

Senedd Cymru
Y Pwyllgor Newid Hinsawdd, Amgylchedd a
Materion Gwledig
Ymgynghoriad ar effaith argyfwng
Covid-19
CCERA(5) CP 18
Ymateb gan Cymdeithas Pysgotwyr Cymru Cyf

Welsh Parliament
Climate Change, Environment and Rural Affairs
Committee
Consultation on the impact of the Covid-19
pandemic
CCERA(5) CP 18
Evidence from Welsh Fisherman's Association
Ltd



Welsh Fisherman's Association Ltd
Cymdeithas Pysgotwyr Cymru Cyf

1) THE SCALE & IMPACT OF THE PANDEMIC ON YOUR WORK / SECTOR

Background

The last quarter of 2019 had already seen restrictions to the flows of shellfish and crustacea into the Asian markets that inevitably reverberated through the supply chain affecting trade flows and prices generally.

These effects were followed by the longest period of severe weather in 20 years that prevented the predominantly small scale fleet in Wales from going to sea and earning a living for the first 3 months of 2020.

Fishermen are used to working with nature and had set their sights on the spring and more settled weather to re-build resilience from a fragile economic position. These plans were soon devastated when in early March the Covid-19 lock-down restrictions resulted in the immediate closure of traditional shellfish/crustacean markets (90% of Welsh landings) followed very quickly by UK Government measures to close the food service and hospitality sectors whilst the impact of travel restrictions resulted in the shutdown of the tourism sector the combination of which resulted in a complete failure of the supply chains, domestic and export, at a time of severe economic vulnerability for fishing, aquaculture and seafood businesses in Wales.

As an organisation the work of the Welsh Fisherman's Association – Cymdeithas Pysgotwyr Cymru (WFA-CPC) was more important than ever given the scale of the impacts on individuals resulting from the public health emergency.

Fortunately the work of the WFA-CPC is supported by three FTE's as such we decided many years ago that office space was an unnecessary expense for a small team working from different locations in Wales, consequently we have worked effectively from a home base for the last four years our small team has been willing and thankfully able to continue providing services to fishers throughout Wales albeit remotely at a time of unprecedented anxiety and need.

The WFA-CPC is aware of the covid-19 support packages/grants available through the Economic Resilience Fund and Furlough for example, however, as our team wanted to continue working remotely through the 'lockdown' we did not qualify for any form of additional assistance thankfully with the exception of travelling

and face to face meetings we have been able to maintain EMFF Project delivery and member support and advice during one of the most challenging events of our time.

Technology intensified the extent and frequency of meetings with our UK colleagues, Welsh Government Marine & Fisheries, Defra and CEFAS which has generally been a positive development which to some extent will remain a feature of stakeholder engagement in the new normal, in the meantime the only certainty is uncertainty accompanied by anxiety and wellbeing issues we are yet to fully understand.

2) HOW WELSH GOVERNMENT ACTION TO DATE HAS HELPED TO COMBAT THE IMPACT OF THE PANDEMIC:

Cumulative economic effects of the events in the final quarter of 2019 and the first quarter of 2020 and the immediate failure of the fish and shellfish markets in the second week of March 2020 due to the implementation of covid-19 restrictions placed small scale fishing, aquaculture and seafood supply businesses under severe financial pressure.

The package of interventions announced by the UK Government were to be welcomed but unfortunately many Welsh fishing businesses did not qualify for the business rates relief and associated grants or the furlough scheme due to the nature of their business and their largely self-employed status. Once the self-employed support scheme was announced it was clear that many Welsh fishers did not qualify due to the £50,000 profitability threshold required for the 2018/19 financial year (particularly given the economic impact of Asian markets and severe weather in the last quarter of 2019 and the 1st quarter of 2020 respectively) and the reality that many small scale fishing businesses would not normally realise such levels of profitability in a good year.

Mortgage holidays and the freezing of business loans were welcome but experience and outcomes varied according to the banks interpretation of the government Guidance where fishers fell through the gaps of the various support schemes, Universal Credit with an emergency advance payment was the final option remaining with the exception of assistance through charities like The Fisherman's Mission.

The Fisheries Support Grant provided by Welsh Government was a very welcome life line to many Welsh fishing businesses and their families at an extremely difficult time. This enabled vessel owners to maintain fixed cost payments for a period of two months. This important intervention enabled fishermen in Wales to cover the fixed costs of their businesses whilst pursuing other forms of income support to meet immediate basic welfare needs.

Beyond the initial impacts of this public health emergency it is clear that going forward recovery for aquaculture producers, fishermen and seafood supply businesses will rely entirely on markets, export and domestic, without which further support schemes will be inevitable if fishing communities in Wales are to survive the winter months. The summer season for fishing (as many other businesses) is the key period of the year in which to generate income and build reserves to carry business through the more unpredictable weather patterns of the winter months with a very limited export market and the majority of the tourism and associated hospitality and food service sectors also dramatically impacted by the Covid-19 restrictions, even today it is difficult to predict recovery with any confidence, therefore, if patterns remain as they are we would expect to see further hardship as we approach winter.

In contrast, a limited whelk market has been maintained through the period at a reduced price and to a lesser degree the supply of king scallop which has also been affected by a dramatic reduction in price which, in some areas of the UK, has led to voluntary closures. In Wales scallop fishers voluntarily tied-up in March and early April pending guidance on social distancing within confined areas and anticipation of a testing

regime to enable skippers/owners to appropriately assess the risks to themselves, crew and the wider public and make informed decisions with respect to working practice and crew transfers.

Moluscan aquaculture businesses in Wales is similar to farming as shellfish cultivation operates to cycles of production. To produce mussels and oysters for example to consumers, however, whilst the costs of production and husbandry continue as usual without a market for their products this places businesses under increased financial pressure that in some cases cannot be sustained.

3) WHAT FURTHER STEPS THE WELSH GOVERNMENT SHOULD TAKE:

As we continue to review the ongoing impacts of Covid measures the market failures remain stubborn particularly for crustacea and shellfish (90% of Welsh landings).

Despite initiatives to promote direct selling to the public the results have been patchy in Wales due to fragmentation and logistical difficulties.

There have been some individual success stories but the reality is that direct selling (without tourism and hospitality sectors) will not replace the pre-Covid flows of fish and shellfish.

We think that there is a place for the Welsh Government and Food Policy to initiate dialogue and facilitate collaboration between sectors:- food technology, universities; consumer focus groups, processors and fishers to develop product innovation with a variety of fish and shellfish species traditionally and consistently landed in Wales with the possibility of combining potential healthy and nutritious ready meals that could be combined with public procurement policy and given the possibility of 'No-deal' at the end of transition the combination of traditional Welsh landed fish and shellfish, consistent supply product innovation and public procurement would help to insulate the seafood supply chain from future economic shocks, build resilience into the seafood sectors and contribute to Wales' food security requirements adding value, creating and supporting jobs and economic growth within coastal communities from sustainably managed naturally renewing resources delivering against the goals of the Wellbeing & Future Generations (Wales) act 2015 and the sustainability principles of the Environment (Wales) Act 2016.

Shortly after Welsh Government's announcement of the Fisheries Support Grant Defra published the English Fisheries Response Fund, the main differences between the schemes are:-

	WALES	ENGLAND
FIXED COST PAYMENTS:	2 month one off payment capped at a maximum £10,000 per vessel	2 months payment with the option of a third month for Eligible applicants (3 rd month now paid) payment capped at a maximum of £10,000 per vessel:
AQUACULTURE:	No provision	£1m fund for eligible Applicants:

PROCESSING/DIRECT SALES:	No provision	£1m fund for eligible Applicants:
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Given that markets for fish and shellfish are likely to remain extremely challenging for the foreseeable future, particularly as local lockdown affects in different towns, cities and countries will inevitably have impacts on supply chains, both domestic and export, however, as the above comparison of the English support grants highlights, it will be important going forward to monitor and review interventions to ensure that timely and appropriate decisions can be made that safeguard the seafood supply chain in Wales during these unpredictable unprecedented circumstances.

There are clearly different priorities and levels of support between the above grant schemes and all governments will face immense challenges as budgets come under increasing pressures, that said, the Barnett Consequentials of £900,000 to the Welsh treasury arising from the UK Governments announcement of the Covid-19 £10m Fisheries Response Fund, in addition to an earlier fisheries funding announcement made by UK Government in 2019 which provided a further £2.4m as a fisheries consequential to Wales. These sums would present a significant and critical financial resource to provide vital support to safeguard fishing, aquaculture seafood supply businesses and communities in Wales through a very uncertain future.

As mentioned above, direct selling/sales infrastructure and logistics together with product innovation/production would strengthen and insulate the sectors from further potential market disruption as the UK leaves the EU. By focussing on the domestic and UK markets for sales of healthy, sustainable Welsh seafood products/recipes particularly if combined with public procurement opportunities in Wales.

We note for the interest of the Committee that pre-Covid the Seafish Industry Authority (a UK non-departmental body funded by levy) objectives were and remain to promote consumption by *'more people eating more fish more often'*. Seafish aims to achieve this objective by using a bilingual UK level social media platform *'Fish is the Dish'*. There is no data to interpret social media likes retweets etc. into either Welsh specific consumer interest/enquiries or to measure the monetary sales converted from the platform. As the Seafish levy is derived at a UK level we understand that, by extension, Seafish is prevented from actively promoting the consumption of Welsh seafood produce! Whilst we understand the restrictions placed on Seafish and their intended purpose we would suggest that the Minister for EE&RA Lesley Griffiths MS and Officials examine the existing relationship within the imminent formal review of the Authority.

4) ANY OTHER AREAS WITHIN YOUR REMIT YOU WISH TO DRAW TO OUR ATTENTION:

Given the sudden and severe impacts of the unforeseen Covid-19 emergency it soon became clear that staff were drawn from the Marine & Fisheries Division to support the Welsh Government Covid-19 response from the centre. Whilst we can understand the justification for doing so and are not criticising that decision we would like to draw comparisons to the Committee's attention;

In England the IFCA's and the MMO were not affected in the same way as was the case in Wales due to these arm's length relationship between these Agencies and Defra/UK Government thus ensuring that, subject to guidance, these Agencies were able to continue to carry out their statutory functions.

Our concern, both now and in the future, arises from experience to date whereby Brexit No-Deal preparations and the Covid-19 Emergency response have clearly impacted the Marine & Fisheries Division's ability to fully function at times of crisis (unlike our neighbouring authorities).

Going forward the economic shock of the Covid-19 emergency response will likely be realised on or about the time at when the UK leaves the EU transition period, which theoretically/probably, would find the Welsh Government facing three major challenges on different fronts. Inevitably such a situation on past experience would place a significant strain/pressure on the ability of Marine & Fisheries Division to exercise its statutory duties as staff resource are repurposed elsewhere within government.

Operational functions such as fisheries management, enforcement, marine science and monitoring are highly dynamic and essential functions that require dedicated/fixed resource and therefore are highly susceptible to the impacts of wider events, in our considered opinion, marine and fisheries cannot effectively and efficiently operate from within Welsh Government.

It is also our opinion marine and fisheries would be less exposed to unforeseen events and be in a position to respond to the needs of a dynamic marine environment and a highly dynamic sector by creating a hybrid agency with responsibility and accountability for control, enforcement, conservation, science, monitoring and fisheries management, which, together with the Senedd's legislative competence extended in the UK Fish Bill to the whole of the Welsh Zone/EEZ, is the only means by which we can truly deliver co-management of fisheries and the marine environment in an open and transparent way of working that embodies the Principles of Sustainable Development and the Wellbeing & Future Generations Act (Wales) 2015 goals and way of working.

Welsh Fisherman's Association – Cymdeithas Pysgotwyr Cymru Cyf (WFA-CPC)

September 2020