tuesday 4 December | Until no later than 3.00 pm | Marine Management Organisation |
| Tuesday 4 December | Until no later than 3.30 pm | Blue Marine Foundation |
| Tuesday 4 December | Until no later than 4.00 pm | Fishing for Leave |
| Thursday 6 December | Until no later than 12.15 pm | Greenpeace; Pew; Greener UK; Marine Conservation Society |

| <i>Date</i> | <i>Time</i> | <i>Witness</i> |
|------------------------|-----------------------------------|--|
| Thursday 6 December | Until no later than 1.00 pm | Macduff Shellfish; Interfish/ Northbay Pelagic; Whitby Seafoods Ltd; Scottish White Fish Producers Association Ltd |
| Thursday 6 December | Until no later than 2.30 pm | New Economics Foundation |
| Thursday 6 December | Until no later than 3.00 pm | Carl O'Brien (Chief Fisheries Science Advisor, Department for Environment, Food and Rural Affairs) |
| Thursday 6 December | Until no later than 3.30 pm | Coastal Communities Alliance; Communities Inshore Fisheries Alliance |

- (3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 4; Schedule 1; Clauses 5 to 13; Schedule 2; Clauses 14 to 17; Schedule 3; Clauses 18 to 28; Schedule 4; Clause 29; Schedule 5; Clauses 30 to 37; Schedule 6; Clause 38; Schedule 7; Clauses 39 to 43; new Clauses; new Schedules; remaining proceedings on the Bill;
- (4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Wednesday 19 December.—(*George Eustice.*)

The Chair: Under the programme order, the deadline for amendments to be considered at the first line-by-line sitting of the Committee will be the rise of the House on Thursday, so if Members wish to table amendments to be considered next week in Committee, they must table them by the rise of the House on Thursday.

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(*George Eustice.*)

The Chair: Copies of written evidence that the Committee receives will be made available in the Committee Room.

Resolved,

That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.—(*George Eustice.*)

The Chair: Why on earth we have agreed to potentially meet in private now, I have no clue. However, the learned Clerks know better than I. We will now move on to the interesting part of the session.

Examination of Witnesses

Bertie Armstrong and Barrie Deas gave evidence.

9.30 am

The Chair: I am delighted to welcome the Scottish Fishermen's Federation and the National Fisherman's Federation Organisation to give evidence. For the sake of *Hansard*, will you kindly introduce yourselves before we start questions?

Bertie Armstrong: Certainly, in alphabetical order, I am Bertie Armstrong, chief executive of the Scottish Fishermen's Federation, which is the trade association that looks after the catching sector in Scotland. It has nine constituent associations and a geographical spread. It covers some 450 fishing boat businesses from smallest to largest.

Barrie Deas: I am Barrie Deas, chief executive of the National Federation of Fishermen's Organisations, which is the representative body for fishermen in England, Wales and Northern Ireland.

Q1 The Minister for Agriculture, Fisheries and Food (George Eustice): What have been the main shortcomings of the common fisheries policy from your perspective, and what would you hope to achieve through a domestic fisheries policy?

Bertie Armstrong: The central ill of the common fisheries policy is the matter of the distribution of catching opportunity—the so-called relative stability—which places us, from our waters, in the position of 60% of the seafood assets removed from our waters being in the hands of non-UK EU fishing nations. The relative figures for other coastal states, one of which we will become on Brexit day, are Norway 85% or thereabouts and Iceland 90%. So the primary ill is common access to our waters and statutorily giving away that amount of our natural capital.

The second ill of the CFP is that it is distant and remote, and the process is effectively moribund. It is dysfunctionally distant. It is centralised by treaty and cannot be uncentralised or regionalised to any proper extent. The Bill must seek not to replace one unworkable system with another.

Thirdly, and finally, some political elements of the CFP in terms of practical fisheries management are counterproductive and unworkable. For instance, no one wishes to discard our perfectly edible fish, but the way it is linked to the CFP will simply not work.

Barrie Deas: I very much share Bertie's views. The essential problems with the common fisheries policy for the United Kingdom lie in its inception, which was based on the principle of equal access, and ten years later, the principle of relative stability that allocated shares that do not reflect the resources that are in our waters. The comparison is with what we would have been had we been an independent coastal state for the last 45 years, like Norway. It is a huge disparity.

We are tied into an asymmetric and exploitative arrangement. The departure of the UK from the EU and therefore from the common fisheries policy provides us with the first opportunity to break free of that. The content of the Fisheries Bill is extremely important in terms of taking the powers to control who fishes in our waters—the access arrangements—and to renegotiate the quota shares.

I very much share Bertie's view that the common fisheries policy has been cumbersome to deal with and very remote from where the impact of the decisions are felt, which has led to a huge gulf between fairly grandiose legislation and failure at implementation level. The gulf between primary legislation and its implementation has been recognised by the Commission and in the common fisheries policy. In recent years there has been an attempt to address it by introducing an element of regionalisation. Unfortunately, the treaty of Lisbon and the introduction of co-decision making into fisheries involving the European Parliament has moved active decision making even further away from where it counts and where its effects are felt. In that sense, we have moved in the opposite direction.

Q2 George Eustice: Obviously, at the moment every part of the UK has access to each other's waters. The Bill protects that in the first clause by having a key purpose of equal access. Are you happy with that approach?

Barrie Deas: Yes. I think there always has been the right of UK fishing vessels from any part of the country to fish anywhere in the waters. We think that is an important principle that should be retained. The NFFO has some problems with the impact of the devolution settlement on fisheries, which makes it much more complex, but the fundamental principle of equal access for UK vessels is one that we support.

Bertie Armstrong: Likewise, the Scots fleet would like to continue to be able to catch its prawns off South Shields as well as in the Fladen Ground, but we are too small. I think the central and relevant point is that there has been no arm-wrestling and no desire for regionalisation of the catching area. The heft of the UK exclusive economic zone is great because of the area and its seafood contents; it is not great in terms of home nation fleets. I do not think there is any sense in splitting it up, or any requirement to do so.

Q3 George Eustice: Finally, on the issue of a fair sharing methodology in future international negotiations, do you share the approach outlined in our White Paper, which is a move to using zonal attachment as the basis for future sharing arrangements?

Bertie Armstrong: From my point of view, in the strongest possible terms, there has to be some sort of principle for division. Given the fact that there will be access as we have access, for instance, to Norway, there will be access by European boats to UK waters. We need to be very careful not to put anything on the face of the Bill that is obstructive.

Barrie Deas: The most extreme example of the distortion in quota shares is English channel cod: the UK share is 9% and the French share is 84%. Other examples include Celtic sea haddock: our share is about 10% and the French share is 66%. Those kinds of distortion have been part and parcel of relative stability and equal access, and they need to be addressed as a matter of urgency.

The principle of zonal attachment is used in the division of quota shares between the EU and Norway, so it is already accepted by the EU in that context. Obviously, it does not work to their advantage in relation to the UK, which is why it is not unexpected that they are very unhappy about the change. The broad picture is that the principle of zonal attachment, reflecting the resources that are in the UK water, should be the basis for allocating quotas in the future, in our view.

Bertie Armstrong: May I add a practical example of the ills of not doing that? To make a discard reduction or ban, or a landing obligation, work, the fishing opportunity in the area has to resemble what is in the ocean. The great distortions of the CFP mean that you simply cannot make that work, because you get choked immediately on having caught all of one species and still having quota for another. There needs to be an underlying principle, and zonal attachment is the one that, by common sense and instinct—apart from the fact that Norway has accepted it—makes the most sense. If we approach the whole of our new role as a coastal state with the idea that common sense and sustainability are central, we will do well.

Q4 Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): The Minister asked about redistribution of quota from our EU friends to UK fishers. Do you feel that there are enough powers in the Bill to give certainty about how redistribution will take place, and is redistribution a nice-to-have aim and objective, or is it something that will actually happen if it is included in the Bill?

Bertie Armstrong: The Bill in its present form enables the UK to work as a coastal state in the way that other coastal states do, so the answer to that is yes. We would be greatly comforted by the insertion into the Bill of a date of assumption of sovereignty. The self-suggesting date is the end of the transition period—the implementation period, in our parlance. In other words, the end of December 2020.

The Chair: I am very sorry, but I am finding it hard to hear you, perhaps because I am a bit deaf. Would you mind speaking up a bit?

Bertie Armstrong: I will, forgive me. The date of the end of December 2020 should therefore be inserted into the Bill so there is a commitment to becoming, in practical terms, a coastal state.

Q5 Luke Pollard: Do you get a sense that there is a plan for how quota will be drawn down against our EU friends, rather than our having the ability to have control our waters, and then have the same quota share between UK and EU fishers?

Bertie Armstrong: There is a whole fisheries agreement laid down in the withdrawal agreement, which is yet to happen. That is the point. Your question does not indicate from whom I would seek that answer. There is a whole fisheries agreement to be negotiated. Well, we say negotiated, but you need to ask, “Who owns this place?” After Brexit, we own this place. This is the UK’s natural capital. That places a pretty strong trump in your hand of cards for the negotiation.

At one end of the spectrum of the fisheries agreement is, “None of you get in at all and fish anything,” which is absurd. At the other end of the spectrum is, “We’re going to give up and shut the fleet down. You can have at it and have the lot.” The negotiating ground is in between. We would like to see, in the fullness of time, the UK’s fishing opportunity representing zonal attachment or something close to it. That is what should be the result.

Barrie Deas: The UK will be an independent coastal state under international law. The United Nations convention on the law of the sea carries certain rights and responsibilities, including the responsibility to co-operate on the shared management of shared stocks. That is a starting point. There is a very important link between access rights and the renegotiation of quota shares. You can use the EU-Norway example as the most relevant model for future management. The UK is engaged in bilateral negotiations with the EU. That will be about setting quotas and total allowable catches at safe levels. It will also be about access arrangements for the coming year, and it will be about quota shares. That link between access and quota shares is the key to delivering a change and rebalancing of quotas to the UK, where needed. There will be a certain degree of access for European fleets—how much is to be negotiated—and there is the rebalancing of the quota

shares. Those two things should be inextricably linked, and that is where our leverage lies in addressing the quota distortions that are there at the moment.

Q6 Luke Pollard: Okay, but there is nothing in the Bill necessarily that gives certainty about when that drawdown period will take place against it.

Witnesses indicated assent.

Q7 Luke Pollard: On the economic link, having fish caught under UK quota but landed in foreign ports means that the economic link between the UK quota—fish in UK waters—and the benefits to the UK is not always naturally construed. How much fish, especially from quota owned by foreign boats and caught by our EU friends, is landed in UK ports at the moment? How much should be landed, if we are to impress that an economic link should be included in the Bill?

Bertie Armstrong: It is a complicated question. We should look to other coastal states. There is great assistance in looking at other models. Iceland and Norway—to cite the pair of them again—place much stronger economic links on ownership of vessels and ownership of the stewardship of the fishing opportunity, which is less strong in the UK because of EU regulation. Everyone will know that in the late 1970s the UK attempted to apply a 75% ownership limit to foreign investment in fishing vessels and lost in the European courts because that was illegal under European law. It had to be 75% European ownership. There is an opportunity downstream to have another look at ownership.

Q8 Luke Pollard: But that is about ownership rather than about landing, is it not?

Bertie Armstrong: The first thing that happens if you make rules about landing is that you have a boat full of mackerel and you cannot land it until Friday, which is very prejudicial. If we are to make rules about landings which make instinctive perfect sense, to capture the economic activity into the land, we must have a sensible vision of how much volume we will need to cope with and how that will be done seasonally. Making simple rules is likely to produce more problems than it will solve. It would be more helpful to have a vision for the UK fishing industry. In the withdrawal from the EU lies the opportunity effectively to double the economic activity associated with UK fishing, including the whole of the supply chain. As long as we are ready for that, the landings will take place into the UK. We look forward to the day when all UK fishermen will want to land their fish into the UK, because we are a world seafood leader and that is where they will get their best price.

Barrie Deas: The principle is that UK quotas should bring proportionate benefits to the UK. That is the starting point. The question is how you do that. The obligation to land a certain proportion of the fish is there in the current arrangements—the current economic link—but there are other options to meet that question of equivalence. Requiring all fish to be landed in the UK would mean an intervention in the market, because if there are economic benefits to landing particular species abroad where there is higher value, there is obviously an economic purpose to doing it that way, so we have to be careful about that. It is right that the economic link requirements are reviewed in the new circumstances, but I quite like the idea of having the

flexibility, as long as there is an equivalence, and it is all linked back to the fundamental principle that UK quotas should bring proportionate benefit to the UK.

Q9 Peter Aldous (Waveney) (Con): I have two questions. Do you think the Bill will lead to increased fishing opportunities both for new entrants and for what until now have been called the under-10s, although I think it is important we try to get away from that descriptor? Picking up on the Minister's comments about equal allocation across all UK fisheries for all UK boats, do you think that principle lies comfortably with the sustainable management of individual fisheries? I say that because there is a concern that it is difficult to do that when you get boats from other parts of the UK coming into waters off the East Anglian coast, and not only off the East Anglian coast. It is a concern that has been raised with me about waters off the north-east. Yesterday I was hearing about problems with managing cuttlefish down off the south-west where this problem had arisen. I would welcome both your views on those two issues.

Barrie Deas: On increased fishing opportunities and how they could be allocated, for a number of reasons, including case law in the English courts, but also the stewardship that comes along with rights of tenure, which have been an important factor in stabilising our fisheries over the last 20 years, our federation takes the view that for existing quota it should remain the same, but for additional quota we think there is a conversation to be had on the most appropriate use of that. There is a range of options.

Perhaps we are being a bit narrow here. You alluded to the division line at under-10, which has, I think, caused distortions in the fleet and unintended consequences—you have a cohort of high-catching under-10s, sometimes called rule beaters or super-under-10s, that have kind of distorted fishing patterns. There is recognition that we need to move beyond that now. In that context, there is an issue about how you define genuine small boats—genuine low-impact vessels—and I accept that. My organisation would be very interested in taking them out of the quota system altogether. That does not mean not taking into account their contribution to mortality. In a sense, it is a reversion to what we had in the early days of under-10 metre management, where sufficient quota was allocated and we did not have to have monthly quotas for that class of vessels. There is a very interesting conversation to be had about the future and new entrants and how the genuine low-impact fleets fit into that.

Equal access has been an important principle and there are dissatisfactions wherever you have a nomadic fleet arriving on the doorstep of a local fishery. That would be true of our boats fishing in bits of Scotland, I suppose, and certainly you hear these kinds of things about Scottish boats fishing off the Northumbrian coast or down in the south-west. Fishermen are competitive. They are competing with each other as well as with foreign fisherman. That is the context in which you have to situate that particular issue.

Bertie Armstrong: Mr Aldous, your question was about new entrants in under-10s. The enabler for a better deal for new entrants in under-10s will be the uplift in opportunity for fishing that comes with Brexit; otherwise, we presumably have fixed the problems already with the fishing opportunity available. The situation is different as you go around the coast. The small-vessel

fleet in Scotland has a different character and tends to use creels, or pots, to catch shellfish—that is a great generalisation; there are others—so there is a different set of problems. It is generally inshore and small scale and is therefore best sorted out locally, but I think there will be a better deal for all with the uplift in opportunity.

There is another abiding principle here. If you are going to make alterations to arrangements for fishing, the fish need to be there to be caught. It is one thing to give someone tons of fish; it is quite another if the fish are not there in prime condition with a business plan for getting them landed and into a logistics chain. Much is made of the big mackerel catchers in the pelagic fleet, and much is made of rather lurid statistics about what percentage is held by what number. You cannot catch 250,000 tonnes of mackerel in winter, 100 miles to the west of the British Isles, with hand line under-10s—you simply cannot. But a few hundred tonnes to the hand line under-10s, provided the local arrangements pay attention to making sure there is a whole logistics chain and they are going to get that fish to a place where somebody wants it, is where the opportunity lies.

My final input, on behalf of slightly larger-scale fishing, is: be careful what you mean by low impact. The carbon footprint per kilogram of fish of a pelagic trawler catching mackerel is very much smaller than any other form of fishing, because you catch volume efficiently and quickly. There are many aspects to this.

In answer to the question, yes, there is extra opportunity, but there has to be extra opportunity to distribute. The problems are largely regional and should be sorted out regionally. We need to be careful not to place excessive detail on the face of the Bill. I suggest that a lot of this is best done by secondary legislation.

Q10 Alan Brown (Kilmarnock and Loudoun) (SNP): Mr Armstrong, in answer to an earlier question you suggested that we might see a date of what you called sovereignty over quotas and waters. You suggested that the end of the implementation period as it is now—December 2020—was the ideal date. How does that square with the fact that there may be a backstop arrangement and the Prime Minister has said that, depending on what happens, we might need to extend the implementation period? How would inserting a date in the Bill work with the other flexibilities that are still to be resolved?

Bertie Armstrong: I would wish to dispense with the flexibility to extend for fishing the implementation period by placing a date on the face of the Bill. There will undoubtedly be some resistance, but that would not be up to me. That is why we would like to see that in there. We are on record as being less than completely happy that the implementation period applies to fishing at all, because legal sovereignty over the waters and the resource therein comes on Brexit day. However, we are where we are, and we recognise that the withdrawal agreement has compromises all over the place. We therefore, with reluctance, accepted the implementation period compromise, but we would not wish to see it extended at all.

The backstop has been much described, particularly over the last few days. Clarity is helpful on what happens. There are two preconditions: if the backstop clicks in and is applied and there is no fisheries agreement in place by that stage, and there is no prescription of what is in the fisheries agreement, tariffs will apply. Fishing

will be cherry-picked out of the trade arrangements. Tariffs will apply to fish—which, by the way, the Scottish Government study indicates would not necessarily be a terminal problem—and access to our waters for other UK fleets would cease. So it would be a mess of large proportions and we are rather hoping that it would not apply.

I see some puzzlement about the lack of access for anybody else. If there is no fisheries agreement—and there is precedent on this, with EU-Norway arrangements, for instance—there is no access to each other's waters.

The Chair: May I lay down a red line, particularly for our detailed consideration of the Bill, starting next week? The backstop and all that is not in the Bill. Those are, of course, important matters and they do have some relevance to and bearing on it, but our purpose today—and, indeed, during the process of consideration in detail, as of next week—is to consider in detail the words that are on the face of the Bill. Therefore, next week I will take a tough line on the broader political considerations and say that they are, I am afraid, simply out of order. They are important, but let us focus on the Bill.

Q11 Alan Brown: I accept your guidance, Mr Gray, but clearly there is the suggestion of the clear date versus how that would fit into the bigger picture. It is the same thing when we talk about future quota allocations and how that will work. Mr Armstrong mentioned the issue of tariffs in his answer. In yesterday's questions to the Attorney General he said that the backstop arrangements meant that Northern Ireland would have tariff-free access to the EU and tariff-free access to Great Britain, whereas no other market will have that. Is that a concern, and how could that be addressed in this Bill?

Bertie Armstrong: To be honest, that is not where our focus lies at this point in time; it is on making sure that the Bill as an enabler of—I will use the phrase “the sea of opportunity”—makes it on to the statute book, rather than on the details of what does and does not happen to Northern Ireland in the event of a backstop.

David Duguid (Banff and Buchan) (Con): Going back to Mr Pollard's question about UK vessels landing elsewhere, for example Norway, can you say a little about what motivates fishermen to land elsewhere? What changes are required in our ports or onshore infrastructure to make landing in the UK more attractive, and is that covered by the Bill?

Barrie Deas: Money. That's it, really. [Laughter] I had better say a bit more. Over the last 20 years, markets for fish have developed and diversified. Peterhead has become the pre-eminent white fish port in Europe. Flat fish tends to go to Urk in the Netherlands. South-west ports are sending prime, high-value fish to the continent, and then there is the shellfish market. From time to time there will be price differentials. Also, it can reflect where the vessel is fishing: for example, it might make sense to go to Denmark and land for one trip and then land back into Peterhead for the next, or to land into France. Fishermen are commercial animals. They are very much driven by catching fish but also by marketing fish, and price is key.

Bertie Armstrong: I would reinforce that. At the slight risk of crossing the red line again, and as I keep saying, the elevation of the UK to the world stage would mean that, in the simple arithmetic of volume and value, we would overtake Iceland. It would allow us the sort of conditions that our own processing industry would want to entice not only all our own landings but perhaps some from others as well. However, it is a matter of commerce and business, generally.

Q12 David Duguid: So there is the favourable price that you might get from landing elsewhere, but is there something about the ports or the processing facilities, in Norway for example, that the UK needs to catch up on? Could we do something through the Bill to help improve that? When you mentioned money, I thought you were talking about investment in our onshore facilities as well as the price on the market.

Barrie Deas: Over time, and with rebalanced quotas, there would be opportunities, because of the greater throughput, to look again at all these issues. I am not sure what you could put in the Bill particularly that would be helpful, given that this is a dynamic commercial issue that you are addressing. I certainly think that it is an important issue, but I would have to be persuaded that the Bill is the right place to address it.

Q13 Mr Alistair Carmichael (Orkney and Shetland) (LD): Good morning, gentleman. I do not want to dwell on the date, but I think it will be an important part of our discussions when we come to line-by-line scrutiny. Your suggestion is that the date would be 31 December 2020, which is the currently envisaged end of the transitional period. You are resistant to any idea that we should extend the transitional period. How do you see fisheries management working from 29 March 2019 to 31 December 2020?

Bertie Armstrong: The provisions, as we understand it, are that we will act as a coastal state-designate during that period, participating fully in the coastal state arrangements that will set the catching opportunity for 2021.

Q14 Mr Carmichael: What does that mean in practical terms?

Bertie Armstrong: It would mean that, between now and then, there would need to be the construction of coastal state arrangements that include the United Kingdom as a stand-alone coastal state, and for the United Kingdom to participate in that. This is probably in 2020, but not before.

Q15 Mr Carmichael: That is the December Fisheries Council in 2020 anticipating the conclusion of the transitional period. You say that that is the position as you understand it. Is that on the basis of your discussions with the Government?

Bertie Armstrong: It is also as laid down in the withdrawal agreement. Happen as may, it turned up in a paragraph of the legal advice yesterday, which was not actually advice on what we ought to do on fisheries but was a repeat of what was in the withdrawal agreement.

Barrie Deas: The December Council later this month will be the last time that the UK participates as a member state. The whole apparatus of European decision

making will then not apply to us; we will not have MEPs and we will not be involved in any of the decision-making forums. The transitional period is a little bit anomalous and strange, because the UK will be part of the EU delegation to EU-Norway next year but will not be in the room for co-ordination. There is some uncertainty about how that will work in practice, and we need clarity on that. I agree with Bertie that an implication of the withdrawal agreement is that in autumn or December 2020, there will be bilateral or trilateral negotiations with Norway that will set the quotas, quota shares and access arrangements for 2021. That is my understanding.

Q16 Mr Carmichael: That is in 2020, but not in 2019.

Barrie Deas: No—in 2019 we are in the implementation period. It is slightly anomalous that there is a lack of clarity about how that will work in practice. It is governed by a good faith clause for both parties, but it is still uncertain how that would work in practice.

Q17 Mr Carmichael: For the purposes of what would currently be the divvying up of whatever comes out of the EU-Norway arrangements, what is our status at the December Council in 2020? Are we there as the start of a new bilateral—is that how you understand it?

Bertie Armstrong: I know for a fact that you understand this, Mr Carmichael, but there is a point of principle that is worth mentioning. The December Council is something of a distortion of importance, because effectively it takes the pie piece—the amount of opportunity that was agreed in coastal states arrangements for the EU—and, in terms of relative stability, it fiddles about with the details and ratifies them. That will be of no real interest to us in times to come. This year it will be of extreme importance, but in times to come we will be involved in the rather more important division of the north-east Atlantic fishing opportunity. As an owner of a very significant piece of the north-east Atlantic, we will genuinely be at the top table, to use a hackneyed phrase. The December Council is not any form of top table; it is arm wrestling inside the EU for an already settled fishing opportunity.

Q18 Mr Carmichael: We anticipate that this year we will have a difficult December Council, given the science and what we know about North sea cod and other species. In my experience, these years very rarely come along in isolation. I think the anxiety is about how we are able to influence these decisions. The decisions that were made back in 2002 and 2003 about cod stocks in the North sea were central to the prosperity of the fleet. If we are not at the table in 2019 and 2020, how will we avoid becoming the dish of the day?

Barrie Deas: Those concerns have to be there for the negotiations in 2019 for 2020. Science is going to be the basis of the decisions on total allowable catches. There is the good faith clause, but we do not understand the mechanics of how the UK will be consulted as we have been promised. However, 2020 for 2021 is an entirely different scenario: all other things being equal, the UK will be negotiating as an independent coastal state and will carry a great deal more political weight as a result.

Q19 Mr Carmichael: Have the Government ever given you any explanation of why they put us in this position in the first place? They were not going to give in, but then they gave in. Did they tell you why?

Barrie Deas: I think the answer is that a transition or implementation period was agreed to give business a chance to adjust to leaving the EU—

Q20 Mr Carmichael: But why was fisheries put in that?

Barrie Deas: The whole *acquis*—the whole body of EU law, including fisheries law—applies. As much as we would have liked to sidestep that, the Government made a calculation that that was not available or realistic.

Bertie Armstrong: Clearly the industry was not in the room when that happened. As I understand it, there would have been no agreement and it would have been stuck with four or five nations. Of the 27, half do not have a coastline. These pressures apply to a maximum of 11, but more like four or five, nations—

Q21 Mr Carmichael: So it was in order to get a deal?

The Chair: Mr Carmichael, that is your last question. We are all drifting beyond the Bill. We have four questioners and 10 minutes to get them in.

Bertie Armstrong: There is certainly a matter of relevance, although it remains subjective rather than objective. If we become dish of the day, there will be a time when we are a sovereign state with a complete grip on what happens in our waters. It would therefore be unwise for short-term gain to be exacted at that stage, providing that the Government of the day retained their backbone.

Mr Carmichael: Indeed.

Q22 Brendan O'Hara (Argyll and Bute) (SNP): Mr Armstrong, the Scottish Fishermen's Federation suggests that you represent every owner and skipper from Solway to Shetland. For the record, could you tell us who you represent and about the diversity of the fishing community in Scotland?

Bertie Armstrong: We represent the 450 businesses that are responsible for most of the quota species. For the non-quota species, a large number of vessels are one handed or two handed. They belong to no associations—that is not being dismissive, but if you are a one-handed fisherman, you do not have much time for politicking. We have the whole of the Shetland Shellfish Management Organisation and the whole of the Orkney Fisheries Association, but not the Western Isles Fisherman's Association or some of the smaller associations down in the Clyde.

Q23 Brendan O'Hara: Clause 1(7) on page 2 and clause 10 on page 6 talk about the location of home ports and how licences will be administered by Scottish Ministers or by a Northern Ireland department. As regards your membership, how important is it that, within the confines of the Bill, there is a level-playing field across the United Kingdom post-Brexit, and that one part of the UK is not given a competitive advantage over another in fishing?

Bertie Armstrong: I am not seeing much in the Bill that awards that. Be aware of the stats here—I am about to make a statement of fact, not opinion. About 60% to 65% of the UK's fish landings by volume and value come from the Scottish fleet. That is just an observation of the facts. With access to waters, the position of the ports, where the fish live, and a couple of decades of contracting and rationalising the industry, we have ended up with quite a lot of concentration in the core areas of Scotland.

I am aware—I am very concerned—that there should be a level-playing field and no prejudice against any area, but I am comforted by the fact that business will take care of that, as long as there is nothing obstructive. The whole point of the future is the increased economic activity, which business will take care of.

Q24 Brendan O’Hara: So you have no concerns that any one part of the United Kingdom may be given a competitive advantage against another post-Brexit?

Bertie Armstrong: It would be helpful if you framed the question as to which part you think is prejudicial.

Q25 Brendan O’Hara: If Northern Ireland were given preferential treatment ahead of Scotland, Wales and an English fleet.

Bertie Armstrong: We are back to the backstop, and that will kick in only if the backstop kicks in. Anybody’s guess around this room is as good as anybody else’s guess.

The Chair: We are drifting a little. I am keen to extract maximum benefit from our witnesses. We have three more questioners, so I will move on, if you do not mind, Brendan.

Q26 Bill Grant (Ayr, Carrick and Cumnock) (Con): Gentlemen, notwithstanding the desire to have a date of sovereignty in the Bill, which may or may not be possible, in general terms are you content with the Bill?

Barrie Deas: Yes, I think the broad thrust of the Bill goes in the right direction. We have some concerns about particular aspects of it, but the Bill is necessary in order to give Ministers the power to set quotas, albeit in the context of international negotiations, to negotiate as an independent coastal state, to control access to our waters, and, on that basis, to renegotiate our quota shares. That is the main thrust of the Bill, and that is really important.

We also completely understand, having been within the common fisheries policy for so long and having had direct experience, that top-down, over-centralised management is not effective, sustainable management. We need the flexibility to adapt. Fisheries seem to be particularly prone to unintended consequences; you think you are doing one thing, and it generates perverse outcomes. We need to be able to address those in an agile, very prompt fashion, and the Bill contains those delegated powers. I know that there are political concerns about Henry VIII powers, and so on. I think those are valid concerns. As parliamentarians, you have a role in scrutinising secondary legislation.

We would also like to see an advisory council. They have something similar in Australia. They actually have something similar within the common fisheries policy, not that we would necessarily want to follow that particular model. An advisory council of people with experience of the industry, who understand the complexities of a highly diverse, complex industry, would be a kind of filter for legislation. We would like that counterweight, as well as parliamentary scrutiny, but we absolutely understand the need for delegated powers.

Bertie Armstrong: We met, discussed and agreed that as the common position for the two main federations in the UK. We would be a little more concerned about excessive additions to the Bill, rather than dissatisfied with the Bill as it stands.

Q27 Mr Paul Sweeney (Glasgow North East) (Lab/Co-op): Clause 19 sets out that the Secretary of State must consult devolved Administrations and the Marine Management Organisation when setting total levels of catches and days at sea. However, the clause does not define the manner or rigour of that consultation, or indeed any other form of consultation with stakeholders or interested parties. Do you feel that there could be an opportunity to enhance the Bill and clause 19 with further definition of what that should entail?

Barrie Deas: That relates to the idea of an advisory council to run new ideas through a panel of experts—people who understand the complexities and nuances. It would be advisory. We understand that the job of Ministers and fisheries managers is to manage, but we think that an advisory council could add something, as it does in other countries—I would certainly recommend looking at the Australian model. It could make recommendations and provide advice on new legislation coming through. That is one of the areas where the Bill could be tweaked in the right direction.

Bertie Armstrong: In that clause, there is the little anomaly of adding the Marine Management Organisation. It is an organisation good and true, no doubt, but if you are talking about, as Barrie has described, a council of administrations, it is rather an ill fit for the MMO. Perhaps it would be a technical adviser.

Barrie Deas: To build on that point, when you see that consent is required from the Secretary of State, Ministers for Scotland, for Northern Ireland and for Wales, and then the MMO, which is the delivery arm of the Department for Environment, Food and Rural Affairs, it does seem, as Bertie says, an anomalous situation.

The Chair: I apologise to the remaining questioners, whom we have not been able to squeeze in. We have run out of time, bar a few seconds, so I shall simply say thank you very much to both witnesses for extremely useful evidence that will greatly add to our consideration of the Bill next week. Thank you very much for taking the time and trouble to come and give evidence to us this morning.

Examination of Witness

Andrew Kuyk gave evidence.

10.25 am

Q28 The Chair: With no further ado, I welcome the representative of the UK Seafood Industry Alliance. Will you kindly introduce yourself for the record?

Andrew Kuyk: Thank you, Mr Gray. My name is Andrew Kuyk. I am director general of the Provision Trade Federation, which is a food trade association, but as part of that role, I also represent the UK Seafood Industry Alliance, which represents UK fish processors and traders.

Q29 George Eustice: We heard earlier about the problems with relative stability as a sharing basis. I know that in a former life you had a role in the Department for Environment, Food and Rural Affairs when things such as relative stability were set up and principles such as the Hague preference were established. Could you explain to the Committee the genesis of the existing relative stability shares and why the UK ended up with a smaller share than has seemed appropriate?

Andrew Kuyk: How long have you got?

The Chair: We have until 10.55, so let us try to keep it brief.

Andrew Kuyk: This is going back into history. At the time, I was first secretary, fisheries, in the UK permanent representation in Brussels, so I was the desk officer for these negotiations. I will not go into it in too much detail, but Committee members may recall that we had already joined the EU by that stage. The common fisheries policy had to wait another four or five years; it was a lengthy and difficult negotiation. The background was that, at the time we joined, we did not have an exclusive 200-mile zone, although the concept existed. We joined the EU and became subject to what was known as the common pond. There was equal access within that, save for some coastal rights under the London convention. Also, prior to the CFP, fisheries were managed by things such as the North East Atlantic Fisheries Commission—NEAFC. There was a concept of high seas and so on. Total allowable catches and quotas, as a management instrument, were familiar, but they were not done within the EU, so we had to invent that system.

The reason why there is an apparent imbalance in some of the quota shares is that the negotiation was done with reference to what was called track record, which was the catches historically taken by the various component parts of the EU fleet. Prior to our joining, most of the fish that were relevant to our domestic market were fished off countries such as Iceland and Norway. We had what then was our distant water fleet—large vessels based in Hull and Grimsby that went quite far afield to get the main species on which our market depended. Therefore, our track record was on those vessels, in waters that were not immediately covered by the EU common pond.

Also at the time—this is going back some 30 years—there was not—

The Chair: Mr Kuyk, I am keeping a close eye on the clock and would be most grateful if you would restrict your remarks as much as you can.

Andrew Kuyk: I will get there quickly now. The smaller vessels were not subject to logbooks and recording of catches. Our track record was good in relation to the bigger vessels, and the track record used for the decisions was going back 10 or 20 years prior to 1980. The track record for the smaller vessels was not so good. Therefore, one of the reasons why the quota shares do not necessarily reflect current realities is that they were backward-looking and based on partial data. That is the short answer to your question, Minister.

Q30 George Eustice: Thank you. Now I fast-forward to your current role. Most of your members import large quantities of cod, predominantly, from Iceland, Norway and even, I think, Russia, Finland and the Barents sea. Can you explain the nature of the preferential trade agreements we have with Iceland and Norway, and also the process of autonomous tariff rate quotas for other countries?

Andrew Kuyk: Briefly, for the benefit of the Committee, we have what I term the supply paradox. Roughly two thirds of what we eat in this country, we import, and a lot of that is not from the EU. Some 80% of what is

caught by UK vessels is exported, mainly to the EU. The reasons for that are largely to do with consumer choice. The main species consumed in the UK are cod, salmon, haddock, tuna, shrimps and prawns. Obviously, the tuna and most of the shrimps and prawns are not available in UK or EU waters. The salmon is largely aquaculture. On species such as cod and haddock, we are very far from self-sufficient. Our total consumption of cod in the UK is about three times the total EU TAC for cod, so we are about 10% self-sufficient in cod.

We import that raw material because that is the market demand. A lot of that does not come from the EU, but a lot of it comes via the EU, which complicates the trade statistics. The Minister has referred to the autonomous tariff quota system—ATQs. This system is a regulation that normally runs for three years. It recognises that the EU, not just the UK, is a deficit market in fish. That relativity—about two thirds imports—applies to the EU market as a whole, so the EU recognises that the fish to meet consumer need are not available under its jurisdiction. Although there is an external tariff, it has these autonomous tariff quotas. Specified quantities are admitted, either tariff-free or at a reduced tariff, and they are negotiated on a three-yearly basis. We are just about to conclude the next agreement, which will run for only two years, rather than three.

Most of those imports come in through some kind of preferential arrangement. We pay some tariffs on some of them. There is the complication of trans-shipment through the EU; some of those are landed in, say, Rotterdam, Bremerhaven or wherever and then come to us as part of free circulation within the single market.

In summary, imports come through a variety of arrangements; some come as a result of the EU-Norway agreement. Various agreements are in place that give us the benefit of significant tariff reductions. Those are necessary, because otherwise we would not be able to supply market demand in the UK.

Q31 George Eustice: Finally, leaving aside shellfish and some of the species that we export for which tariffs are quite low, and looking specifically at your members who predominantly process highly processed cod products, what proportion of their production is re-exported to the EU, and what proportion of those highly processed products is sold in the UK?

Andrew Kuyk: I am not sure I would use the term “highly processed”. Quite a lot of it is things such as bread-crumbs; I do not know whether you regard that as a high degree of processing. It is to do with the presentation. These are consumer-ready, convenience products—fillets with some kind of coating. There is a growing line in ready meals—a meal opportunity: a fish product with vegetables and a sauce, and so on. Most of those imports are for domestic consumption, because we are a deficit market. There is some re-export. I do not have an exact figure, but I would imagine it is something like 10% or 15%—not more than that. The vast majority is to supply our domestic market.

Q32 Luke Pollard: The Bill does not talk very much about processing. If we were to include an economic link for anyone catching fish under a UK quota, where more fish was landed in the UK ports, what would the impact of that be on the UK processing sector?

Andrew Kuyk: It is difficult to say. Again, without going too much into the history, we used to have what I would call an end-to-end processing industry in the UK, where a whole wet fish would go in one end of the factory and a product would come out of the other. Over the years, that has become rationalised and specialised, and a lot of that first-stage processing now happens elsewhere. Some of it happens on board vessels, on factory ships. Some fish—I know this sounds anomalous, but it is sheer market economics—are sent to places such as China, where they are filleted, and come back as frozen blocks. The raw material for quite a lot of our processing industry at the moment is a pre-prepared product—it is not the fish straight from the boat.

That could be a problem on two or three different levels. It is a problem and an opportunity. Clearly, if there was more domestic supply available, the UK processing industry would do its best to cope with that, but that would require investment. I was listening to the earlier session. The front end of the processing factory does exist on a smaller scale in some parts of the country, but for the people who supply the vast volumes—a sort of 80:20 thing—that front end, the lines of people physically filleting the fish and so on, does not exist any more. To reinvent that, you would need the labour, which I know is a tangential issue not to do with the Fisheries Bill, but it is a broader issue for the food industry in relation to Brexit—the supply of labour—and you need the skill. You need both the people and the skill, and you would need some physical investment in capacity, more storage, more chilling and so on.

It is not as if there is under-utilised capacity. It is a function of modern business that capacity matches throughput and the market, so there is not excess processing capacity waiting for new supplies of fish. It would have to be put in place. It would require money, people and skills. To invest the money, you would need a sound business case that could give you a projection of what your price and what your market share would be. The price, critically, would depend on what your broader trading relationship was—tariffs and currency—and what the competition was. It is quite a complex jigsaw, but the short answer is that there is not significant under-utilised capacity that, at the flick of a switch, could suddenly cope with an influx of domestically caught fish.

Luke Pollard: Thank you. I think you are underselling the success story.

The Chair: Before we go on, Mr Grant looks as if he has a question on this particular point.

Q33 Bill Grant: The processing industry accounts for more than 50% of those employed in the fishing industry as a whole. Is there anything in the Bill that gives you concern that the security of those 14,000-plus jobs could be affected, or is there anything that gives you concern about the supply of fish, which is essential to secure the jobs? Is there anything in the Bill that concerns you in relation to job security and the security of the supply of fish?

Andrew Kuyk: I think not, in the sense that those are not areas that are covered in the Bill. It does not cover trading relationships or the kinds of issues that you are raising. From our point of view, is that a significant omission? Not necessarily, because my understanding

of the Bill is that it is a piece of framework legislation, which gives the Government the necessary tools to manage fisheries in the UK and the marine environment, in a changed legal situation where we become a sovereign coastal state. It is the tool box for the management of fisheries. It does not address those issues. Do we have concerns about those issues? Yes, we do, but I am not sure that the Bill is the appropriate place for those concerns to be addressed.

Q34 Luke Pollard: I was just going to say that I think you are underselling the success story of British fish processing. I think the vast majority of our jobs in fishing are in processing. If more fish were landed, there would be a commensurate increase in potential jobs in processing. Earlier, you mentioned statistics about how much fish we export and how much fish we import, because there does seem to be an imbalance there. I do not think it is widely understood that we mainly export the fish we catch and import the fish we eat.

Andrew Kuyk: It is because they are not the same species.

Q35 Luke Pollard: Exactly. What are the complications? What situations would you want referenced in the Bill to ensure that there is easy and free trade in those fish products? I imagine that any tariff could have quite an impact on the level of trade across our boundary. Is there anything that needs to be included in the Bill to give fish processors the confidence that they need to invest in more facilities in UK ports and elsewhere?

Andrew Kuyk: I am not a parliamentary draughtsman, and I am not sure it is relevant to the subject of the Bill. I suppose it would be possible for the Government to include a trade section in the Bill. One of the things that unites the people I represent and your previous witnesses is that we do not think there should be a link between trade, access to waters and quotas. We think those are separate issues. I know, Mr Gray, that you do not want to go too near Brexit and the backstop, but there is a relevance, given that in the backstop you have a carve-out in article 6 of the Northern Ireland protocol, which exempts fish and fishery products from the single customs territory that would otherwise apply in the backstop, so there is the potential for tariffs to be imposed on UK exports.

To recap, the main things we catch are things like herring, mackerel and shellfish, for which there is not great demand on our domestic market—people prefer cod, tuna and salmon—but there is a good market in the EU. In that succession of hypotheses if there is not an agreement and we come into the backstop, UK exports would potentially face significant tariff barriers. There may be opportunities elsewhere, but that would have a significant impact on the trade. I genuinely do not know how you would guard against that in the Fisheries Bill.

In terms of our access to the raw materials we need, we have the ATQ system and the benefit of some EU trade agreements with third countries. Again, I do not know how you make a reserve carve-out and preserve that position in the Fisheries Bill. That would be our aspiration. As processors, we want free and frictionless trade, like any other part of the food industry. That is our headline message: free and frictionless trade. The deal on the table—the political declaration—holds out the prospect of free trade. That would be very good.

The friction will depend on the degree of regulatory alignment. Fish fall into the category of products of animal origin, to which certain special rules apply in the EU. As a third country, things would have to go through a border inspection post, and so on. Clearly, for a highly perishable fresh product, any increase in the degree of inspection control is potentially detrimental if it leads to delay. Even if the product is not spoiled, its commercial quality and its value will have reduced.

The Chair: We have 10 minutes for five questions. Let us be quick.

Q36 Peter Aldous: You said that 80% of our exports go to the EU.

Andrew Kuyk: We export 80% of what we catch. The majority of that goes to the EU.

Q37 Peter Aldous: Is there any scope for increasing exports outside the EU?

Andrew Kuyk: That is not really within my area of responsibility, because we are processors and traders. Quite a lot of that is exported as fish; it is not processed. You could argue from first principles that, as a UK industry, we should be getting more added value from that. Some of that fish is landed directly in EU ports. Although there is a market for that, you could argue that there would be greater economic benefit if we could get some of that value added and export.

There clearly are markets elsewhere in the world. We are a deficit market. Just a bit of propaganda for the fish industry: fish is a healthy, nutritious product, and is a renewable resource if managed properly and sustainability. There are a lot of people in the world for whom fish is their sole source of protein. There is a big demand for fish in the global trade, so there will be opportunities there, but as in any kind of market, it depends on how competitive you are. For the sorts of export that we have at the moment, which are predominantly fresh exports, not processed products, you have obvious barriers of distance. You would have to do something to make it a product that you could sell further afield. There is potential there, but going back to my earlier point it would require investment and to make the investment there has to be a sound business case.

Q38 Mr Sweeney: The Faroe Isles require boats fishing in their waters to land their catches in their ports, therefore benefitting their fish processing industry. Do you envisage similar provisions in the Bill to make that arrangement for Scottish ports?

Andrew Kuyk: I think that harks back to an earlier question. There is no surplus processing capacity to do that at the moment. You could legislate for what people have to do, in terms of where they land things, but I do not think you can legislate for how the processing industry or investors would respond to that opportunity. They might or they might not.

Q39 Mr Sweeney: As a supplementary, clause 28 mentions a grant scheme, which may be an opportunity.

Andrew Kuyk: Clearly, that would help solve the investment problem. Again, it would not be for me to pronounce on the use of public funds in that way for a particular sector of a particular industry, but if the

Government chose to make grants available to do that, clearly that would help the business case for those kinds of investment.

Q40 David Duguid: I have anecdotal evidence that Dutch fishermen are currently catching about 80% of their small pelagic species in UK waters, and about 90% of that is being exported, with minimal processing, straight to west Africa. What can we do in this country to essentially cut out the middleman and make sure that the UK fleet is able to catch, land and export straight to these third countries?

Andrew Kuyk: Again, that is straying outside my territory as representing processors and traders. Your previous witnesses would be involved in that. Without going into the history too much, the Committee will be generally aware of the ability of people to buy quota and so on; it was freely sold and it was freely acquired. That is the way that the market has operated up until now. Clearly, were more quota available it would be possible for the UK fleet to seek to exploit these value added opportunities and, as you say, to cut out the middleman.

It would not necessarily be my members who would be involved in that at the outset, because that it is not business that we are currently involved in. The people who export those pelagics are not my members; it is the large pelagic companies on the catching side of the industry. It is done with minimal processing and minimal value added. I think that is a missed opportunity for UK plc, but I am not sure how much you can legislate for that. If you provide a framework that is conducive to that, then clearly business will step in with the right incentives and will do its best to take advantage of those possibilities.

Q41 David Duguid: Going back to what you said earlier about how the majority of our exports go to the EU, do you have any data on how much we export to the EU that is just minimally processed and further exported to third countries?

Andrew Kuyk: I do not have an exact figure, but I imagine that a clear majority of that would have no or minimal processing.

Q42 Jeremy Lefroy (Stafford) (Con): You mentioned earlier the import of cod from the Barents sea, Russia, which is obviously outside the EU and the European economic area. What sort of friction is there in bringing that into the UK market, in comparison with what might be experienced in the future.

Andrew Kuyk: Virtually none, in the sense that quite a lot of this stuff is transhipped through other countries, as I have already explained. If it comes in to us through the tunnel there is no friction at all, as it has already entered the single market, so any formalities—border inspection and any controls—have taken place elsewhere. The same is true of some fish that comes from Norway; some of that comes overland into Sweden on lorries. It is not quite just-in-time in the same sense as in the automotive industry, but there is a narrow window—something like 48 hours maximum—for getting those lorries through and into the UK market. At the moment, that is frictionless.

Q43 Jeremy Lefroy: Do we import any fish from outside EU markets?

Andrew Kuyk: Yes, and we have some stuff that is landed directly in the UK. There are well tried and trusted systems, and any necessary adaptations have already taken place. We have the facilities to cope with fish that are landed directly in the UK—from Norway, Iceland or anywhere else—because that is established trade. It is well run-in, it functions smoothly and it is not a problem. My general answer is that at the moment we do not have friction either through the EU route or directly. There are controls and rules that have to be complied with, but there are tried and trusted systems. The relevant capacities for handling at ports and for storage are all there for existing trade.

Q44 Luke Pollard: I have a quick question. On supply chain fairness, there have been concerns in the media about the involvement of modern slavery in the employment practices of foreign food processors. Can you give a sense of what the UK processing sector is doing to ensure that no fish in our system are processed or caught using methods of modern slavery?

Andrew Kuyk: We certainly recognise that that is an issue in global supply chains. I think that both our members and our retail customers do their utmost through due diligence and audits to try to ensure that our own supply chains do not suffer from that. This is an issue in the textile industry and others; it is not restricted to the food industry. Part of our industry's overall corporate responsibility is not just sustainability of the resource, but ethics and employment practices. That is part of the sustainability agenda of all major processors and retailers, and we do everything that we can to ensure that poor practice is eliminated.

Q45 Luke Pollard: So an objective in the Bill to ensure supply chain fairness—to ensure that there are no practices like modern slavery going on—would not be an obstacle to your sector operating?

Andrew Kuyk: No. As you said, there is already modern slavery legislation. Companies over a certain size must have policies in place. We would have no difficulty with that. Obviously there are some practical issues in supply chains in terms of tracing things back and assigning responsibility. On the aquaculture side—without going off at too much of a tangent—the fish feed might come from less well-regulated fisheries, but those are known problems in the industry and people are doing all in their power to tackle them, including using the commercial power not to source from areas where there is dubious practice. There is also the EU regulation on illegal, unreported and unregulated fishing, which I know we will wish to continue. There is no social chapter in IUU, but that is part of the approach to ensure that things are sustainably and ethically sourced.

The Chair: Mr Kuyk, I thank you very much for your most learned, well informed and well expressed evidence, which will be extremely useful to the Committee.

Examination of Witnesses

Paul Trebilcock and Martin Salter gave evidence.

10.54 am

The Chair: It is a great pleasure to welcome back Mr Martin Salter, who was the Member of Parliament for Reading West for a number of years and is a dear

old friend of mine, and Paul Trebilcock from the UK Association of Fish Producer Organisations. Mr Salter is from the Angling Trust. Perhaps you could kindly introduce yourselves briefly for the record.

Martin Salter: Thank you, Mr Gray—I miss our late-night train journeys back to Swindon. My name is Martin Salter, formerly of this parish and now head of campaigns for the Angling Trust, the national representative body for all forms of recreational fishing. That includes sea angling, which according to figures from the Department for Environment, Food and Rural Affairs is an industry in its own right worth £2 billion to the UK economy, generating 20,000 jobs and supporting thousands of coastal businesses.

One of the reasons we were very keen to give evidence before you is that, despite the warm words from Ministers and in the White Paper, recreational sea angling is not mentioned in the Bill, and we are hoping that you will put that right.

Paul Trebilcock: I am Paul Trebilcock, chairman of the UK Association of Fish Producer Organisations. All producer organisations in England, Wales and Northern Ireland are in our membership. Our members account for more than 40% by value of fish and shellfish landings in the UK.

Q46 George Eustice: I will start with a question for Paul Trebilcock. The very first clause of the Bill sets out a number of important environmental targets for the sustainable harvest of our marine environment. In the south-west we have particular challenges with maximum sustainable yields in a mixed fishery. Would you explain, from the point of view of fishermen in the south-west, the types of challenge we have as we try to abide by that target?

Paul Trebilcock: I should probably say at the outset that the fishing industry clearly has an interest and a priority to ensure the long-term sustainability of all our fisheries. Sustainability is at the very core of what we want from the Bill and the UK acting as an independent coastal state. However, in the words of Karl O'Brien at the Centre for Environment, Fisheries and Aquaculture Science, the MSY concept is scientifically illiterate. To have all stocks at MSY at a particular point in time is just not possible. In particular, in ultra-mixed fisheries, as we have in the south-west, there will always be ups and downs and natural variants. We are trying to manage a dynamic natural resource.

The concept of MSY is a good principle. Working towards MSY proxies on the key driver stocks is probably more practical than what we have at the moment, with an arbitrary legally binding commitment in the common fisheries policy that gives us some perverse pieces of advice. Zero TACs on stocks does not mean they will not be caught in mixed fisheries; it just means they are not taken account of in practical fisheries management. A far better way would be to have the MSY framework as an aspiration and to move towards it, and wherever possible have as many stocks as possible in that MSY range.

Q47 George Eustice: Some people say we can learn from Norway, which uses MSY and other approaches, too. Is there anything you think we can learn from that?

Paul Trebilcock: As I say, I think there are lessons to be learned from independent coastal member states such as Norway. Its approach to fisheries management

takes the whole ecosystem into account and does not try just to manage stock on arbitrary numbers. There are lessons to be learned, such as using proxies or other indicators to ensure that the whole mix of stocks is going in the right direction and perhaps using the MSY as the driver for some of the key economic stocks. It is about trying to take into account that we are trying to manage a dynamic natural resource rather than something that neatly obeys some scientific modelling.

Q48 George Eustice: Mr Salter, I feel you are a bit glass half empty about the Bill. Clause 28(1)(e), which I am sure you have read, creates the powers to give financial assistance for

“the promotion or development of recreational fishing.”

That is in the Bill and it is the first time ever that we have created power to give financial assistance to angling. Is that something you welcome?

Martin Salter: What do you think, Minister? With due respect, it is obviously right and proper that the European maritime and fisheries fund makes some of it available to the commercial sector. That is fine, but you had six direct references in the White Paper to recreational fishing. One of the great failures of the common fisheries policy is the failure to recognise recreational angling as a legitimate stakeholder in the European fishery. That is a failure of the CFP that the Bill could put right. You could do that, as we state in our evidence, by putting on the face of the Bill, “The UK Government recognise recreational sea angling as a direct user and a legitimate stakeholder in the fishery.” That would be a win-win situation and it would add to the very welcome news that we are going to have access to EMFF funding.

Q49 George Eustice: I have done this job for five years. We meet every year—you are always invited ahead of the December Council, along with the commercial fishing sector, to discuss our priorities. Bass has dominated discussions, certainly in the past three years. What is it that you seek for us to do with legal powers? Obviously the Bill is about legal powers. Are you saying you would like a licensing regime for recreational anglers? In what way would you like us to legally recognise you?

Martin Salter: We, like you, are looking forward to saying goodbye to the annual horse trading that takes place at the Fisheries Council. It is worth putting on the record that, despite the reform of the CFP, some 44% of total allowable catch limits were set above scientifically recommended limits. That process is far from perfect, and it is to be welcomed that the Bill and particularly the White Paper talk in terms of world-leading fisheries management.

However, the point for politicians is that it is easy to claim that we are going to be an independent coastal state, but that does not deliver sustainable fisheries. Senegal is an independent coastal state, and its fisheries have been wiped out by super-trawlers, which are mainly European and have used their economic power to destroy the livelihoods of artisanal fishermen in independent coastal states. You will deliver sustainable fisheries management by having world-leading sustainable fisheries policy. You will deliver that by looking at the very best in the world. You should look at Norway and in particular at the United States. The Magnuson-Stevens Fishery

Conservation and Management Act 1976 puts a statutory duty on the eight regional fishery councils to take action to rebuild fish stocks.

You asked what we are seeking. We would like to see on the face of the Bill a binding duty for Ministers to set total allowable catch limits in line with scientifically recommended evidence, rather than this dreadful horse trading that takes place every year at the European Fisheries Council, which is no model of sustainable fisheries management at all.

Q50 George Eustice: Do you not think that that is there in the very first clause of the Bill, in subsection (3), which states that the “precautionary objective” is to ensure that “living marine biological resources” are exploited in such a way that they are harvested

“above biomass levels capable of producing maximum sustainable yield.”

There is a legal commitment there.

Martin Salter: There is, but there is a section in the Bill about binding duties. Frankly, Minister, if I were in your shoes, I would want a binding duty. I would want to make it crystal clear that we are going to end the discredited system that has operated under the common fisheries policy and replace it with a legally backed duty to fish at sustainable levels, just as we have legally backed targets for climate change and emissions.

I am afraid I do not agree with Paul and my colleagues in the commercial catching sector about having MSY as an aspiration. Minister, you have piloted bass conservation measures more than anybody else, but usually in the face of opposition from the commercial catching sector. We have seen those conservation measures start to lead to the rebuilding of bass stocks in the UK, which is really to be commended. We need to be bold, we need to be outliers, we need to learn from the best in the world, and we need it clearly and simply on the face of the Bill.

Q51 Luke Pollard: Paul, at the moment, not all UK fisheries are classed as sufficiently sustainable under the UK Government’s procurement policies for the Government to buy fish from them. What needs to happen for all UK fisheries to be classed as sustainable, so the UK Government’s procurement policies enable their fish to be bought and so we can be proud that all our fisheries are sustainable?

Paul Trebilcock: I think we are well down the track on that one. Increasing numbers of UK fisheries have either achieved accreditation and are now Marine Stewardship Council-accredited, or are going through the process. Growing numbers by volume and across Scotland, England and Northern Ireland are achieving that. We are definitely moving in that direction, and the UK fishing industry is currently on a trajectory toward having all its fisheries on a sustainable footing. Contrary to Martin’s view, I think the people who will deliver a sustainable fishery and fishing industry are the fishermen themselves, those who are actively at sea. Currently, there are elements of the common fisheries policy, whether it be relative stability shares, access arrangements or some of the technical measures, that hamper the travel toward that sustainability.

The UK operating as a genuine independent coastal state, with a practical and balanced fisheries policy that takes into account all three pillars of sustainability—not just the environmental but the social and economic

pillars—will in a very short space of time take the UK further down that track and ultimately toward our shared aspiration of all UK fisheries operating in a sustainable way that will allow the UK Government and anybody else to buy with a clear conscience.

Q52 Luke Pollard: Martin, I agree that this Bill seems to undervalue the contribution of recreational angling and fishing to the UK economy, especially our coastal communities. You mentioned in your earlier remarks that recreational angling was a key stakeholder in other jurisdictions around the world, with the US, Canada, Australia and New Zealand all recognising recreational angling as a key stakeholder. Do you think it should be included as part of this Bill that recreational angling is a key stakeholder and should be regarded as such as the new fisheries policy is introduced?

Martin Salter: Yes, thank you for that. We are promoting an amendment that states:

“Promoting the sustainable development of public access to recreational fishing opportunities as both part of the catching sector and the leisure and tourism industries, taking into account socio-economic factors.”

What is interesting, if we look across the pond at America, is that they have fishery management policies on some stocks. It is worth bearing in mind that those fish stocks that are of interest to the recreational sector do not clash desperately with the fish stocks that my colleagues from the catching sector wish to exploit. We are not interested in monkfish. We are not interested in hake. We are not interested in crabs. We are not interested in lobsters. We are actually only interested in something like 20% of fish landed into UK ports, so there is plenty of opportunity to look at sensible resource-sharing.

In America, the striped bass fishery, which was driven to extinction by commercial overfishing, has recovered as a result of tough conservation measures. They now have in place a resource-sharing operation where X percentage of the stock each year is reserved for the recreational sector, which generates huge value for the US economy. I can read the figures into the record if you like. We have the potential to do that over here. We can look at certain fish stocks and say, “Do you know what? We could deliver better for UK plc by managing that stock recreationally, or at least sharing a proportion of that stock.”

Q53 Luke Pollard: On that point, we have had representations about Cornish bluefin tuna effectively being allocated as a catch-and-release stock in future. That seems to be an area where there might be a tension between recreational fishing and those commercial fishers who might want to catch and use that in the food supply chain. How can the tension be resolved for a stock such as that, and is there anything that needs to go in the Bill about how stocks could be better managed where there is a potential clash?

Martin Salter: To be honest, Mr Pollard, I do not think that is a matter for the Bill. We are looking forward to meeting the Minister on bluefin tuna, although we accept that he is pretty busy at the moment with two Bills going through Parliament. It is interesting that the bluefin tuna is still on the endangered list, but the International Union for Conservation of Nature list goes back to 2011, which predates the International Commission for the Conservation of Atlantic Tunas

stock recovery programme. That stock recovery programme has seen the global quota increased to something like 38,000 tonnes. The EU gets 20,000 tonnes of that. Under ICCAT rules, the EU has to allocate a small proportion to a non-commercial interest—in other words, a recreational catch-and-release interest. The recreational sector only ever needs a very small part of that quota because of the mortality rate for bluefin tuna. They are big, tough animals, and the Canadian model shows that their mortality rate is around 3.6%.

You can therefore have a very small quota in the UK and develop a thriving recreational tuna fishery. Given that the stock is slowly recovering, I should imagine that ICCAT would consider it far too early to start thinking about cranking up commercial exploitation in an area of the globe where it has not traditionally happened. A first run at tuna, if you like, really needs to be a tightly licensed, properly controlled recreational fishery that sits alongside the tagging programmes that the World Wildlife Fund is currently doing in Sweden and has also done in the Mediterranean.

We need to know a lot more about these wonderful creatures before we open the door to commercial exploitation, and the first stage would be to set up a recreational bluefin tuna fishery. That would generate an awful lot of money for the south-west and for Ireland, and it would also mean—this is really important—that there would be anglers out there looking after this resource. Frankly, if stakeholders are not engaged in the fishery, bad people will do bad things to fish, as can be seen in the amount of illegal and black fish landings that take place every year in this country.

Q54 Peter Aldous: I have a couple of questions. Mr Salter, the highlight of the Second Reading debate was the vision of my hon. Friend the Member for Broxbourne (Mr Walker) for what recreational fishing might do for local economies. Does recreational fishing need to be mentioned in the Bill for you to actually achieve that objective?

Mr Trebilcock, the Bill suggests an enhanced role for producer organisations. Are you fit for purpose—not your specific PO but generally—to fulfil such a role? At the beginning of last month the European Commission issued a reasoned opinion to the UK Government, which admittedly was about the management of POs but in which there was a strong suggestion that you are not doing what you should be.

Paul Trebilcock: You are absolutely right. The Commission is certainly having a look and gave a reasoned opinion about POs functioning in the UK, although that focused primarily on the compliance checks and the audit process by the Marine Management Organisation rather than the functioning of particular POs.

The short answer to your question is that, yes, I think POs are fit for purpose. They are primarily fishermen’s organisations, entirely funded by fishermen and run by and for fishermen to manage quota, market and represent. They have an extremely valuable role. Is there room to improve as we enter a new regime? Absolutely. Clarification of a standard that all POs across the country must deliver to, clarity of function and a greater understanding from people outside POs of what they actually do would all be really useful.

Q55 Peter Aldous: If I could just come back on that, you said POs function very much for the benefit of their local communities. The Lowestoft producer organisation in my constituency is made up of three or four accountants in the town but seven trawlers that never come near the port. I do not think that that is functioning properly.

Paul Trebilcock: No, but in response I argue that the Cornish PO, for example, is made up of around 150 different fishermen, from small handliners catching mackerel and bass through to beam trawlers. That is an example of how a producer organisation might work.

In the Lowestoft example, the local boats sold to Dutch interests, and there was an evolutionary process. The Lowestoft PO functions as a producer organisation, securing maximum price for its members and that sort of thing. The local community in Lowestoft chose not to be part of that. It is important that, as we enter the UK operating as an independent coastal state, all parts of the commercial industry are encouraged into producer organisations to ensure that they collectively understand and drive the function and operation of producer organisations wherever they might be.

You really have to be seeing the benefit. Perhaps that is a role where UK Association of Fish Producer Organisations and producer organisations in general have not particularly done well in explaining to and educating people outside the PO movement what they actually do for fishing communities. The reach and effect of producer organisations goes beyond their membership in a lot of areas. I know that the south-west and east of England POs will help those in the local community who are not even in membership. I strongly feel that producer organisations do a tremendous job around the country at the moment, and have the scope to build on that and do better things as we go into the post-Brexit era.

Martin Salter: The highlight of any debate is the contribution from the hon. Member for Broxbourner, as we know.

Do we need recreational fishing on the face of the Bill? It is great when the White Paper says:

“We will consider how we can further integrate recreational angling within the new fisheries framework recognising the societal benefits of this activity and impacts on some stocks.”

However—your constituents who fish recreationally will tell you this—for many years they have been a bit sick and tired of seeing their recreational sea angling experience fall off a cliff edge as stocks are overfished, and in some cases get driven into parlous conditions. They feel that the recreational sector, despite its economic significance—its significance for jobs and for coastal communities—is basically being left to feed on the crumbs that are left over after commercial exploitation has had its whack.

If you look at quality fishery management—at America and Magnuson-Stevens, and the New Zealand fishery conservation legislation—shares are allocated. There is proper resource sharing. There is consideration in a sensible, grown-up, policy development way—recognising the social and economic impacts of the exploitation of different stocks for different purposes. It might not just be for recreational fishing. It might be for diving or other forms of tourism. It might be for conservation. Yes, putting it on the face of the Bill would send a strong signal, and would also mean a sea change from the very discredited policies of the common fisheries

policy. What I think the Bill is really about is recognising that this is a new chapter for fisheries management. That is why I would urge you to support our amendment.

The Chair: We have eight minutes for five questions.

Q56 Mr Carmichael: Paul, I think I agree with you that the work of the POs is much undervalued, and frankly not much understood. Tell us a little bit about the work of POs in terms of trading quota across the different parts of the UK.

Paul Trebilcock: One of POs' functions is quota management. Part of that involves getting quota to those who need it—fishermen. That can be done through the swaps and transfer mechanism, which has evolved and developed over many years. Those can be swaps involving different quota stocks swapped for those needed. It can be leasing, it can be gifting, it can be borrowing and it can be a form of banking—it is quite a sophisticated and complex, or flexible, way of doing things, which enables it to be moved around to where it is needed, wherever possible.

Q57 Mr Carmichael: What happens if the Administration in one part of the UK, for example, tries to restrict quota trading among other parts?

Paul Trebilcock: At the moment we have the ability to trade across all parts of the devolved Administration quota tonnages on an annual basis, but it is not possible to move the fixed quota allocation units across Administration borders, which hinders business and stops FQAs getting to where they need to be—fixed quota allocation units for stocks off the south-west probably are not needed in Shetland and vice versa. The ability to rebalance that and free that movement would be welcome, but at the moment there is free movement of quota tonnages across the devolved Administrations, which is absolutely essential in getting quotas.

Q58 Mr Carmichael: And the Bill as it stands would allow that to continue free of political interference?

Paul Trebilcock: The Bill as it stands, as I read it, does allow for that. The risk, of course, is that there is the signal towards devolution that means the different devolved Administrations can, I think, as I read it, choose to have their own quota management rules. That is certainly a risk, but it does not appear on my reading to be a high risk. I would hope that all devolved Administrations were trying to work collectively for the benefit of their respective fishing industries and the UK as a whole, so retaining flexibility and restoring the flexibility to move FQAs would be a welcome addition.

Jeremy Lefroy: Mr Salter, you rightly placed great emphasis on sustainability. Given that in the UK we export most of our fish and export most of what we catch, most of what is consumed comes from places in which as an independent coastal state we rightly have no control over whether things are fished sustainably. Do you see a role for consumer-type markings on sustainability? Should that be left up to the industry or should there be some kind of legal basis so that we walk the walk on sustainability as well as talking the talk?

Martin Salter: I think consumers welcome guidance. It is a matter for you whether you think legislation is required, but when you walk into a supermarket you see a very complicated tapestry in front of you.

We have a very real problem with farmed salmon. Our colleagues from Scotland recognise it as an important industry, but if it were a land industry it would be shut down tomorrow given the appalling levels of pollution. The amount of sewage that is discharged as a result of the Scottish salmon farming industry into pristine marine lochs is quite horrendous. The wrasse that are prevalent around Mr Pollard's constituency in the south-west are slow-growing fish of very little commercial value—often the first fish that youngsters catch when they go sea angling. They are being shipped live to the Scottish salmon farming industry as a cleaner fish to eat the lice because that is cheaper. That is a double bad whammy. The industry really needs to improve its act—I notice that Norway is moving a lot of its agriculture on to land so that it can deal with the effluent.

I still see an awful lot of people eating Scottish farmed salmon. I am sure Scottish MPs welcome the fact that they do so, but in sustainability terms and environmental terms it is a dreadful product—doubly dreadful because of its impact on sea fish down in the south-west. Perhaps statutory guidance would be welcome, or at least a level playing field in which agriculture was forced to clean its act up as farming practices on land have been forced to do over the years.

The Chair: We are running out of time. May we have a last question from Alan Brown?

Q59 Alan Brown: Mr Salter, you seem to be talking about having a percentage of quotas ring-fenced for recreational angling. How would getting that into the Bill work? Would it apply to future quotas to allow expansion of the sector?

Martin Salter: We are not calling for that to be in the Bill; it would tie the Minister's hands. If we are to adopt world-leading sustainable fishery management practice, it is important that Ministers and decision makers are able to take the best scientific advice without having to

come back to Parliament to change quotas and reallocate bass stocks from 30% recreational to 37% recreational, for example. That clearly would not work. They have to have that power, but that is why it is important that we put a duty in the Bill for Ministers to set sustainability targets.

The point about resource sharing is more about achieving an optimal economic and societal return for the stock. I find it very sad that protected species such as the grey mullet that we see swimming around harbours in the UK have very little commercial value, yet at times of spawning aggregations we see entire year classes of those stocks totally netted, flooding the market and getting less than £2 a kilo. This is a slow-growing species: a grey mullet takes anything from 10 to 12 years to achieve a size that makes it a useful recreational angling target. It is a very poor use of that resource. As a good business calculation, which is the better use of that stock? Would reserving more of it for recreation give us more jobs for the UK economy—more bites for our buck, if you like? That is something that good fishery management practice would seek to achieve. It will not be achieved by legislation as such, but it could be assisted by a power and duty for fishery Ministers.

Alan Brown: That is a complication, because trying to get a legislative framework that gives that certainty—

The Chair: Order. We are strictly limited by time and it is now 11.25 am, so I fear I have to call this evidence session to an end. The Committee will meet again at 2 pm. The Committee Room will be locked in the meantime, so hon. Members may leave their papers here if they wish. I thank the witnesses very much indeed for their useful evidence.

11.25 am

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o'clock.

