

Minutes: Round 2 *Nephrops*, Principles 1 and 3

Meeting Date: 20th April 2021

Location: Teams

Attendees	Organisation
AB: Abigayil Blandon	WWF-UK
ABr: Andrew Brown	Macduff Shellfish
AC: Annika Clements	Ulster Wildlife Trust
AD: Ally Dingwall	Sainsbury's
BC: Ben Collier	Northern Ireland Gear Trials
BH: Barry Harland	Whitby Seafoods
BL: Bill Lart	Seafish
CD: Calum Duncan	Scottish Environment LINK
CP: Claire Pescod	Macduff Shellfish
DW: Dan Whittle	Whitby Seafoods
EB: Ewen Bell	Centre for Environment, Fisheries and Aquaculture Science
EW: Elaine Whyte	Community Inshore Fisheries Alliance
FN: Fiona Nimmo	Poseidon
GB: Giles Bartlett	Whitby Seafoods
GC: George Clark	Marine Stewardship Council
HDN: Helena Delgado Nordmann	Tesco
HW: Harry Wick	Northern Ireland Fish Producer Organisation
IG: Iain Glasgow	Department for Environment, Food and Rural Affairs
JP: Jo Pollett	Marine Stewardship Council
KC: Kenny Coull	Scottish White Fish Producers Association
KK: Katie Keay	Marine Stewardship Council
MP: Mike Park	Scottish White Fish Producers Association
MS: Matt Spencer	Marine Stewardship Council
RG: Roy Griffin	Department of Agriculture, Environment and Rural Affairs
SD: Steph Davidson	Associated Seafood
SM: Seth McCurry	Marine Stewardship Council
SMA: Simon MacDonald	West Coast Regional Inshore Fisheries Group
SSM: Sally Stewart-Moore	Seafish
WD: William Davies	Hilton Seafoods

Purpose of the meeting

This call was an opportunity for the Steering Group to review progress made against each of the actions under Principle 1 and 3 in the Round 2 *Nephrops* Fishery Improvement Project (FIP) action plan before the second annual review takes place. The Marine Stewardship Council (MSC) presented the commercial opportunities for certified *Nephrops*. Additionally, the group discussed membership and engagement across the Steering Group as we enter Year 3 of the action plan.

Agenda Item 1: MSC commercial update

At the request of Steering Group members, Seth McCurry, Senior Commercial Manager for UK & Ireland, was invited to present on the commercial markets for MSC products, with a focus on certified *Nephrops* products. Key messages from SM's presentation were:

Markets

- In 2019/20, £1.3bn was spent on MSC labelled products in the UK.
- Roughly a third of all retail seafood sales in the UK are MSC labelled, driven predominantly by chilled-prepared and frozen-prepared categories.
- Steady growth seen in UK, larger growth in other markets European: France and the USA, both seen as very receptive to MSC products.

Sourcing policies

- Most major retailers in the UK have signed up to the Sustainable Seafood Coalition's (SSC) codes of conduct – which is voluntary and covers environmental claims made by SSC members in relation to own-brand fish and seafood sourcing.
- MSC is a third-party Standard setter that SSC members to make claims around sustainable seafood sourcing.
- AD stated Sainsbury's have a 100% MSC wild caught target for seafood sourcing as a primary objective, something their consumers have been made aware of.
- HDN stated that the FIP is a useful tool for driving improvements in UK fisheries seafood and helps SSC members with their sourcing commitments. HDN said that many of Tesco's partners had asked for updates on Project UK.
- JP read out a statement from Andy Boulton of Waitrose that said the fish counter was one of the key reasons why people shop at Waitrose and their customers are increasingly asking Waitrose to improve their sustainability.
- Customers of Waitrose are also increasingly looking for British fish, which currently make up 28% of Waitrose fish counter sales, and Waitrose sees Project UK as a key mechanism to increasing the diversity of sustainable British fish.
- SM said major retailers in Europe and in the USA have similar sourcing policies, and that sustainability was a growing concept.

MSC *Nephrops* products:

- There is currently only one MSC certified *Nephrops* fishery, with products sold in Denmark, Italy, Netherlands, Sweden and Switzerland.
- From 2016/17 – 2019/20 sales of MSC *Nephrops* have increased by 250% globally.
- In terms of UK retail sales, just under 6000t of uncertified *Nephrops* were sold in 2019/20 with 27 different products across the ten largest retailers.
- Large proportion of *Nephrops* is also sold in foodservice sector, with approximately 1200 UK MSC certified restaurants/foodservice sites with currently uncertified 'scampi' on the menu.

Discussion

Demand from Europe

AB said that when Macduff receives queries from European partners around improving product sustainability, they rely on Project UK to demonstrate this. AB asked whether there were any other labelling schemes that had a similar reach and footprint of the MSC. In terms of wild-caught seafood SM said there was no other labelling schemes that were on a par with the MSC in terms of reach and recognition. A strong advantage of the MSC model is supporting the supply chain and linking products to markets, globally.

The European receptibility of FIP products was highlighted by CP, with European clients asking for information and updates on both the UK *Nephrops* and scallops FIPs. SM said that there were growing requests from European retailers to source directly from some of the Project UK FIPs, highlighting the growing interest in the FIPs, and MSC certification more broadly. CP recommended that SM present to other industry members, as the change to receptibility of FIPs, particularly in Southern Europe is very interesting.

DW said that there is a clear message from retailers around sustainability requirements, with certified product a requirement where possible. DW believed the foodservice sector was equally as interested in this FIP, with 8500t of live weight *Nephrops* (from 35,000t total landed live weight) being used in foodservice. DW explained that the FIP helps securing demand for *Nephrops* products and improves the cost from the processor right the way back to the boat.

GB wanted more information on the uptake of MSC products in France. SM said it was down to strong combination of the retailer and foodservice sector, with large foodservice chains such as Sushi Daily recently joining the MSC programme.

Wider considerations for certification

EW believed there was a need to strengthen the FIP's socio-economic links to help convince fishermen of the benefits of Project UK. EW mentioned that eNGO scrutiny and low prices for *Nephrops* has created significant pressure in the fishery. She also reiterated her concerns about the results of the Masters project noting that more research is required.

EW questioned whether certification schemes other than MSC had been considered by the FIP. AD said other schemes had been proposed in the past, such as the Scottish Seafood Partnership (SSP) creating its own Scottish Sustainability Standard. The conclusion was that it would be costly and time consuming to set up, and that the MSC Standard was rigorous enough to meet the SSP's requirements. AD said that nothing has changed since and he would not advocate for a stand-alone sustainability standard for Scotland.

EW said that fishermen were not against certification per se, but questioned the economic benefits, such as increased prices for *Nephrops*, that certification might bring. AD acknowledged this issue but cautioned against further discussion on this topic as competition law requirements prevent discussion of prices. Project UK seeks to be as inclusive as possible, and DW and GC both welcomed the opportunity to meet the fishermen EW represents to discuss Project UK and how the FIP can strengthen the opportunities for fishermen.

GC also highlighted the recent New Economics Foundation report on Cornish sardines that was commissioned by the MSC, which highlighted the positives that certification can offer beyond just the price premium. SM reminded the group that price was only one factor and that a number of other socio-economic indicators can be improved after certification, such as market access and increased duration of a product line on a retail shelf.

AB and MP both stated the importance of MSC certification, with AB viewing certification as key to exporting into the EU, a market that has become increasingly difficult since Brexit. MP said that he, through the Scottish Fisheries Sustainable Accreditation Group (SFSAG), is committed to delivering as many species through certification as possible but agreed that EW's comments needed to be taken onboard, to ensure fishermen are not left behind and to avoid any partial certification of the fishery.

MP said it would be useful to have SM present at some of the working groups he is involved with and would arrange with Jennifer Mouat.

Actions from Item 1:

1. MP to speak with Jennifer Mouat for SM to present the MSC markets to the SFSAG working group.
2. Secretariat to contact EW about receptibility of DW presenting the benefits of Project UK to EW's members.

Agenda Item 2: Progress summary ahead of annual review

The FIP is currently undergoing the second annual review to assess progress made on the action plan over the last year.

The Pre-Assessment of the fishery indicated that:

- 18% of performance indicators were below SG60.
- 46% of performance indicators were at SG60-SG79.
- 36% of performance indicators were at SG80 or above.

FN informed the Steering Group that the FIP action plan requires progress to demonstrate several score changes at the end of year two.

As part of the annual review, Poseidon evaluated each of the ICES stock assessments for functional units in the FIP. FN explained that the Farne Deeps stock assessment shows fishing pressure in relation to F_{MSY} - which is set at 8.12% in the North Sea Multi-Annual Plan (NSMAP) - was fished 198% above the recommended harvest rate in the NSMAP. The increase in landings from the Farne Deeps supports this calculated harvest rate and raises concerns around the level of fishing pressure on that stock.

The spawning stock biomass (SSB) in the Farne Deeps is 128% above $MSY_{trigger}$ based on data collected from underwater TV surveys (UTVS). At the last Steering Group meeting it was discussed that $MSY_{trigger}$ could be used as a proxy for the limit reference point (B_{lim}), which would enable the group to understand the stock from a point of recruitment impairment (PRI) perspective. PRI is an important metric for the MSC Standard in guiding whether P1 performance indicators meet SG60 or SG80. In the Farne Deeps a high degree of the stock is above $MSY_{trigger}/B_{lim}$, so overall the stock is considered above the PRI.

The next step is to establish BMSY, for each functional unit, and FN suggested using $2xMSY_{trigger}$ as a reference point for BMSY, based on guidance from the MSC interpretation log:

'MSC recommends that to achieve an assumed status of B_{MSY} , F should have been at or below F_{MSY} for at least 1 Generation Time (GT) from a starting point close to B_{pa} or $B_{trigger}$, and 2 generation times from a starting point close to B_{lim} (Carruthers and Agnew 2016).

An 80 score may also be met where stock size is very substantially higher than B_{pa} , for instance greater than $2x B_{pa}$ ($B_{trigger}$) (Froese et al, 2014), irrespective of the above F proxies.'

FN concluded by providing the following points:

- The Farne Deeps functional unit is above the PRI but is unlikely to be fluctuating around MSY.

- The Harvest Rate in 2019 (16.1%) was double NSMAP FMSY (Harvest Rate =8.12%).
- There was a significant increase in landings, well above ICES advice.

FN reminded the group of the Principle 1 requirements in the FIP:

- Establish regional management groups to discuss an appropriate harvest strategy.
- Establish and define reference points, that when reached, trigger a management response.
- Define the response for each Function Unit through development of a toolbox of technical measures.

Discussion

EB questioned the aim of establishing reference points. ICES has already discussed different approaches to setting a B_{trigger} level as a buffer but had not determined how far apart the buffer should be. EB thought a 2x buffer was quite large and did not know where ICES were with their thinking around the issue. EB said he would follow up with the ICES working group to avoid two potential conflicting reference points. ICES is unlikely to prioritise determining limit reference points unless asked to do so from a 'work recipient', which would be the UK government, the Norwegian government or the European Commission.

The North Sea Multi-Annual Plan (NSMAP) outlines the requirement for ICES to establish B_{lim} for each *Nephrops* functional unit but does not provide a timeline for doing so. Article 7 in the NSMAP requires that safeguards are taken when scientific advice shows the abundance of stocks are below $MSYB_{\text{trigger}}$ all appropriate remedial measures shall be adopted to ensure rapid return of the stock or functional unit concerned to levels above those capable of producing MSY.

DW asked whether functional units where the mortality is above F_{MSY} and yet the stock's SSB remained high are reflective of an improved stock or a signal of concern. EB explained that *Nephrops* stocks are complicated to manage, and one year of fishing activity might not be representative of the status of the stock. In 2019/20 large catches of *Nephrops* were recorded, and EB is awaiting this year's surveys to determine whether the increased mortality had any impact on the stock status.

The FIP action plan requires fishing pressure to be at or below F_{MSY} for each functional unit. DW felt the Steering Group could not control this as the total allowable catch (TAC) allocation for the whole ICES division rather than for separate stock functional units makes adequate control measures difficult to implement at an appropriate stock level. EB understood there was a desire in industry to maintain the TAC allocation by ICES area but acknowledged that measures to reduce the risk of over-exploitation of each functional unit will need to be considered.

CP asked whether the Steering Group could request ICES to provide appropriate reference points. The Secretariat offered to coordinate a request to the devolved administrations on behalf of Project UK.

Actions from Item 2:

1. EB to follow up with the ICES Working Group on where their latest work was on trigger reference points for *Nephrops* stocks.
2. Secretariat to try again to set up meeting with the devolved science bodies, with support from relevant members, to discuss reference points.
3. Secretariat to facilitate request to UK devolved administrations to formally request ICES develops reference points for *Nephrops*.

Agenda Item 3: Membership and engagement

The Secretariat led a discussion on Steering Group members' engagement in the FIP. Moving forward on actions has been significantly more difficult in the *Nephrops* FIP than other Project UK FIPs. This is having an impact on, for example, arranging meetings critical to delivering actions, and may be due to reduced pressure from the Steering Group members in the way we see in, for example, the UK scallop FIP which is on the same timeline as this one.

KK recognised and thanked the strong drive from members of this group to make the FIP work. She noted that this is a critical time to ensure we are doing everything possible to have full buy-in and ensure the FIP continues to make progress over the next few years. Some of the progress made by the Round 2 scallop FIP has been driven by the industry-led Scallop Industry Consultation Group (SICG), and further effort with the *Nephrops* sector is needed to create a similar level of progress in this FIP.

In the previous agenda item FN had noted that this FIP will not meet all its milestones for Year 2. KK reminded the group that the FIP action plan is publicly available and frequently updated on FisheryProgress. Evidence of progress against milestones is important to show external stakeholders that the FIP remains credible.

KK requested that members:

- Proactively engage during Project UK meetings, particularly as the final three years will focus more on actions rather than research.
- Participate more vocally about Project UK in other relevant meetings.
- Request the secretariat review or contribute, where appropriate, to ensure clarity and consistency of information about Project UK is shared externally.

Discussion

MP believed the difference in progress between the Round 2 FIPs is partially due to *Nephrops* being managed by TAC and managed through Producer Organisations, whereas the scallop FIP is a non-quota stock with the FIP consisting of members that are both catchers and processors. This creates more of a direct market link in the scallops FIP, which is different to the *Nephrops* FIP. MP felt that within the *Nephrops* sector there were greater concerns over the negative impacts of the FIP not reaching MSC assessment, which might also explain why there had been a more cautious approach from the catching sector.

HW believed there was a perception in the *Nephrops* catching sector that the stocks are robust and already managed sustainably, as there are not the large fluctuations in catches that they see in other fisheries. As a result, HW felt this created less motivation for the catching sector to participate in the actions of the FIP.

EW said it would be worthwhile to engage directly with fishermen, even in an online meeting, to hear their perceptions and concerns. This will help the group progress. EW also added that if the Steering Group writes to the UK government, we should also write directly to the Scottish government, as the vessels she represented are inside the 12nm, which comes under their jurisdiction.

KK reiterated the Secretariat's desire to speak with fishermen and would follow up with EW to arrange this. HW suggested it would be more credible for the outreach to come from retailers, as

fishermen might perceive the Secretariat as delivering an MSC sales pitch. AD and WD offered their support with outreach and engagement opportunities.

GB asked how the devolved administrations are talking to each other in relation to Project UK and noted that the work in the FIP could be useful for the joint fisheries statement (JFS) development. IG said that because of the UK leaving the EU, the government's position on management by functional unit is in review and this will involve engaging with all the devolved administrations. That process and this will impact what the UK government view will be for *Nephrops* management.

Actions from Item 3:

1. Secretariat to liaise with EW, HW and others to arrange meetings about Project UK with the catching sector and retailers or supply chain representatives within the Steering Group.
2. AD and WD join the meeting(s) with catching sector representatives to discuss the benefit of the FIP.

Agenda Item 4: Fishery Management Plan

At the last Steering Group meeting, Whitby Seafood volunteered to coordinate the Fishery Management Plan (FMP). GB ran through the actions tracker for the FMP and informed the group that he had already contacted many of the Steering Group members to request their input.

Section 1: Identification and description of the fishery

- This section is to be led predominantly by Whitby Seafood, with support from NatureScot and WWF on the description of ecosystem and habitat section, and Seafish to support the socio-economic background section.

Section 2: Goals and objectives

- This section requires input from the Devolved Administrations, with Marine Scotland Policy, Defra and DAERA all identified as key stakeholders.
- The plan is to log current management measures in place and update the FMP as new legislation develops.

Section 3: Fisheries management structure

- Sub-section 3.1 (legal framework) will be led by Whitby Seafood with information obtained from the Devolved Administrations.
- Sub-section 3.2 (institutional arrangements) will be led by Young's Seafood.
- Sub-section 3.3. (consultation and co-management) will require further outreach with Producer Organisations to contribute information.

Section 4: Harvest strategy and control rules

- AFBI, Marine Scotland Science and Cefas were identified as being key contributors to this section with support from Whitby Seafood.

Section 5: Ecosystem management strategies

- Whitby Seafood has offered to lead this section by documenting the previous research that has already been conducted by the FIP, such as some of the master's reports.

Section 6: Stock assessment, fishery monitoring and research

- GB said industry and the scientific bodies of the Devolved Administrations would be the key stakeholders for Section 6 but welcomed further contributions from NatureScot and WWF on sub-section 6.3 (bycatch, ETP & other surveys).

Section 7: Compliance and monitoring

- GB identified the MMO, DAERA and Marine Scotland Compliance as key contributors for this section.

Sections 8 and 9 were not explored in any detail during the call as no progress had been made. GB closed by suggesting the FMP is revisited at each Steering Group meeting for updates and that he, with support from the Secretariat, would follow up with Steering Group members for input.

Actions from Item 4:

1. GB and Secretariat to develop a draft FMP with support from Steering Group members.

Agenda Item 5: Regional management groups

The FIP action plan requires setting up regional management groups to define and agree appropriate regional management.

CP suggested that the Scottish Fisheries Management and Conservation Group (FMAC) might be a useful group to deliver regional management, as it has strong links with Marine Scotland. She noted it would be helpful to understand what the Inshore Fishing Group (IFG) and industry views on FMAC might be. MP (a member of FMAC) could not see how Project UK would fit into the FMAC programme of work, as without full industry buy-in to Project UK there might be some resistance in linking up with FMAC. EW said the Steering Group needed to be aware of the Inshore Fisheries Management and Conservation Group (IFMAC), representing the inshore fisheries.

The formation of regional management groups was a Year 2 action so, as we move into Year 3, it is important that progress is made as soon as possible. DW said that FMPs will be legally mandatory through the requirements of the Fisheries Act, and that he expressed concern over a duplication of effort, as Devolved Administrations had already stated their intention to draft FMPs for their respective areas. DW pointed out the importance of getting greater clarity from Devolved Administrations around their intentions and timelines for the FMPs, primarily to ensure that if Project UK produces an FMP it will respect their timings, and ultimately be a useful supporting tool.

Government updates

Government stakeholders were invited to provide an update on post-Brexit legislation for their respective Fisheries Administrations. IG explained that Defra was reviewing its position on FU management of *Nephrops* now that the UK had left the EU and were engaging with the Devolved Administrations around future management of *Nephrops*. IG said Defra was at a very early stage of the FMP process, with a new unit at Defra being set up to decide on the FMP process, structure and content. IG said Defra was interested understanding the FIP's approach on managing *Nephrops* and agreed to inform the FMP unit at Defra of the Steering Group's interest in alignment of FMPs. RG agreed with IG and said there will be specific consultation groups formed in Northern Ireland to help DAERA with their fisheries management plan.

DW provided an update from Jim Watson (Marine Scotland) who is supportive of Project UK and was pleased to see the responsibility industry were making in the FIP. CP reiterated that this statement has also been made by Marine Scotland in other meetings. The Secretariat welcomed the feedback and reminded stakeholders of the importance of sharing Project UK information and updates to relevant partners.

The aim of the FIP's FMP is to document current management in the *Nephrops* fisheries within the Unit of Assessment for the FIP. FN believed there was a lot of information that can be inserted into the Principle 2 sections of the FMP without overlapping with the ongoing management discussions from the Fisheries Act. FN thought the best approach was for the Steering Group to continue to document progress in the FMP whilst being aware of the government process on delivering an appropriate FMP for each Devolved Administration. GB and CD agreed with this approach.

The Secretariat asked the Steering Group for agreement on whether they wanted to wait for the Devolved Administrations to lead on the FMP – with the inherent risk of delays - or whether the FIP wanted to be proactive and continue with developing its own FMP. MP reminded the group that local fishing views need to be recognised to ensure fishermen do not perceive Project UK as a takeover of their fishery, something EW agreed with.

FN reiterated importance of continuing progress with regional management groups, building on Paul Medley's report on the management alternatives to TAC at functional unit level. The Steering Group agreed to progress with the regional management process, including engagement with local fishermen and the devolved administrations to ensure full industry buy-in and no duplication of effort.

Actions from Item 5:

1. IG to inform the Defra FMP unit of the FIP's interest in aligning FMPs.

AOB

The Secretariat had recently shared a letter from Open Seas requesting clarification of the Steering Group's position on illegal fishing and invited any questions from the group. The Secretariat has begun drafting a response based on responses already received and will share the draft response with members next week for review and any additional feedback. Once feedback had been incorporated the plan is to send the response in early May and the Secretariat will keep the Steering Group informed on any further communications.

Actions from AOB:

1. Secretariat to facilitate the Steering Group response to the Open Seas letter.

Meeting Closes

17.00hr

Actions Arising	Responsibility
<p><u>MSC commercial update</u></p> <ul style="list-style-type: none"> • MP to speak with Jennifer Mouat for SM to present the MSC markets to the SFSAG working group. • Secretariat to contact EW about receptibility of DW presenting the benefits of Project UK to EW's members. 	<p>MP</p> <p>Secretariat</p>
<p><u>Progress summary ahead of annual review</u></p> <ul style="list-style-type: none"> • EB to follow up with the ICES Working Group on where their latest work was on trigger reference points for <i>Nephrops</i> stocks. • Secretariat to try again to set up meeting with the devolved science bodies, with support from relevant members, to discuss reference points. • Secretariat to facilitate request to UK devolved administrations to formally request ICES develops reference points for <i>Nephrops</i>. 	<p>EB</p> <p>Secretariat</p> <p>Secretariat</p>
<p><u>Membership and engagement</u></p> <ul style="list-style-type: none"> • Secretariat to liaise with EW, HW and others to arrange meetings about Project UK with the catching sector and retailers or supply chain representatives within the Steering Group. • AD and WD join the meeting(s) with catching sector representatives to discuss the benefit of the FIP. 	<p>Secretariat</p> <p>AD, WD</p>
<p><u>Fishery Management Plan</u></p> <ul style="list-style-type: none"> • GB and Secretariat to develop a draft FMP with support from Steering Group members. 	<p>Secretariat, GB</p>
<p><u>Regional management groups</u></p> <ul style="list-style-type: none"> • IG to inform the Defra FMP unit of the FIP's interest in aligning FMPs. 	<p>IG</p>
<p><u>AOB</u></p> <ul style="list-style-type: none"> • Secretariat to facilitate the Steering Group response to the Open Seas letter. 	<p>Secretariat</p>