

Minutes: Channel scallops, Principle 3 and commercial update

Meeting Date: 8th June 2021

Location: Teams

Attendees	Organisation
AB: Andrew Brown	Macduff Shellfish
AL: Andy Lawler	Centre for Environment, Fisheries and Aquaculture Science
BS: Bryce Stewart	University of York
CB: Coco Bagley	Department for Environment, Food & Rural Affairs
CN: Chloe North	Western Fish Producer Organisation
FdB: Femke de Boer	Scottish White Fish Producers Association
FN: Fiona Nimmo	Poseidon
GC: Gus Caslake	Seafish
HG: Hubert Gieschen	Marine Management Organisation
JH: Juliette Hatchman	South Western Fish Producer Organisation
JP: Jo Pollett	Marine Stewardship Council
JPo: Jim Portus	South Western Fish Producer Organisation
KK: Katie Keay	Marine Stewardship Council
LP: Lauren Parkhouse	Devon and Severn Inshore Fisheries and Conservation Authorities
MJ: Manon Joguet	Marine Stewardship Council
MS: Matt Spencer	Marine Stewardship Council
NdR: Nathan de Rozarieux	Falfish
SM: Seth McCurry	Marine Stewardship Council

Purpose of the meeting

This call was an opportunity for the Steering Group to review progress made against each of the actions under Principle 3 in the Channel scallop Fishery Improvement Project (FIP) action plan and get an understanding of MSC certification process and the global market for MSC labelled scallop products.

Agenda Item 1: Marine Stewardship Council scallop commercial update

Seth McCurry, Senior Commercial Manager for UK & Ireland, was invited to provide insights into commercial markets for MSC products, with a focus on MSC certified scallops. Key messages from SM's presentation were:

UK market:

- £1.2bn spent on MSC labelled products in UK in 2020/21.
- Roughly a third of all retail seafood sales in the UK are MSC labelled, driven predominantly by chilled-prepared and frozen-prepared categories.
- 48 species sold, up from 33 six years ago.

- Loss of mackerel is cause for decline in 2020/21 against year before rather than consumers moving away from the label.
- Roughly a third of all scallop retail sales in UK were MSC labelled.
- Foodservice was particularly badly affected by Covid but SM believed it was important to recognise the receptive and growing foodservice market.

Sourcing policies

- Strong retailer commitments helping to drive UK growth of MSC labelled product sales.
- Sainsburys, Waitrose and Tesco all have 100% certified seafood as a target for their sourcing policies.
- Species without label coverage yet will be key to supporting retailers sourcing goals.

International markets

- UK, France and Germany account for a third of all MSC sales, although shifts are emerging as US market receptibility grows strongly.
- US market doubled from 2017/18 to 2020/21.
- US by value now a larger MSC market than UK
- Southern European markets are also growing strongly in Spain, Portugal and Italy.

MSC scallop markets

- Six certified scallop fisheries, consisting of four different species.
- The first MSC scallop fishery was Patagonian scallop (*Zygochlamys patagonica*) in 2006.
- SSMO Shetland only certified UK King scallop (*Pecten maximus*) fishery.
- In 2020/21, MSC labelled scallops sold in 25 countries.
- Labelled sales more than doubled between 2016/17 and 2020/21 with consumer spend reaching approximately £126.7 million (2019/20) across almost 300 products (two thirds were *Pecten maximus*).
- Over 5000t MSC labelled scallops (all species) sold globally.
- In the UK there were 26 stock keeping units (SKUs) in 2020/21 compared to 13 in 2015/16.
- Sales of MSC scallop in UK worth more than £8m 2020/21.
- Morrisons, Lidl and Selfridges have all offered MSC scallops over the past year.

SM concluded that there was good market growth and receptibility for MSC certified scallops, both domestically and internationally.

Discussion:

AB asked whether there were any comparable certification schemes to MSC, with the same global recognition. SM said that eco-label recognition can vary regionally, with some North American schemes having a strong presence there, but globally MSC is recognised as the having the highest rigour and credibility. SM gave the example that for the UK, many of the sourcing policies for major retailers (in regards to wild-caught seafood) have specific reference to MSC, with no mention of other schemes.

CN asked whether French, Italian and Spanish retailers had similar commitments to sustainability as their UK counterparts. SM believed it varied, but for a lot of the major retailers on the continent, such

as Lidl and Aldi, there is a similar level of commitment. MJ informed the Steering Group that in France, some retailers have specific - and quite high – objectives, but these standards varied greatly across the nation’s main retailers. CN asked what species were the majority of the UK MSC-labelled scallop sales, to which SM said were Atlantic scallops (*Placopecten magellanicus*), predominantly from the US, and Patagonian scallops. SM added that the MSC commercial teams can research specific markets if requested.

Actions from Item 1:

1. Secretariat to share SM market presentation with the Steering Group

Agenda Item 2: Annual review progress update

The annual review for the Channel scallop FIP was recently conducted and FN presented the latest updates and score changes:

Principle 1:

- Data provided by Cefas for latest stock assessments, which was used as evidence to support scoring increases for two Channel scallop stocks from <SG60 to SG670-79 for PI 1.1.1.
- Despite progress being made on Harvest Strategy and Harvest Control Rules (HCRs) both Performance Indicators (PIs) still score <SG60.

Principle 2:

- Behind schedule for many Principle 2 actions but FN felt these could be addressed relatively quickly by the Steering Group, with the Cefas biomass data contributing to a potential score increase for primary, secondary and ETP species PIs.
- The Bangor University Post-doc completed in Year 4 provided evidence of the fishery’s interaction with Vulnerable Marine Ecosystem (VME) species and commonly encountered habitats and recommended some additional management measures in Marine Conservation Zones (MCZs) in the Channel might be necessary.
- The Seafish Kingfisher project might contribute to requirements for the habitats PIs, and that the group should remain updated with progress made to the Kingfisher project.

Principle 3:

- It was expected that by Year 4 most Principle 3 scores would meet SG80, but a review undertaken by Poseidon (due to Brexit) shows that some scores remained SG60-79.
- Documenting roles and responsibilities in decision making is still required.
- The FIP’s draft FMP has progressed well over the past year.

Discussion:

CN informed the group that updates could be expected from Defra around shellfish agreements with the EU soon and she hoped to be able to provide more detail, when publicly available, at the next Steering Group meeting. CN asked about the score decrease for PI 2.2.2 (secondary species management) and what caused it. FN explained that this downgrade in scoring was due to the lack of secondary species data and the difficulties this causes in assessing secondary species PIs. The Steering Group was awaiting the Cefas catch composition data, which would likely increase the score for PI 2.2.2. FN explained that the action plan outlines the activities required to improve scores and that it is

important the Steering Group focusses its efforts on addressing actions that they have control over in the remaining timeline of the FIP.

JPo suggested the FIP would need to extend its timeline due to the disruption brought about by Brexit and the lingering uncertainty it has caused, preventing the closing off of actions. KK thanked JPo for his input and informed him there would be an opportunity to speak about timelines in more detail in the next meeting in late June.

Actions from Item 2:

1. FN to rescore Principle 2 actions over the course of the final year, as progress is made against the action milestones.
2. Secretariat to share FN's FIP update summary slides with the Steering Group.

Agenda Item 3: Client group composition

At the last Steering Group meeting there was a presentation on the MSC certification process, and since then the Secretariat has received questions from Steering Group members about client group formation.

Overview:

- A client group could be an individual, organisation or group of organisations who make a formal application for their fishery to be assessed against the MSC Fisheries Standard.
- Previous fishery clients have included government agencies, fishing industry associations, fisheries cooperatives, local management authorities and collaborations between fishing industry associations, conservation and community groups.
- Fishery clients are responsible for:
 - Researching and entering into a legal agreement with an accredited certification body (this means they must be a legally constituted body).
 - Coordinating the funding of the cost of certification.
 - Ensuring the certification body is aware of stakeholders who should be contacted to be involved in the assessment ensuring that the assessment team has unrestricted access to data and information about the fishery.
 - Implementing any improvements (conditions) placed on the fishery if/when the MSC certificate is issued.

Client group examples:

- Poole Harbour (Southern Inshore Fisheries and Conservation Authority [IFCA])
 - Membership: fishing license holders and processors.
 - Seafish and Resource Legacy Fund, funded but now IFCA funded, permit fee (Ocean Stewardship Fund for actions).
- Wash brown shrimp (Association)
 - Membership: fishing license holders and processors.
 - Self-funding by markets sales.
- Shetland Shellfish Management Organisation scallops (Regional Inshore Fisheries Group)
 - Membership: fishing license holders.
 - European Maritime and Fisheries Fund and local council funding for 110% costs.

- Scottish Fisheries Sustainable Accreditation Group white fish (Association)
 - Membership: Producer Organisations.
 - Funded through membership fees.

GC updated the Steering Group on the client group composition for the Cornish Sardines Management Association (CSMA) sardines.

- CSMA sardines unique in that all catchers and processors are listed as clients on the certificate.
- Engagement with certification is prioritised by the processors more than by the catching sector stakeholders, as they view certification with greater importance, but annual costs are shared between all members.
- Being a discrete, small fishery made the client group formation relatively straightforward. GC cautioned forming a Channel scallop client group may be tricky, due to so many different organisations having an interest in Channel scallops.

Discussion:

The Secretariat has been speaking with the Marine Management Organisation (MMO) grants team about potential client groups accessing funding support for MSC assessment costs, under the Fisheries and Seafood Scheme. However, any grant would have to be spent out before January 2022 to go through the reimbursement process before the end of the MMO's financial year. This would not align with the Round 1 FIPs' timeline but KK said the MMO expected it would have a similar scheme in place for the following financial year, but this was unconfirmed. AB said there is likely to be a £100m fund the MMO will be offering for research and sustainability, but nothing has been formalised yet.

Actions from Item 3:

1. Secretariat to share JP's presentation with the Steering Group.

Agenda Item 4: FisheryProgress.org social policy introduction

FisheryProgress.org has recently introduced a new human rights and social responsibility policy which will be phased in over the course of the next year for all FIPs on FisheryProgress.org. It is important the Steering Group is aware of the new requirements as members will need to provide information to comply with the policy requirements.

Overview:

- The Steering Group will have to sign up to a code of conduct, which the Secretariat can coordinate with agreement from members.
- There is a requirement to provide a vessel list for each FIP.
- All vessels and fishers involved in the FIP should be aware of rights, and grievance mechanism in place to lodge issues.
- A self-evaluation of the FIP needs to be undertaken, and if any risk is identified then the FIP will have to deliver a risk assessment plan.

The risk assessment criteria:

- There is transshipment of products and/or fishers.

- The FIP has one or more vessels with a significant migrant workforce (defined as 25% or more of the fishers not from the vessel's flag state).
- The FIP has one or more vessels where the fishers are not allowed on shore every 90 days.
- The fishery has a known instance of forced labour, child labour or human trafficking abuse within the past four years.
- The FIP does not have enough information to determine if it meets the criteria above.

Next steps for the FIP:

- Secretariat to circulate Code of Conduct with the Steering Group.
- Steering Group input on FIP self-assessment.
- Draft a vessel list for the FIP.
- Secretariat to arrange full presentation on the policy from FisheryProgress.org.

Discussion:

AB mentioned that there are anti-slavery policies and UK legislation already in place to account for the issues outlined in the social policy. CN pointed out that the FisheryProgress.org social policy requires the FIP to go further than is required by the MSC standard. As an environmental standard, the MSC focuses on environmental indicators but does have a self-declaration form that all certified fisheries must complete.

AB mentioned that many vessels have a large proportion of international crew so would trigger the risk assessment criteria specific to migrant workforce. AB questioned whether the risk criteria had to be conducted annually and the Secretariat agreed to follow up with the FisheryProgress team. The risk assessment must be done by an independent organisation and FisheryProgress.org provide a list of qualified organisations for this purpose.

CN cautioned the requirement for a vessel list for the FIP might be difficult due to the large number of inshore vessels that are not covered by Producer Organisations, yet might want to be a member of the FIP's certificate. JH said that a lot of the requirements from FisheryProgress.org should be addressed with the ILO188 that organisations submit annually.

Actions from Item 4:

1. Secretariat to:
 - a. circulate Code of Conduct to the Steering Group for agreement.
 - b. facilitate Steering Group input on FIP self-assessment against the risk criteria and coordinating a vessel list for the FIP after consultation for the Steering Group.
 - c. arrange full presentation on the policy from FisheryProgress.org.
 - d. ask FisheryProgress.org whether the risk assessment is an annual process.
2. Steering Group to provide vessel information to the Secretariat to produce a vessel list for the FIP.

Agenda Item 5: Fishery Management Plan updates

A Fishery Management Plan template is being used by the Steering Group to document progress to date, specifically for management measures in place in the fishery. AB is coordinating the content for the draft Fishery Management Plan (FMP).

Overview:

- Chapter 1 is nearing completion, Natural England had provided text recently. AB is in discussion with Seafish to access more recent data to populate the economics section (1.2.4).
- Chapter 2 has had input from Defra, and SICG management options added.
- Chapter 3 is subject to development of EU/UK fisheries negotiations which are ongoing. IFCA text had been added to cover the inshore aspect of the fishery.
- Chapter 4 is pending due to ongoing SICG/Defra management discussions and the clarity required on the new management regime.
- Chapter 5 needs populating further and will be considered in the Principle 2 meeting on the 22nd June).
- Chapter 6 includes a lot of content from Cefas and is in a good place. AB said he might need to rearrange some sections to align the Cefas text with the FMP structure.
- Chapter 7 includes text from the MMO and addresses most of the sub-sections.
- Chapters 8 and 9 are yet to be developed. The legislative flux the Channel scallop fishery is in makes developing these sections (and Chapter 2) difficult, although AB expected some updates to be announced by Defra soon.

Discussion:

FN was pleased with the progress of the draft FMP, and for all Principle 2 sections (Chapter 5) there will be more information discussed at the next Steering Group meeting. FN recognised that there are limits to how much could be added to the FMP in some of the sections, given the developing legislative scene.

FN agreed to review the FMP to check the content is appropriate and identify any further gaps.

JP reminded the Steering Group that the action plan requires an independent review of the FMP. ICES scallop WG could undertake the review, as could Marine Scotland Science, and Lynda Blackadder in particular. The Steering Group will need to consider the timeline for finishing the FMP and having it reviewed independently.

Action from item 5:

1. FN to review the FMP in detail to check that content is appropriate and identify any further gaps.

Any Other Business

The minutes from the Steering Group meeting would be shared by the Secretariat for review in due course.

Meeting Closes

16.00hr

Actions Arising	Responsibility
<u>Marine Stewardship Council scallop commercial update</u> <ul style="list-style-type: none"> Secretariat to share SM market presentation with the Steering Group 	Secretariat
<u>Annual review progress update</u> <ul style="list-style-type: none"> FN to rescore Principle 2 actions over the course of the final year, as progress is made against the action milestones. Secretariat to share FN's FIP update summary slides with the Steering Group. 	FN Secretariat
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<u>FisheryProgress.org social policy introduction</u> <ul style="list-style-type: none"> circulate Code of Conduct to the Steering Group for agreement. facilitate Steering Group input on FIP self-assessment against the risk criteria and coordinating a vessel list for the FIP after consultation for the Steering Group. arrange full presentation on the policy from FisheryProgress.org. ask FisheryProgress.org whether the risk assessment is an annual process. Steering Group to provide vessel information to the Secretariat to produce a vessel list for the FIP. 	Secretariat Secretariat Secretariat Secretariat Steering Group
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