

Scottish Affairs Committee

Oral evidence: [Fisheries and Scotland, HC 1180](#)

Thursday 4 February 2021

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Members present: Pete Wishart (Chair); Mhairi Black; Andrew Bowie; Deidre Brock; Wendy Chamberlain; Alberto Costa; Jon Cruddas; Sally-Ann Hart; John Lamont; Douglas Ross; Liz Twist.

Environment, Food and Rural Affairs Committee Members present: Dave Doogan; Neil Parish.

Questions 1 - 49

Witnesses

[I](#): Jimmy Buchan, Chief Executive, Scottish Seafood Association; Elaine Whyte, Executive Secretary, Clyde Fishermen's Association; and James Withers, Chief Executive, Scotland Food & Drink.

Examination of witnesses

Witnesses: Jimmy Buchan, Elaine Whyte and James Withers.

Q1 Chair: Welcome to the Scottish Affairs Committee in this one-off session on the Scottish fishing industry. We are particularly pleased and glad that we are being joined by the Chair of the EFRA Committee, Neil Parish, and his colleague from that Committee, Dave Doogan. We have some fantastic witnesses today and we are looking to explore some of the difficulties and issues that have emerged in the course of the past months since the end of the transition arrangements. On that basis, I will let my guests introduce themselves. We will forgo anything by way of a short introductory statement because we have an extended Committee, so could you introduce yourself and who you represent—thank you? We will start with you, Ms Whyte.

Elaine Whyte: My name is Elaine Whyte and I represent the Clyde Fishermen's Association. I am also a co-ordinator at Communities Inshore Fisheries Alliance.

Jimmy Buchan: Good morning, everyone. My name is Jimmy Buchan. I am chief executive of the Scottish Seafood Association, which is the representative of the processing sector. We have over 80 members, representing a wide range of processing across Scotland. Thank you.

James Withers: Morning, Chair and Committee. I am James Withers, chief executive of Scotland Food & Drink. We are an industry representative body. We have about 450 members, most of them food and drink manufacturers, big and small, around Scotland.

Q2 Chair: Thank you very much for being so concise and helpful.

Every time that representatives of the Scottish fishing industry have come to this Committee in the past few years, it has always been said to us that Brexit was nothing other than a positive for the fishing industry. I think the phrase most associated with leaving the EU in regards to fishing is that it will present "a sea of opportunity". Can you tell me what has happened to the sea of opportunity? Is that how you would describe it now? We will start with you, Ms Whyte.

Elaine Whyte: I would just confirm that we gave evidence about two years ago to this Committee and we didn't say it would be a sea of opportunity. We said we were concerned about the markets and tariffs. We were also concerned about direct action. It turns out, from our perspective, that direct action is not so much of an issue because obviously all it takes is for paperwork not to work for there to be issues. Yes, as far as we are concerned, we were always aware that these issues would happen. Potentially engagement with the exporters of shellfish and fishermen of shellfish—a more concise engagement—might have assisted.

Q3 Chair: Mr Buchan, is this what you expected would be the result of leaving the European Union and the end of the transitional



arrangements?

Jimmy Buchan: It is like all negotiations—you go into a negotiation with high hopes, aspiration and vision. I am not going to say it any other way: for our members it has not been the best deal. That is a sad state of affairs, but we remain optimistic that there is much more to be done. There is another negotiation to happen in five and a half years' time, so we have to remain firmly fixed on that. During that period we have to prepare and set the scene for that period, when it comes, and what can come of it. No, it has not been the sea of opportunity that we certainly envisaged or hoped for.

Q4 **Chair:** Can you help us a bit with this, Mr Withers? What exactly have been the issues? What has been the problem? Why has the high expectation of leaving the European Union that has been presented by the UK Government failed to materialise? What has gone wrong?

James Withers: For me, this is less about whether Brexit was a good idea or not; that was settled back in 2016. It is how it has been done. There have been some catastrophic decisions taken to create enormous non-tariff barriers and we have ended up with a trading regime that has become complex, costly and slow—at its best prone to break down, and at worst the door to the EU market has been closed altogether for some food exporters across Scotland and elsewhere in the UK. Unfortunately, it is a very predictable outcome of trying to test a multibillion new trading system in real time in the midst of a pandemic.

The industry asked for a grace period. That plea fell on deaf ears, we feel, and yet it is not a radical idea. That grace period exists for EU businesses that are importing into the UK until April. It exists for GB-NI trade and obviously the latest discussion is looking to extend some of that to 2023, but for the artery of about £1.2 billion of Scottish exports to the continent over the short straits, the businesses there got a deal on Christmas Eve and a final border operating model on New Year's Eve and a lot of businesses feel they were just thrown to the wolves the next day.

We have had a dreadful first few weeks of trading in the post-Brexit world—there is no way of sugar coating it—and the question is how do we try to piece together the most important trading relationship we have internationally going forward.

What has gone wrong? If we listed what had gone wrong, I am afraid we would run out time and it would be dark very soon. On the biggest challenge—I have been reflecting on this in the last few days—I do not think it is just the sheer weight of paperwork, IT systems crashing in the UK and in France, the missing commodity codes or HMRC systems failing. I do not even think it has been the loads held up due to forms being filled out in the wrong colour of ink. I think the biggest single challenge we have now is denial. I think it is denial from the UK Government, in particular, of the scale of the problem. We cannot accept that these are short-term issues or teething problems, or even the statement from



DEFRA this week that trade continues to flow smoothly—because it doesn't. It is not flowing smoothly and it has not done for five weeks now, so we are going to have to come up with solutions. I heard one business saying this week that it feels as though the UK has created history in being the only country ever to impose economic sanctions on itself. Members might disagree with that analysis, but that is how it feels for a lot of businesses. Dialogue with the Commission now feels urgent to try to recognise where we are as a third country and to look for solutions.

Q5 Chair: Is that how you feel about these arrangements, Mr Buchan? To pick up the point that Mr Withers made there, the Government have suggested all the way down the line in the last few weeks that these are just teething problems, with the impression it is not particularly serious and it could be sorted out relatively quickly. Is that what you make of what you are observing now—it is just something that will be got over?

Jimmy Buchan: I am here to represent the industry that employs me. For some, they are beginning to get goods into the EU. I am not going to say that we are not moving any seafood. Seafood is beginning to flow and each day is an improving situation, but it is far from being perfect. James is right: the Government, to a degree, are still in denial. These are not teething problems. These are issues about which we need to sit down with the Government, and they need to sit down with the European Commission and sort things out.

One of the other concerns is that if we have problems going out, the EU is going to have problems coming in in six months' time. Let's not wait until another country is suffering what we are. Let's highlight what we have and get these problems sorted out. I ask that we get that done sooner rather than later.

Q6 Chair: Lastly from me to you, Ms Whyte, is it getting better? This week we learned, for example, that the EU will be closed indefinitely now to wild shellfish from the United Kingdom. Do you have a sense that these teething problems are being resolved and it is getting better?

Elaine Whyte: There may be some improvements in some areas. I think particularly for the small rural communities, where groupage is essential—for anyone who doesn't understand, that is lots of different consignments going on one lorry—which the small communities depend on, that is still a massive issue. I had a gentleman text me this morning and say that he sent a delivery of frozen prawns last Monday that has only just been cleared in the continent. That is over a week. I think we have to be cognisant that these markets took 40 years to build up. We can't just go to the far east; we can't just go somewhere else overnight.

I do not see it getting better at the moment in terms of our reputation, in terms of losing customers and in terms of people going to Norway and Ireland for the same or similar product. That is a massive issue. I think that you are right—Jimmy touched on it and so did James—that we can't have denial, but we also have to listen to the strong and practical



HOUSE OF COMMONS

messages. As I said two years ago, these are going to be issues. I continue to say they are going to be issues and I believe they are going to be issues for a long time. We need a memorandum of understanding and a grace period because I don't want to see us in a situation where every time there is a trade dispute we have paperwork issues, which we have with China at times with things like exports of crabs. We need to have a practical working arrangement for the long term.

Q7 Chair: Lastly to you, Mr Withers, was this always going to be a consequence of leaving the single market and the customs union? Wouldn't the Government have been better to have alerted and warned the fishing sector in advance about what was likely to happen?

James Withers: There has been a massive issue with the mismanagement of expectations, for sure. The reality is the harder the form of Brexit, the greater the barriers that have to be overcome. We have ended up with huge non-tariff barriers, despite the Prime Minister on Christmas Eve saying there weren't any. There are massive, massive non-trade barriers now. The question is what we do with that. We now have the first five weeks of evidence of what has gone wrong. The reality is that it has become very clear that due to the deliberate decisions taken as to the kind of trading relationship we were going to have, with a form of hard Brexit, we have an EU third-country import system that was never built for the likes of the UK.

It was never built for the large movements of perishable products that need to get from the north of Scotland into France and Spain within 12 to 24 hours. It was certainly never built for groupage and consolidated loads, as Elaine rightly identified. It certainly was never built for a country so integrated into its supply chains. I think because we heard "sea of opportunity", "upwinds" and various phrases like that, there is no doubt that no one felt as though it was going to be as bad as it has been in the first few weeks.

Even if they did, we lost the transition period through not knowing what we were transitioning to, and we lost the transition period to a global pandemic, where most businesses were just trying to get through the week, look after their staff and keep food on the shelves in the UK, and did not have time and departments to prepare for what came. I am certainly not aware of a global trade deal of this scale that has ever been agreed and then come into force within seven days. I think that is a large part of the challenges we have had.

Q8 Chair: Jimmy, I see your hand up and obviously we will come to you before we move on to the Chair of the EFRA Committee. Is there a profound sense of disappointment among your members about what has happened? What is the mood? Give the Committee a sense of what people are feeling about this.

Jimmy Buchan: Business is concerned. Business wants to trade and right now there are obstacles, there are restrictions and there is a slow



HOUSE OF COMMONS

movement of fish. We need to scale up the industry. We are still in the winter period. We are far from what would be normal trading conditions, so we need to get slicker and we need to get smoother. I wanted to reiterate, because I can see certain questions coming my way, that we also have to acknowledge that during all the period since Brexit, there are many occasions that we could have done things differently. There were opportunities to stay in the customs union and stay in the single market. These were turned down by the politicians, so let's not blame all of industry for what it wanted. There were opportunities during that period in which we could have all done it so differently.

With the benefit of hindsight, we all know what these things are, but at a given time, at a given moment, the sea of opportunity was an aspiration for the coastal communities of the United Kingdom to try to get a better share of the quota system, which was unfairly distributed. We are where we are today. I want to look forward. I want to give evidence at this Committee that is positive and that all cross party can take away. We can work as a team to solve this and make sure that businesses and people in those businesses are working wholeheartedly for the greater good, rather than division.

Chair: Excellent. Thank you for very much, Mr Buchan. I now hand over to my colleague, the Chair of the EFRA Committee, Neil Parish.

Q9 Neil Parish: Pete, thank you very much, and thank you to all the witnesses this morning. As I said earlier, we have already launched for evidence our own inquiry into this. Jimmy, you have given me a good handle for my question, because some of it has been dealt with, but you quite rightly say that it was a political decision by the Government to do a deal with Europe that was outside the customs union and outside the single market. That was a political decision, but it has been made and we are where we are. I am very interested in your final statement, where you say, "Let's try to make this work, however difficult."

As far as the big fleets are concerned, and as far as the smaller inshore vessels are concerned, I think some of the paperwork we can be made better on our side. Either for Scotland or the rest of the United Kingdom, we can make our side better, even if it is going to be difficult the other side. What can we do to listen to the industry and join up our own systems to make them work better? I have this feeling that we might be being singled out for special treatment by the EU as an example to others. Do you have any other examples of third countries that are trading with the EU that are not being jumped through quite so many hoops? You start off, Jimmy, and then I would like to hear from James and Elaine, please.

Jimmy Buchan: That is an excellent leading question. We could look at the Norway model. Norway is trading well through its agreement with the EU bloc and therefore they do not have the same restrictions or caveats—or hoops; whatever we want to call them—to do that trade. One suggestion that I have put on the table—it is how we get the enthusiasm



and the vision—is why we could not have EU clearing customs houses in Scotland so that the produce has already cleared customs in the country of origin, and therefore once the product starts to move, it can flow seamlessly through a border that was not there before January and should not be there now. We do all the paperwork, we sort out all the things so that the food does not spoil, and it can get to the market for the people who want to buy it. There are ways we can solve things, but it takes political will and it takes political willingness for us to say, “What is in the greater good of the people who want to buy and the people who want to sell?” I have always said that people are the market, politicians are the barriers.

Q10 Neil Parish: Jimmy, that is a good idea. Also, we are finding down in the west country that the particular people who are finding it very hard to export are those smaller companies and smaller fishermen, who are finding even more difficulty with the paperwork. Are you finding the same sort of thing in Scotland?

Jimmy Buchan: Absolutely. Look, in small businesses—I know well about small business, because in my private life I operate a small business—you are so involved in the business that you don’t have the resources or the wherewithal to deal with the bureaucratic paperwork that comes with any new trading platform. That is what is always going to trip up the small artisan, niche businessman who has a fantastic product. We need to find ways of reducing the cumbersome and laborious paperwork trail that small business just does not like, and find a slicker, smoother way of being able to meet the customs control. That can be done digitally and much faster, to allow business to operate quicker. As I said, every day is an improving day, but we should not be putting barriers there—we should be trying to bring barriers down.

Q11 Neil Parish: That is a very good point. Elaine and James, would you like to add to that?

Elaine Whyte: Yes, thank you. I do think that we need to start listening to different sectors within the industry because not everybody is homogenous. We talked about small businesses that are maybe not coping with the paperwork. Of course that is true, and it is very laborious, but I know small businesses that are submitting paperwork where they get a gold star—absolutely ideal—and it still is not working. What we need to do is get the practical people around the table and listen to them. As I said, we said way back, “This is going to be an issue,” and that was not listened to.

We heard about the sea of opportunity, and of course Jimmy is right that we wanted to see quota shared more fairly. Of course that is a concern, but we also don’t want to lose our markets. We could not have shouted for this louder and it just wasn’t followed through. My concern is that we have a lot of working groups that do not involve the people who are ultimately impacted—the people who are facing the 10-day delays; the



people who know that they have done the paperwork right—but this is where the issue is. We need to start listening to the issues.

There are two aspects to this, however: the practical working groups—that we need to get the actual people who are exporting around the tables, or the fishermen themselves with the issues that they are facing—and we need political will. We need to start that dialogue with France long term and have some security that way.

Q12 Neil Parish: As I bring you in, James—I am conscious of time—the other part of my question is what additional issues there have been for exporting fish from Scotland to Northern Ireland in particular. Will this get worse in April? Can you link that into your response? Then I will come back to Jimmy and Elaine, if they want to comment on Scotland and Northern Ireland.

James Withers: I would echo some of what has been said. What we have now is five weeks of evidence, so we have a bank of challenges here that are counted in their dozens that we need to think about how we solve. Michael Gove has accepted the industry's request for a task force. That is good news. It is only half the job; it is probably less than half the job. Critically, alongside that, there has to be an avenue open with the European Commission. We are not trying to circumvent a UK-EU trade deal here. Within that deal is scope to look at simplification of sanitary and phytosanitary checks and to potentially reduce the frequency. Those are the kind of trading models that are already used by other third countries. It is easier to send red meat from New Zealand at the moment to the EU than it is to send it 30 miles across the English Channel.

To your question, are we being singled out for special treatment, the biggest point of friction just now for most of our business isn't across the Irish Sea, it is going into France. Yes, we are getting special treatment because we made ourselves special. We have left the EU, so there is no escaping that, but there are an awful lot of new, young and inexperienced customs agents learning their trade in real time as well.

The last point I would make is just about this process of understanding how we can do things better, because it will take time, but on this engagement with the EU, the clock is ticking. I cannot overemphasise how important it is to start that dialogue now because, as Jimmy rightly says, freight volumes are going to start increasing. We have April coming at us as another potential car crash, where import controls will start on EU products coming into the UK, when we will see potentially some of the grace periods in Northern Ireland starting to go, and when we also have a suite of other products that might fall under official controls.

The mood music I pick up from Government officials is that there is a reluctance to engage with the EU now until April. In other words, they need to feel some of the pain that we are feeling before it will come to the table. I am massively worried about that. That is the same mentality of brinksmanship and last-minute negotiation that failed us spectacularly



HOUSE OF COMMONS

at the end of last year. Let's learn from that, see what is coming and engage now around practical solutions to try to make things better.

Q13 **Neil Parish:** Thank you. Jimmy, what is the situation from Scotland and Northern Ireland? Is it not too bad at the moment? What is it like?

Jimmy Buchan: Speaking to the various members, we are managing to get the fish across, and that is both frozen and fresh, but there are still border problems. It is these type of things that are restrictive and knock the confidence out of the buyers. As I said in my opening statement, buyers are marketeers—they are on the spot; they are buying there; they see a market opportunity—but you cannot run a business like that if you haven't the confidence that what you are buying on the market floor is going to go in that wagon and travel to the customer you have made the deal with.

Q14 **Neil Parish:** Sorry to interrupt you, Jimmy. What is the percentage of fish that would go to the continent and what would go to Northern Ireland from Scotland?

Jimmy Buchan: I would not have the figures, but I can take that question and get these figures to you. The biggest single market is definitely out through Kent and into France for onward distribution into wider Europe.

I would also like to add that we are trying to build an alliance with Boulogne-sur-Mer fish merchants, because I think it is very important that the dialogue between us up here in Scotland and our customers in France is good and robust. That is where we are going to build a strong alliance and work with our customers to find solutions to this problem going forward.

Neil Parish: I do not know whether anyone wants to add anything. I am conscious of time. Pete will want to get on to the next question. Elaine, anything else to add? Then I will pass on to the next question.

Elaine Whyte: My constituency—where our men fish—is about 11 miles away from Northern Ireland. We do have issues. There are a couple of issues that I have to talk about. I know that 86% of our shellfish goes to the EU. You are talking probably about 10% or 15% going to Northern Ireland. There is a massive issue obviously come April, because we have processed some of our goods from Scotland in Northern Ireland and then it comes back again, so it is a massive issue.

I have to talk about the resilience issue, because I think this is the most practical thing we need to look at. We have the Covid issue, but we also did not have even ground between places like our region and Northern Ireland when it comes to fishing for nephrops. In Northern Ireland they have access to crew, they fish in our waters around Campbeltown—we wish them well for that—but now they have a far better way to export as well. To be honest with you, we have regional disadvantages there and we need to look at that. That is what I would raise.



HOUSE OF COMMONS

Neil Parish: Thank you—some very good answers. Thank you, witnesses. I will pass back to Pete now, because I know what is like for time when you are chairing.

Chair: Thank you ever so much, Neil. We always get good answers in the Scottish Affairs Committee. Thanks for your questions this morning. I will now pass over to my colleague, John Lamont.

Q15 **John Lamont:** Thank you, Chairman, and good morning, witnesses. I met some of the fishermen from the Berwickshire coast and the Northumberland coast last week with my colleagues south of the border. They flagged a few issues, but the main point of concern for them seemed to be how Larkhall was working. Jimmy, you have raised this previously and there were other issues in relation to customs, but they were particularly concerned with how long it was taking to get clearance from Larkhall. Is that still your understanding of the position as well—Larkhall is not working as efficiently as it should? Jimmy.

Jimmy Buchan: John, it is a very good question. As I said earlier, each day is a better day and it is a learning day, but there are still issues coming from the paperwork for some of my members. It was reported by Food Standards Scotland that still 40% to 50% of the paperwork coming in had to be reworked, so it was not entirely wrong, it just was not perfect. This is the problem. We are having to achieve a 100% pass rate on every single paper. Listen, we are humans. We are busy people; we make mistakes. They are called errors. I am not saying this is unfairness, but it is that level of criteria—the barrier that we have to reach on every single document. If you do not reach that, it is going to cost that company lots of money, but in the groupage, everyone else in that lorry is also being put at risk.

This is where we need to have some sort of understanding. I might highlight that with a simple thing like three boxes on our paperwork—ambient; chilled; frozen—when that got to the border control post in France, the border control post refused to accept that paperwork. Someone inadvertently had not put a tick in the proper box and that lorry had to sit for 18 hours while they got a new set of papers sent from Larkhall to the border control post. It is that type of level of scrutiny and bureaucratic nonsense that needs to be stripped to say, “Why could the lorry driver not sit in the lorry, but take that and get that fresh to market?”

It is not all Larkhall. I am very sympathetic with the logistics in Larkhall, because it has been absolutely swamped with this. It is very easy to point the finger, but as I said at the beginning, this was a new dawn and a new platform for everyone. It was everyone at school on the first day—the pupils, the teacher and even the janitor. We are smoothing these things out, but until we get standardisation right across border control posts—right across the UK control posts that we are all working to—and we all know and understand, we are going to continue to have this bureaucratic nonsense tripping up the industry.



HOUSE OF COMMONS

Q16 John Lamont: The other issue that was raised with me is they felt there were not enough staff at Larkhall to do everything that was being asked of them. The other point they made was that rather than just taking samples for the purposes of inspection, they were insisting on inspecting the whole load. Is that consistent with your view as well?

Jimmy Buchan: That is consistent with what is being reported back to me, but again I need to explain this. If you are the vet and you are signing off a £100,000 consignment in that lorry, and it then gets to the French border control and something goes wrong, it is you, the vet, who signed that off and you will be responsible. Therefore if you were the vet, you would be making sure that what you are signing is exactly going to pass. There is this onerous responsibility coming on to individuals. When you get that in the system, you therefore then have chokes.

As it was told to me, some lorries were taking 90 minutes to clear. In fact, there was one cleared in 45 minutes, and yet last week it took another one 10 and a half hours to clear. We need scrutiny, standardisation and consistency with all the inspectors. Regardless of whether it is Larkhall or a French border control post, we need a standard so that everyone knows what the rules are and we stick to that.

Q17 John Lamont: I am going to ask the other witnesses their views on this as well, but just to conclude that with you, Jimmy, having more staff in Larkhall, given the extra responsibility that you have described so well, to deal with the inspections and the other jobs they have to do would alleviate the pressure somewhat.

Jimmy Buchan: More staff are always welcome, but sometimes you can have too many staff. It is about the system and flow, and it is about industry being prepared to change for the new platform as well. The logistics companies are saying there are deadlines—that lorries have to be arriving by 5 pm at the latest for onward distribution. The lorry rocking in at 6 pm is too late. There has to be adjustment from industry.

If I might just say, Food Standards Scotland, which is supplying the vets, is telling us that it is putting more and more vets on. One of the other things that I would like to raise there is the cost of these vets. It is £43 an hour, going up to £130 an hour on public holidays. That is going to eat into the merchants' profit margins. It is this type of bureaucratic mountain that we need to strip out and let business do what business does—and that is trade.

John Lamont: Elaine, do you have any views on Larkhall?

Elaine Whyte: Yes, I do. I have been in several meetings with DFDS about whether there are enough staff, and obviously there are others operating slightly differently. It might not be a case of having more staff; it might be a case of having the staff on at the right times because I certainly know that some lorries are not expecting to go in in just an hour. Some lorries are still sitting there for a long, long time and we have to figure that out. I think a key problem that I am hearing is the customs



HOUSE OF COMMONS

agents and the quality of them as well, because some consignments are getting through quite easily and some are taking a very long time, depending on who you go to as your customs agent.

Certainly there is logistics, but I think there are different issues coming up every day, whether it is through the system. For instance, we all know about skate wings not being on some of the systems—those kind of issues—or whether something is due to paperwork. I do think people are trying very hard with the paperwork. Of course they might make mistakes, but I do understand that with groupage in particular, if there are different loads coming on at various times to go on the one lorry, you are maybe only as good as the last load's paperwork. That is a massive issue.

James Withers: I have some of the latest performance stats for Larkhall from Monday and Tuesday this week. EHCs are taking on average two to two and a half hours to process. Obviously that is an average, so you have some, as Jimmy said, at the good end of the spectrum, at 45 minutes, and about 10% to 20% are taking over five hours, so it is a still a real mix. I am satisfied—I have looked hard at this—that it is not a staffing issue that would drive a quicker processing time for that. FSS has been working very quickly and fluidly with the likes of DFDS to understand particularly balance of shift patterns, and when they need more and when they need less vets.

I am confident that if we threw more vets at it, it is not going to fundamentally alter that pattern of processing time. It is about accuracy of paperwork. Jimmy has identified a few things that can go wrong. You have physical inspections that will identify half a kilo of difference in the total volume in a lorry compared with what is on the paperwork and then you have a problem.

The one piece of context I would add is part of the reason why Larkhall has become a strong focus: first, because this hub approach has been set up; but it is also critical that in making sure all the horrendous amount of hoops are jumped through in Larkhall, if you miss one or something goes wrong, you have some time to fix it. If that same problem is identified only on the other side of the channel in France, you have a massive issue, because then it is unlikely you can get that lorry back in time. It might be stuck there. You could see the value of the product on there crash through the floor as the shelf life gets burnt through and your options to fix things become massively more limited, hence the kind of officious approach that there is at Larkhall to limit the risk of it going horrendously and fatally wrong once it gets over the other side of the channel.

John Lamont: That is fine. Thank you, Chairman.

Chair: Thank you. A couple of things, colleagues. There is a funny clicking noise going on, so somebody obviously has their mic on, so could you just make sure that you are muted? Just as an appeal to witnesses, if



you are using acronyms, could you please tell us what they are? I think we have heard EHCs—export health certificates. There are lots of people taking an interest in this session today, so it would just be helpful for the people who are listening in. I will now hand over to Deidre Brock.

- Q18 Deidre Brock:** Thank you, Chair. Thank you to all the witnesses for coming along today to help us disentangle what is going on here. Look, it is obviously pretty clear that the export system for fish and seafood isn't fit for purpose. I am going to ask a three-part question, if I may, of all of you. There has been some mention of this already. Do you feel that we need a grace period for a few years, even if that means complying with EU regulations? Obviously we heard just yesterday about the letter that the Chancellor of the Duchy of Lancaster has sent to the EU requesting a grace period for Northern Ireland until 2023. In your discussions—I am sure there have been many with Ministers and officials—have you had any indication that the UK Government have been seeking such a grace period up to this point to suit Scottish circumstances? What does the future hold for jobs, businesses and communities that rely on that industry if we do not have some grace period in order to get things sorted out? I wonder if I could start with Mr Withers.

James Withers: I will try to quickly cover those three issues. A grace period, yes, absolutely. We have to buy ourselves some time here—it is the same principles that apply to a GB-NI grace period. I completely appreciate that the political sensitivities around Northern Ireland are of a different order, but the same principle of having a dysfunctional and unworkable trading system applies for the short straits as well, so a grace period would buy us time.

On your second question about whether UK Government sought a grace period, we wrote to the Prime Minister on 4 November last year urging this grace period. At the back end of November we had a meeting with DEFRA and Scotland Office Ministers. It was not clear that that request had been made. We were told to forget it. We were told, "It is off the table. Move on, because if we ask for it now, we are going to offer the EU something else." Subsequent to that, Victoria Prentis said—in fact, George Eustice also said this—that they did ask for it, but it was a flat no, but we have only heard that since we have been in this new trading environment. The principle of a grace period that exists at the moment—remember again EU exporters bringing their products here—has to be the same the other way around to buy ourselves time.

On your final point about the future of trade, this comes back to the time pressure. Buyers—loyal customers of ours, as Elaine says, that have been built up over 40 years—are already going elsewhere. Seafood buyers are going to Norway and Denmark instead of here; red meat buyers are going to Spain and Ireland instead of here. Those are temporary workarounds, but I cannot stress again how quickly that will start a fundamental restructuring of European supply chains. If that continues, it will cost us millions and it will cost us jobs. We cannot afford for that to



HOUSE OF COMMONS

happen, so we need to identify solutions now or else we will lose that loyal customer base who, as I say, we built up over 40 years.

Deidre Brock: I see you nodding there, Ms Whyte.

Elaine Whyte: Yes, I have to agree with everything that James has said. A grace period would be sensible because right now we have to sort out those practical issues. I think we probably do not know how France is going to deal with this or the EU is going to deal with this when it is their turn. The early indication is that they feel that they will not, so they will likely probably ask for a grace period. It is very clear that with Northern Ireland we are facing issues as well, but as far as I know there were politics involved in terms of the negotiations. I understand that, but we have to do something now because, as James said, we cannot build this back. We cannot rebuild our infrastructure. I already have members who are landing to Ireland and our communities in Scotland aren't feeling the shore-side benefits of that investment and the onward help, the landing values. If that goes, you are right, we are going to lose so much. We have to act quickly.

Jimmy Buchan: I have to mirror and echo the words of my fellow colleagues here. We do need some sort of grace period. We have asked for it. It would help balance this imbalance that we are in just now, because the EU already has that grace period on goods inward. We need to have a better and more balanced trading arrangement. I feel a grace period would help that.

What does the future hold? Again, that is a very good question, but my biggest concern—I am quite happy to say it here—is that brand Scotland is being damaged right now because of our inaction to make this work. I know there is politics involved here at the highest level, but we have to understand that it is the small communities and the small businesses that are suffering right now. It is okay to say, as has already been mentioned, that it is teething problems. No, it is not teething problems; it is bureaucratic problems and we need to get them resolved. That is why it is great to be able to come to this Committee and to be honest and up front about what we need to do.

What I want to happen from this is action. I do not want lip service. We do not want everyone saying, "Well, they have given evidence and that is the end of it". I hope that something constructive and positive can come from today and that we can make sure that all the coastal communities of the United Kingdom can get the trade barriers removed and get their goods to market for the greater good of everyone.

Q19 **Deidre Brock:** Absolutely. Hopefully the extra money yesterday from Fergus Ewing, the Cabinet Secretary, will go some way towards helping with that. It has been said before that some members of the industry feel as if they are basically operating in a live test environment. The information provided by the UK Government to the industry in Scotland prior to all of these Brexit changes was clearly inadequate and there was



HOUSE OF COMMONS

not enough time to take in what was required, but what should have happened? Where would you have been now if you had been given sufficient information in the run-up to this? Would it have avoided this live test environment situation that you are currently in?

Jimmy Buchan: I called all of last year that we should have had all this tried and tested and ready to go by October, because we knew by December that we were leaving and we would be in a trading platform. But what happened? It was run right to the wire. The catch certificate portal, one of the most important parts of the document process, did not go live until 28 December, when the industry was already on holiday, so the real acid test for that whole portal was on 4 January, when the industry returned and markets were replenished with fresh seafood. Therein lies the first fundamental trip that the industry had. It was full of glitches and problems, with helplines not sufficiently manned. It was a car crash. You are right that there are lots of other things that could have happened.

With the benefit of hindsight, I would have said we should have had inspectors going to every single exporter saying, "Are you ready?" Not just adverts and not radio adverts—physically visiting or having that conversation with each business: "Are you ready for this? Can you evidence it, can you prove it?" But we did not. That is the benefit of hindsight. I can only reiterate that it was a huge, monumental change in how we do our business. No matter how much you prepare for it there are going to be glitches in the system that are going to trip you up even if there is no fault of your own.

That is where I am concerned about the industry, because the people who have prepared and are getting it right are still being caught up in the groupage system and other problems that may not be anything to do with the lorry. It might just be the wrong colour of stamp at a border control post. That is where I am back to the fact that we need this system smoothed out, and slicker and faster.

James Withers: One thing that is important from the sentiment within the industry is the reality that last year the interests of exporters—those doing business in the EU—were deprioritised compared with other issues. That is how it feels, and my sense is that there have been two measurements of whether Brexit has been a disaster or has been okay. That is whether we have seen queues of lorries on motorways and runways in Kent, or whether we have seen empty shelves on UK supermarkets. The reality is we have not seen empty shelves because the checks have not started yet on products coming in, which will start in April, and there are no queues in Kent on runways or on motorways because up to 68% of lorries are carrying fresh air—they are empty—and we have hugely thin volumes. That is not a measure of success; that is a measure of the scale of failure that we have just now.

There was quite a lot of information kicking about last year, but we were massively distracted by a global pandemic. If you were a food and drink



HOUSE OF COMMONS

manufacturer, guidance was changing by the day. Ultimately, what the final trading model was going to look like did not appear until Christmas Eve, and I repeat again, the border operating model is 164 pages. It is complex stuff. It was published at 5 pm on Hogmanay and it has been updated since. It was just impossible. I look back and think, "If I had my time again and we were advising industry, what would we have done differently?" I just think that with the cards that we were dealt, we were doomed right from the start. If this was going to start on 1 January and the same grace periods that were offered to other traders—whether across the Irish Sea or coming into the UK—had been offered to our exporters, there is a chance we could have at least avoided things falling off a cliff and things falling apart. Then when we built up the evidence that this was an export model that was unlikely to work—the evidence we now have—we would have that window of time to try to see if we could find solutions. We have been denied that and that has cost millions of pounds. The compensation is massively welcome, both the £23 million from George Eustice and the £7.75 million from Fergus Ewing, but it is a sticking plaster at best. If the seafood business has been losing about £1 million a day in sales—I would still stand by that figure—you can quickly work out how soon that runs out.

Q20 Deidre Brock: It sounds like a grace period is essential. Ms Whyte, you are nodding as well. I was going to ask you about the issue around live bivalve molluscs. There is some confusion around that. I wonder if you could talk us through that quickly before I finish.

Elaine Whyte: I think it is very important that I pick up on some of those comments. If there was something that we could have done differently, it is making sure we get the right people around the table in advance of what happened. I do not wish to be petty, but I had some feedback that potentially our members were not the right people to be around a short straits working group, when 86% of the shellfish goods that they sell go to the EU. Those people are the right people to have around that table because they know the practicalities. Jimmy is right—go and speak to those people. Speak to the people who are going to know the issues that will face the fishermen, the exporters and so on. If I could suggest anything, it is a big tent approach, make sure that nobody is excluded in the run-up period to these discussions and going forward.

You asked about the bivalves and of course there is a massive issue over the class B bivalves. We could be losing live markets entirely and permanently, so there no way around that at the moment. We need to have some political dialogue on that to try to change the situation. Again, from where I can see it, we need to start getting the right people around the table. I think that will make evidence and advance things. That is all I can add to that.

Deidre Brock: Great, thank you very much. Thanks, Chair.

James Withers: Chair, could I just add one thing—a very quick supplementary? Seafood has been hit hardest and quickest and has fared



worse than any sector. That is absolutely right and I am very pleased that the Committee has a focus on that today. This is not just a seafood issue. Our red meat trade volumes are sitting at about 25% to 30% of normal. They have been hit by groupage. We cannot export fresh mince into the EU at the moment; we cannot trade live sheep to Northern Ireland; we cannot sell seed potatoes into the EU. There will be lessons as to how we do things better and I believe it is right that seafood is the focus for that, but it is important to know that this has ripple effects already and nightmare consequences for a whole range of other sectors in the food and drink industry.

Chair: As we heard from the Chair of the EFRA Committee, that is something that is going to be kicked around by it when it starts to look at this. I hope that we will be able to play a part in that. Thanks for that. I will now hand over to Douglas Ross.

Q21 **Douglas Ross:** Thank you, Chair, and thank you to our witnesses. Can I go over a couple of points that have been made before I turn to my questions? Ms Whyte, can you just explain the issue on bivalve molluscs? It is to do with category B waters, is that correct? Is Scotland surrounded by category B waters or category A waters, just for clarity?

Elaine Whyte: It depends where it is coming from. I do not deal directly so much with the live export issues, so probably Jimmy might be best to advise a little bit on that with the shellfish exporters. But I do know that some people will be permanently losing their markets unless there is political intervention very shortly.

Douglas Ross: Jimmy, do you have any clarity on the ratings of the waters around Scotland as A or B?

Jimmy Buchan: I do not have the clarity yet, but after this evidence session, I can maybe go and get that detail and update the Committee with the information you have requested.

Q22 **Douglas Ross:** That would be excellent. The Chair is nodding. I apologise for putting that on you, but I think it is an emerging issue. It would be useful for the Committee to get clarity going forward.

Mr Withers, can I come to you? I do not want to downplay the issues you rightly highlight—serious issues—and I see it here in my local constituency in Moray. Given particularly your introductory remarks, do you therefore agree or disagree with Mr Buchan when he said each day is an improving situation?

James Withers: I disagree, because it is very volatile. What we are understanding is more of what the requirements are. Jimmy is right from that point of view it is getting smoother. The challenge is it is extremely volatile. You can have Boulogne-sur-Mer or Dunkirk or Calais taking a view on a subject one day and then it might change the next. You can have a commodity code for monkfish tails available one day, and then it has not been available the next, so the challenge is the volatility of it. What that is doing is undermining confidence.



HOUSE OF COMMONS

Confidence is probably the most important ingredient you need in export—confidence that your product will get through and you will get paid, and that your customer will get it when they need it at the right time. That is what has been fatally undermined. That is going to take a lot longer to fix than an IT system. We are understanding more of what the issues are, but this has felt like whack-a-mole. A problem pops up, you whack it on the head and think you have fixed it, and then another two pop up at the same time. It is a very volatile picture.

- Q23 **Douglas Ross:** Just to stick with you, if I can, you have spoken a lot about the UK Government and what more they could have done. Do you share the concerns that many people have that the Scottish Government, who were given £200 million for Brexit preparations, spent approximately only 75% of that and perhaps we should have had more investment with the money that had been given to the Scottish Government to resolve some of these issues?

James Withers: If you had given me £200 million and asked me now, based on what I know, where I would have invested and would I have invested it differently, I am struggling to find where I would have spent the money, because I think the fundamental issue here has been the lack of time to prepare, the pandemic issue and the fact that it has been such a volatile changing environment. Ultimately the core paperwork requirements are still going to be there. Maybe we could have employed an export director into every single exporting business in the country, but ultimately they would have been sat twiddling their thumbs for a large part, probably until Christmas Eve. I think the timing issue is the critical thing.

It would be worth thinking where else we would invest money. That is happening at the moment. There is a joint recovery plan that we have as an industry body with partners and the Scottish Government. There are two new trade experts that have gone into Seafood Scotland. Crucially, as of yesterday there are now boots on the ground in Boulogne-sur-Mer, someone working for Seafood Scotland on the ground 24 hours a day, six days a week, who will be dispatched to a lorry when it gets stuck. We are starting to bring some of these things in. What it doesn't do is fundamentally address the core requirements, which look unworkable for a lot of exporters.

- Q24 **Douglas Ross:** I will come to Mr Buchan now, but that is a useful point from your evidence that the Committee should focus on: what more the Scottish Government could have done with the tens of millions of pounds in Brexit preparation. It is useful to get that from you, Mr Withers.

Mr Buchan, you were very vocal about the number of hubs—the fact that Scotland only has one hub. Do you think we could have had less issues if Scotland had more than the one DFDS hub at Larkhall?

Jimmy Buchan: For clarity, Douglas, there are three hubs in Scotland, but they are all based in the central belt. That was always my biggest



HOUSE OF COMMONS

concern. Even something as simple as bad weather or a road traffic accident on the access route to that central belt area was going to be crippling for my members, who are all over Scotland, but the large majority are focused in the north-east. That includes the Shetland Isles, because the fish has to come in through Aberdeen. The sensible thing, and the thing I am still calling for, is a hub on the east coast. It does not have to be in Peterhead or Fraserburgh—it could be in Aberdeen; it could even be in Dundee—but it would take a lot of the pressure off that central hub, which is so vital for the salmon and the shellfish on the west coast. It is just too much, I think, and too concentrated in one area. I still continue to call for Government assistance to put a hub on the east coast and take the pressure off the central belt. That will give our members, who are so dependent on the seafood, a better service.

Q25 Douglas Ross: I phrased that wrongly, because obviously we have in the central belt O'Toole, who do not seem to have the same problem as the DFDS operation at Larkhall. I think there is an issue there, but it is useful to hear that that continues to be your hope, to have a hub in the north-east of Scotland.

Jimmy Buchan: It is, and it is the wish and the desire of my members, who are predominantly based on the east coast, and more so the Shetland Isles. The fish is landed in the Shetland Isles and it is trucked direct into the EU. Why should we send it all the way to Larkhall, when it could be done quite easily on the east coast? If there is bad weather, which does happen, as we know, at this time of the year, you may have to take a different route to get to the southern states.

Over and above all that, we are speaking about the short term, and we also must look at the long term. I think being dependent on one route out of the UK, being based in Kent, for Scotland needs to be further investigated. We need to be looking at air cargo and we need to be looking at more ferries. We need a better access route to the market that means Scotland can grow and promote its produce, rather than being dependent on everything going out a bottleneck at the south end of the country.

Q26 Douglas Ross: Ms Whyte, I will start with you and then it is a question for everyone. You have mentioned a number of times that there are suggestions that the wrong people were around the table. I would agree with you about how appropriate it is even to suggest that. What dialogue and discussion has there been since the deal was agreed in December and over the last five weeks with Government at both Scottish and UK level? Has there at least been engagement? I do not want it just to sound like lip service, but are Governments at least listening?

Elaine Whyte: Yes, I think they both are. Certainly on the issues I had about engagement, they have been widened out a little bit more now. Certainly the first thing my members always say to me is, "Please invite people to come and speak to us or come and visit us," because you do not get that feeling about how it works until you are on the ground. As



Jimmy was talking about maybe having delegations at Rosyth, or that we certainly have with Prestwick that has been discussed in terms of an export hub, I think it is those types of practicalities.

Drilling down right now, I think it is very important that politicians understand the pressure that these businesses are already under. We have talked about the impacts of Covid. We have not talked about other things, like maybe anti-fishing campaigns or environmental law, which are also curtailing their ability to do their job. Resilience is low, so their ability to engage practically and develop, and to be around all of these tables, is quite difficult. Any way we can help to enable that is very important. Yes, I think engagement has certainly very much improved and that is a positive thing. That invitation to go and speak to our fishermen around the coast is open to all of our MSPs and MPs.

Q27 Douglas Ross: Thank you. I do not know if Mr Buchan or Mr Withers want to add anything.

James Withers: I would just add no complaints on engagement. Life is bit of a “death by Brexit meetings” at the moment, but I know Elaine, Jimmy and myself will all be involved in twice-weekly calls with DEFRA on seafood. There have been Cabinet Office Brexit readiness task forces and there are at least three-times-weekly calls with Food Standards Scotland and the Scottish Government. I would observe that officials, both at UK level and Scottish level, are working their socks off in dealing with the cards that have been dealt.

I think the void at the moment—it is an engagement void—is political engagement and diplomatic engagement with the European Commission around exploring solutions. There is a vacuum on that, so it means that we are only dealing with less than half of the issues.

Jimmy Buchan: My engagement has been very good with DEFRA officials. I have been able to help some of my members personally by connecting DEFRA officials directly with the business that has a serious problem. I have been a bit more removed, as I have been invited to many meetings, but a meeting where there are 30 or 70 people to me is not a productive meeting. I concur with what Elaine is saying: we need much smaller and more focused working groups with the people who know the industry inside out. They are the productive meetings.

We have managed to get some of these up and running, but I am a bit further removed from James, who is working very closely with the Government, and I have to depend on James telling me what is going on. I am a step further back, but I can say for my members, I have been able to get direct engagement with some key DEFRA officials to help to resolve problems that have been happening since before Christmas.

Q28 Mhairi Black: Good afternoon to our witnesses. Thanks for joining us. I want to pick up on something, Jimmy, that you said earlier on when you were talking about the catch certificates. Can you talk us through how



HOUSE OF COMMONS

the catch certificates have been handled where consignments containing catches of more than one vessel are concerned? Any information would be useful there.

Jimmy Buchan: It is my understanding, Ms Black, that other countries do not have to use catch certificates. They have agreements in place that do not require catch certificates. Again, I am at a loss to understand why we have finished up in a situation where we have agreed a criteria that is just crippling our industry and the people within our industry. It is okay for negotiators and politicians to agree a position, but if you do not consult closely with the experts—with the people on the ground—we finish up in these kind of silly situations, we are all frustrated and angry, and we are all going nowhere quickly. It can be so easily stripped out and it just needs political will on two sides to sit down and say, “What is in the greater good here?”

Q29 **Mhairi Black:** That is helpful, thank you. Following on from that, earlier on all three witnesses have spoken about the problem of politicians basically in this entire process, and sometimes that is stubbornness not to move or stubbornness not to listen to the concerns. I am glad to hear that engagement has improved a lot, but I am wondering—this is for all three of the witnesses—if, in your opinion, that stubbornness or that unwillingness to listen has shifted a little bit because of all the problems with documentation and lorries waiting, and everything that you have talked about today. Do you feel that you are cutting through to those in charge now?

Jimmy Buchan: I have been able to engage near daily with the Scottish Office on this, because it made that channel available, so all the problems that my members were putting to me through e-mails and telephone calls I was able to get to the Ministers and DEFRA very quickly. I have to say that some of these were resolved within hours, but I have to agree that everyone—that is everyone right across both Governments—is working very hard to resolve this because it is in their best interests.

James Withers: To add to that, I think ministerial engagement is good. For me, Michael Gove’s recognition in the last 24 hours that these are not teething problems—these impact on people’s lives and livelihoods—was critical. But it was qualified—it was about GB-NI traffic. As I say, I would not try to say that the same political challenges that exist over the short strait exist for Northern Ireland and the huge human cost of that going badly wrong, but the same operational challenges exist.

My biggest concern, as I say, is about UK-EU engagement. If the first few weeks of this new relationship set the tone for the future, I am extremely worried, whether that is what strikes me as an extremely ill-advised decision not to give the EU ambassador full diplomatic status or a very ill-advised move by the Commission to talk about article 16 in the context of vaccine. Both of those seem to be significant errors and have to be used as a catalyst to increase dialogue, because that is an example of what happens when there is not dialogue. If the first few weeks of these



HOUSE OF COMMONS

massive problems result in both sides starting to become entrenched or more distant, we have a massive issue.

I welcome Michael Gove's approach to Šefčovič around GB-NI. We just need that same principle of not having to do a post-mortem of who is to blame for where we are, but to try move things forward. I am concerned that there is still a little bit of that as soon as they say that there is an issue in the short straits—it is an acceptance of the problem. That is the main problem—they won't accept there is a massive issue there and it will all be fine. It is not fine—it has gone badly wrong—so let's try to get that engagement to fix it.

Elaine Whyte: I would agree with James. It is a policy issue and a political issue at the negotiation level. We understand that negotiations between the EU and the UK were tense at a certain point that was not appropriate. It is certainly appropriate now, and I would agree with James that it is about the diplomatic long-term relationship. I would like to see something like an MOU that means that every time we have a discussion, a debate or a disagreement over trade—or over anything—we do not see the issues of paperwork cropping up again. It is very important to get that baseline sorted now.

Certainly working with George Eustice and working with Fergus Ewing—working with all the Cabinet Secretaries—they have been very good to try to get connections, and certainly the civil servants have done an excellent job in the last few weeks. We could not criticise that, but we need to work on the high-level political will. We also, as I said, have to focus on the practicalities and get those working groups going with the people on the ground.

Q30 **Mhairi Black:** Last week the Prime Minister was of course visiting Scotland and addressing some of these issues. One of the things that he had said was that there would be a big increase in North Sea cod and North Sea haddock in just the next few years—a 25% increase in overall quota. Is that a realistic expectation? Is that something that you could envisage, or what would have to change in order to make that a reality? That is open to all three.

James Withers: I would definitely defer to Jimmy on this one, I think.

Jimmy Buchan: Thanks for the deflection, James. It is written in the treaty and in the agreement—it is there. What I would question is who will be Prime Minister in the next five and a half years and will they have the political will to revisit this, which is such a divisional debate that has been going on for far too long. I know it is there—it is written in. I would like to answer that one in five and a half years' time, because we simply do not know. As we know, in the political spectrum the pendulum swings back and forth, so it will all depend on the people and on the day.

Q31 **Mhairi Black:** Do you think that a lot of things need to change in order for this to be realistic? From where are now, is it just pie in the sky stuff



or do you think it is feasible if we put the right system in place?

Jimmy Buchan: Everything is achievable if we have the political will, and the focus and the agreement of both sides. That has to be, I would assume, enacted out, because if it was part of the agreement then, at some point, someone will raise that issue. It is an incremental increase over the next period of time, so only time will tell how successful that agreement is, but right now the industry is so hurt and wounded that in some cases some of the fishermen are now worse off with Brexit taking place. That questions the confidence in the industry: can we achieve more in the future? My biggest concern is if the fishermen have less to catch, that means that my processors who I represent will have left the process unless we start to depend on imports, and surely that doesn't go anywhere near the sea of opportunity.

Elaine Whyte: Most of my members aren't catching very much fin fish anyway. Most of the smaller coastal communities do not have access to quota. That is a domestic issue. Of course there was issues with the EU, but there was domestic allocation of quota as well. Of course it would have been nice to see some quota coming in, but looking at the tables, it looks as if the uplifts are in areas that aren't always as useful as they could be to us for certain stocks that we might not use. Potentially we could have swapped in a far more fluid way previously when we had the annual ability to swap. Now we have to get that right once a year. I think it is going to be a very tricky process. To be honest, with the coastal communities, I would very much like to say a fairer share of domestic quota coming in as well to make sure that people who aren't catching and new starts have an opportunity too.

Mhairi Black: Excellent. Thank you, everyone. Thanks, Chair.

Chair: Just to let everybody on the Committee know, the sequence now will be Wendy Chamberlain, Andrew Bowie, Dave Doogan and then Liz Twist. We will start with Wendy Chamberlain.

Q32 **Wendy Chamberlain:** Thanks very much, Chair. Thanks to the witnesses for appearing here this afternoon. I want to move on to talk about what some of the further issues that are causing delays are. The first thing I would like to understand is that we are in the winter period where things are quieter generally anyway, but we are seeing that volatility. What differences in relation to that winter period are linked to Covid and what potentially is linked to Brexit? What percentage are we looking at in terms of being lower than a normal January? Mr Withers, do you have a view on that?

James Withers: I will give you a view on that, probably beyond the seafood sector, and Jimmy will have a good handle on the fish trade and Elaine certainly for her sector. If you look back—I suppose even at landings of fish at times when we had Covid, but we were still going through the transition period—it was a more buoyant market then that it is just now. There is no doubt that Covid has been a huge barrier, when the hospitality sector across Europe has shut down, in effect. That has



HOUSE OF COMMONS

hampered trading. Had we been at peak trading or had we been pre-Covid trading, I have no doubt that the entire export system to Europe would have collapsed completely. As it is, we have much thinner volumes, so while it has been hugely problematic, the volumes have been thinner.

Seafood moves all the time on a regular basis, so the analogy I would use would be a conveyer belt. A conveyer belt had been moving very fast with an awful lot on it into the European Union. Covid hit and the conveyer belt kept moving at the same pace; there were just a few less boxes on it. What has happened now is you have less boxes on it, but the conveyer belt has been slowed down to its slowest possible speed and it keeps breaking down. The instruction manual is in two different languages and keeps changing all the time. That is the kind of effect of Brexit on top of where we are.

The important point, though, is the risk of worse to come: we move into a peak trading environment, we move into more product falling into these controls, and we move into import controls as well. We can see that coming now. We saw the end of the year coming and we could not get ourselves ready in terms of giving ourselves time to adjust. We can see this next bit coming. We have to learn the lessons of very recent history and avoid those mistakes being repeated, hence the importance of solutions and, crucially, engagement now before we have these kind of problems times five or times 10.

Q33 Wendy Chamberlain: Thank you. Mr Buchan, on those learning days that you referred to, is the industry going to be in a position where it can learn from those when we move into higher volumes, as Mr Withers referred to?

Jimmy Buchan: Again, the fishermen will catch fish—that is what they are good at. The processors will buy fish. The problem is that link to the market and if we can't fix that—and I can't fix it—only political will can fix it. That is by breaking the barriers down and simplifying what should have been done in the first place. Until we get mutual agreement that this is in the best interests of both the export and the import, I fear that we are going to continue to be tripped up because it is just so cumbersome and timely. It is so unnecessary, because at the end of the day the people who were trading post in December are the same people who are trading now post Brexit. We are not a new country. It is still the same merchants, the same seafood and the same customers. The only thing that happened is Hogmanay and the bells of 2021 ringing in, and everything changed.

Q34 Wendy Chamberlain: Obviously because the treaty came into play. Mr Buchan, if I can stay with you before I move to Ms Whyte, in a BBC article you were talking about problems on both sides of the channel that were also contributing to delays. Can you tell us a bit more about what those problems are, or are they linked to things that have already been discussed this afternoon?



Jimmy Buchan: I do believe there were a tremendous amount of problems with DEFRA's catch certificate system and commodity codes but, as I continue to say, each day is an improving day. I am not getting the same calls or the same worries about that, so that seems to have settled down. Again, French systems going down is outside our control. I can only go with what the Minister said: all computer companies have problems. On the very first day, I think it was 4 or 5 January, Boulogne-sur-Mer's computer system went down and the French officials decided to change to Dunkirk. I would assume that that is the same as the short straits of Dover switching to Southampton. Southampton can do it, but if you are not prepared for it, it creates a huge problem in the system.

The other thing is because we then had that block, lorries were stacking up and not emptying their goods, and we could not get lorries back to take more fish on board. It was just a continual log jam. But it is fair to say I think the bigger companies are managing to move fish in volume, whole lorry loads. I still have a huge concern that this industry does need consolidation, which is called groupage, and it is that part that we need to smooth out. But it is back to this: does it have to be a 100% pass rate every time? How many of us sitting here managed to get 100% in our exams every time we sat one? It would be fair to say not many.

Q35 **Wendy Chamberlain:** I wouldn't be a politician if I did. Thank you very much, Mr Buchan.

Ms Whyte, these sort of collapses of IT systems and not managing with the changes, is that something you have experienced? Obviously solving those—getting those systems right—would be a way of moving forward.

Elaine Whyte: Jimmy is right. On the French side, we can't do much about it, but it has happened several times. On the domestic side at the start, we were missing codes and various things like that, but that has improved. The main issues at the moment seem to be with paperwork, for instance, different colours of ink being used, not the correct stamp, and, in this day and age, not many of us dealing with much paperwork anymore, so digitalisation and streamlining will be very important.

You had asked about the impacts of Covid. Certainly in Scotland the Cabinet Secretary, Fergus Ewing, has set up a shellfish resilience group, which is a very small working group, to look at the impacts because Covid has had a massive impact on that already. However, there is absolutely no denying that the volume levels that we are working at at the moment are far reduced from normal activity. With our market, 86% of it being in the EU, as I keep saying, with the hospitality industry closing down through Covid that would have been an issue anyway, but hopefully the resilience group the Cabinet Secretary has set up will be something that looks at the whole chain. Resilience is a massive issue in our communities at the moment, especially small scale.

Q36 **Wendy Chamberlain:** Absolutely. Ms Whyte, can I just stay with you? You mentioned digitalisation. Are there other digital opportunities? Could,



for example, the digitalisation of the catch and auction documentation be further utilised for export? Is that potentially a way forward?

Elaine Whyte: I think it has to be. I think we have to cut down on this paperwork, because that is where we are getting all of the issues. It might even be a lot quicker to sort that out if everybody is working from the same platforms. I agree with Jimmy about streamlining and looking at systems that other countries have, but we have to bear in mind that countries like Norway are EFTA and so on, so there will be complications. I would say as much as we can cut out of the system, we should cut out, because right now it is too cumbersome.

Q37 **Wendy Chamberlain:** Thank you. Mr Buchan, is that your view?

Jimmy Buchan: Absolutely, 100%. We need to cut down the bureaucratic nightmare that our small businesses are enduring, because they do not have the human resources within the business to be able to do all they are already doing and now they have to dedicate time to paperwork. They are tired, they are working hard and they are starting early in the morning. Errors are being made and it is a simple error that is just completely blocking the system.

Q38 **Wendy Chamberlain:** Mr Withers, do you want to come in?

James Withers: Yes, thank you. It was just one point about what are going to be the catalysts for trying to get a more streamlined system. In many ways, the die was cast for the creation of these enormous huge non-tariff barriers when the political decision was taken to not countenance alignment of standards. That is why seed potato exports are now banned. I am sure all the devolved Administrations supported alignment of standards. I am not aware of anyone in my industry who would not be supporting alignment of standards.

One of the great challenges with the sea of paper that we now have is that it is fit for a country that doesn't align with standards and yet our standards did not change between Hogmanay and 1 January. That is going to have to come back on the table because we do not want to reduce or change our standards. We are happy to align to EU standards if it gets us access to that market. The question is what is the value in us not agreeing to aligned standards? Many have come to the conclusion it is because that will be an issue that will be used as a bargaining chip in future trade deals elsewhere, but if UK Government are firm in what they have said about not wanting to reduce food standards, we need to revisit the alignment of standards with the EU. That will be the critical process to start thinking smartly about how we remove some of this paperwork.

We are fine about EU standards. We want a race to the top on standards, frankly. That underpins our brand, so let's revisit that. That will be critical in trying to get an export model that is not only workable but allows us to get back to where we were, let alone grow.

Q39 **Wendy Chamberlain:** So without an agreement on standards, that



means that there is an expectation the UK Government wants to diverge, but what I am hearing is that divergence just adds more to the burden that you will all be required to import into the EU. Does it sound therefore, Mr Withers, just to conclude with you, that the requirements are potentially going to get more onerous? Is that your concern, even with a grace period? At the end of the day, grace periods always do come to an end.

James Withers: The requirements potentially will massively broaden, so the cloak of them will fall across EU businesses that import into the UK. That will be important again for some of our food and drink businesses that import ingredients in. The cloak of those additional requirements will fall across potentially other products. At the moment it is products of animal origin, hence the seafood pain, hence the red meat pain. If there are products that have ingredients of animal origin—dare I say it, all-butter shortbread as an example—and if you start needing export health certificates for a wider range of products, and the EU is consulting on that, we have an absolute nightmare on our hands. If you take the existing dysfunction and unworkability of the system and spread it wider and faster, it will infect trade on a much greater scale than even we have seen now and the last five weeks have been horrendous enough.

Wendy Chamberlain: Thank you very much, Mr Withers. Thank you, Chair.

Chair: Thank you, Wendy. Just a couple of other people left. First among them is Andrew Bowie.

Q40 **Andrew Bowie:** Thank you very much, Chairman, and good afternoon, everybody. Thank you very much for giving up your time to be here this afternoon to speak about such an important and pressing issue.

I am going to turn first to Jimmy Buchan, just to revisit the issue regarding the centralisation of export hubs. A lot of the issues, as you said earlier, you feel are being created by the centralisation of the export hubs and we have not even talked in depth about the problems regarding transportation that can arise on a day like this—we have seen snow over many parts of the north-east—getting from our part of the world down to the central belt. Why was it, do you think, that the Scottish Government were so set on having a centralised export hub or the three hubs, and were not favourable to looking at having one on the east coast or preferably up here in the north-east—Aberdeen, Peterhead, Fraserburgh and so on?

Jimmy Buchan: There are two answers in there. I was not close enough to Government to get the answers to why they decided, approved or encouraged the hubs all to be in the central belt. I was always against it, but then of course to get a hub up in this end also maybe needed some local authority energy behind it as well. My personal belief is there is a lot of politics in this. I always said that this did not have to be about politics, this is about putting the right infrastructure in place to allow industry to do its job. I can't reiterate enough, we knew we were leaving the



HOUSE OF COMMONS

customs union and the single market for more than a year. We are now having to ask for six months' grace time.

We should have had this in place six months ago so that we had all the problems ironed out, not wait until the car crash happened. We should have had the safety belt on and the kids in safety seats in the back of the car, because that is exactly where we drove ourselves to. We ran this to the wire—everyone. I was always opposed to it and I still stand by my actions. We should have an east coast hub to help the north-east guys and take the pressure off the central belt. Those who want to use it can still use it, but it allows the salmon and the west coast shellfish guys much more flexibility, reducing numbers, and hopefully we can get the whole system moving much more smoothly.

- Q41 **Andrew Bowie:** Absolutely, I completely agree. Of course we talk about the fact that this border operating model only came in or was only announced on 24 December. I might turn to Mr Withers, as you have referenced this quite often this afternoon. The border operating model, as a guide, was published on 13 July 2020. Why do you think the authorities, both in Scotland and the rest of the UK, were not ready for the end of the transition period, given that we had been warning that it was coming to an end, and that the border operating model had been published six months previously in July 2020?

James Withers: The first version of the border operating model—you are absolutely right, Mr Bowie—was published much earlier than Hogmanay. The challenge for businesses was ultimately that that was not finalised. The very helpful flow diagrams, and the move from sending a pallet with a single sheet of paper to the 26 steps that now need navigating that are well set out in that border operating model, was the kind of information that came late.

If you are a red meat business, to be honest, you would probably put that to one side because you would have thought potentially tariffs were coming that would have ended that trade altogether. The same challenge that meant that red meat businesses could not produce pricing lists for their customers until Boxing Day onwards was the same reason that I think a lot of them did not engage with the initial border operating model, because it was the first stab at something without knowing there was going to be any kind of trade deal.

Alongside the general messaging that industry heard was, "There will be some changes, but do you know what? We will get through it." It was not that we would have shellfish banned, seed potato exports banned, fresh mince banned and live sheep movements banned. It would not be that it might cost you £700 for a £2,000 consignment. I think that is the management of expectations piece. To be honest, I can't stress enough how much strain the pandemic put on businesses and individuals on a personal basis in trying to manage that, and in looking after their staff and keeping their customers flowing. It was just a perfect storm. If we had bought ourselves a bit more time, we would still be left with the



HOUSE OF COMMONS

fundamentals, but we might have ironed out some of the kinks within it all.

Can I just make one comment on the north-east hub, Mr Bowie?

Andrew Bowie: Yes, please.

James Withers: I agree with Jimmy. I think these are the kind of things that should be looked at. I think Jimmy's concept of a clearing house in Scotland is a very smart idea. It is the same principle of going through US immigration in Dublin and then we get to our end point—we just saunter on through and start our holiday or our meeting.

One of the challenges with a hub is it requires a commercial decision to be taken. These logistics firms that are in the central belt need to commercially agree to also operate out of a different hub. I think that might be doable, but it is not just a political decision as well. I was a supporter of the hubs; I remain a supporter of the hubs. It made sense to me that you might try to target resource in a pooled environment and probably worth also noting that the new pilots that have been run around groupage and consolidated loads for over the Irish Sea for GB-NI include looking at replicating the Scottish hub model rather than picking up from multiple different points along the way.

Undoubtedly we have learned how that hub could work better and there will be investment required on that. I think additional hubs are definitely worth looking at, but the fundamental model I don't believe was flawed and I remain supportive of it.

Elaine Whyte: I would support James's statement. I think some of my neighbours in Campbeltown, who would be considered west coast or near central belt, it would take them three hours anyway to drive to the central belt, which is probably a longer period than it would be from the north-east with worse roads, to be honest. I think the rationale behind that was because we have fishing all around the coast and potentially they were trying to be inclusive, but I agree that if there is resource needed in different regions like the north-east, that should happen. I agree with James that the principle of the hubs is not a bad idea because if there are issues, it allows the capacity to be centralised.

I would encourage people to follow that model that the Cabinet Secretary Fergus Ewing, is doing in terms of looking at the resilience of shellfish and these types of processors in the supply chain, because they are incredibly fragile, no matter where they are in the country. It is looking at that, because it can be that something closes down—an issue like that. We need to get those practical people who are experiencing those difficulties around the table. Maybe we can do that on a UK-wide basis.

Andrew Bowie: Jimmy, very quickly, because I want to ask a couple more questions.



HOUSE OF COMMONS

Jimmy Buchan: Very quickly. Two things from last year is business was fighting Covid within their businesses. As James said earlier, it was a changing programme nearly every week, so their focus was to keep their business and their staff safe while all the Brexit negotiations were going on. Anything that we can do upstream nearer the business in a hub helps stop chokes at a bottleneck further downstream. That is why I am so keen to have something nearer to the merchant, so if there is a problem with labelling or paperwork, it is much quicker to solve nearer to the process issue rather than a long way to travel, 150 miles, and when he gets there the merchant has gone home because he is getting up at three in the morning again. I wanted to make that point.

Q42 **Andrew Bowie:** There has been a lot of reporting about the situation on landings. As everybody on this call knows, the fisheries sector is incredibly complicated, with many moving parts. You have producers, processors, buyers and merchants and so on. Of course lots of people look at the situation in Peterhead a few weeks ago, when it was reported that only 418 boxes were landed and the day before I think it was something like 4,333—that just shows the volatility of the market. There are of course restrictions in place at Peterhead fish market just now in terms of Covid restrictions. I just looked and last Friday it was 4,481. It was only 800 down on the comparable Friday of 24 January last year, so landings are coming ashore.

It does seem to me that what we are hearing is that the difficulties are in getting the fish from there to the market. Some fishermen—producers, anyway—are seeing a way around that by taking their fish direct to market. Last week we saw reports of fishermen sailing direct to sell in Denmark, but the way that was reported was it was something new, but of course everybody around here knows that took place already. In 2015, selecting a year at random, the Scottish Government reported that 169,000 tonnes of fish was landed abroad to a value of £107 million. That is 38% of all Scottish landings going abroad, 27,000 tonnes of that into Denmark. Fish being taken directly to the continent by Scottish fishermen is not new, nor is it unique to the situation we find ourselves in.

Moving on from the current difficulties that we face now, if we can move forward a few years, how do we change that? How do we increase the processing capacity in Scotland? Because, frankly, as we all know, it is simply not here at the minute to be able to deal with all the fish we land now, let alone all the fish we might be able to land in the future. Jimmy, I wondered if you want to address this to begin with.

Jimmy Buchan: As you rightly said, landings into Denmark are nothing new. It may have increased this year just because of the volatility of what was happening with exports and things like that. I think we have to bear in mind right now that North Sea quotas still have not been agreed, so vessel managers and vessel owners do not know what they have to catch this year. My past experience as a fishermen is that your producer organisation will be saying, "If you do not have the fish in place, do not catch it." They are caught between a rock and a hard place. They know



HOUSE OF COMMONS

their quota will be coming; they just do not know at what amount, so they are not wanting to go too far ahead, especially when the price has been depressed somewhat of late. That could be related to Covid, if the demand is not there.

It is not all Brexit issues. The market is just completely volatile. You mentioned a low market. There was a low market, but some of the fishermen decided to land direct to the processors to eliminate the high and low of the market, so the fish merchants did get some fish—it just didn't look like they got near as much if you were looking at the market situation. We are in a very volatile place. As you rightly say, it will go up and down and that is just the nature of the job, but looking forward, the way we will get people to land here is if we are a successful and profitable processing sector, and we need modern factories, with investment.

There is £100 million being pledged by the Prime Minister. We are now in week 5 and no one knows who or where that is going to, so that needs to be a priority. We need to start investing in our industry to prepare so that we are the most efficient seafood producing country in the world. Then we can go out into global markets and compete. If we can compete, we can pay good quayside prices that will attract not only our own vessels but other vessels that are fishing in the North Sea. It is all about future vision, investing in the right infrastructure and getting the framework in place so that we can attract and pay the highest prices, but most importantly get the right people skilled and into work in the coastal communities.

Q43 Andrew Bowie: Brilliant, thank you very much, Jimmy. If we address the incredibly serious issues facing the industry right now, are you confident that, if we put the investment in the right place, the Scottish fishing industry has a very bright future indeed, especially if we get our negotiations in five years right and get more control over our stocks?

Jimmy Buchan: I am 100% behind that statement, because fish is a great protein. The global world of population is continuing to grow. We are looking to get healthy post Covid. It is a great story about seafood. As an island nation, I cannot reiterate enough that Government needs to put in the proper infrastructure and invest in industry. It is a renewable industry and I am 100% convinced that we can command the global market. Along with Iceland, Chile and Norway, we can be global marketeers.

Andrew Bowie: Absolutely. Thank you very much, Jimmy. James.

James Withers: Jimmy is right and you are right—it is a volatile market. I think there were 2,500 boxes landed this morning in Peterhead and 1,500 on Wednesday morning, so it has been up and down. It goes back to how we get a thriving processing sector in particular, because that is absolutely vital infrastructure for us. We have to make it easier to trade with our most important international market. It has just become an



awful lot more difficult. We are talking £800 million or £900 million a year of seafood alone going into the market. With the moves to Denmark and the moves of other vessels going elsewhere, the risk is if we lose some of that infrastructure, it takes a long time to get it back. That is the importance of the pace of making changes.

On a long-term basis, putting aside Covid in 2020 and putting aside the chaos of the last five weeks, Scotland has a remarkable and growing brand for food and drink. We have increased our sales to China by a factor of seven; we have trebled to North America. We have doubled to the European Union in the last decade, but that is still 66% of all Scottish food sales beyond the UK going to the European Union, and that number is at risk of dropping dramatically. The pace of fixing that is crucial because if we lose some of this infrastructure, it will take a long time to come back.

Elaine Whyte: Again, I would encourage people to look around the coast, because the level of infrastructure in each area is entirely different. I know certainly some of our fishermen don't even have davits to help them to upload, and don't have ice to help them land. That is now, so our infrastructure is pretty poor in some areas. One of our colleagues in CIFA got planning permission and funding to put a hut up for fishermen so they could keep their nets and stores in St Andrew's and that was refused planning permission. That is how low some of the infrastructure is in some areas.

There is a cultural change that has to happen. We are quite sea-blind. Certainly some MPs will know in our communities that we see a lot of anti-fishing propaganda-type campaigns running. Believe it or not, that is taking fishermen down to their knees. The more closures they have in areas where they cannot fish, and of course Covid, has impacted their resilience. We need to be looking at the different areas, because we have a coast all the way around and we have some areas that currently don't have infrastructure.

In terms of landing to Denmark, as I said earlier, our men are landing to Northern Ireland. We are not even talking about a regional disadvantage to the EU between Scotland and the UK, we are talking about regional disadvantages within the UK and one area being more profitable than the other and it should not be. What we have to be doing is looking at socioeconomic links. Maybe there does have to be some kind of market intervention as well. That is what I would say: set up a working group like the one we have in Scotland for the resilience of shellfish and let's look at how we can do this better.

Andrew Bowie: Thank you very much, everybody.

Q44

Chair: Thank you. Briefly on this, maybe to you, James—if you can answer as briefly as possible, because I know we want to end this session—we are hearing all sorts of rumours about people setting up in EU processing plants in order to get around some of the EU regulation. Is



HOUSE OF COMMONS

there any truth to that at all? Is this something that has been considered?

James Withers: Some businesses had already set up operations during the course of last year to try to at least build relationships on the ground there. It does not fundamentally address the issues of getting product out of the UK and on to the continent. We have seen some advice coming from DIT, I believe, to businesses about, "Set yourself up in the single market," and what we have seen in terms of the boats heading over to Denmark. I can completely understand the benefit of that, aside from burning two days' worth of fuel. The reality is if you can then process that product and truck it from Denmark down to Spain within the single market without all the paperwork that Jimmy, Elaine and myself have outlined, we are not exporting our products from the UK, but we are definitely exporting our economic activity. That will be the critical point about pace of change or else we might see jobs being exported and businesses being exported and processing capacity being exported.

Chair: That is very helpful. Thank you for that, James. We will come to Dave Doogan, who is another guest from the EFRA Committee. You are more than welcome today, Dave. I will leave you to ask your questions.

Q45 **Dave Doogan:** Thank you very much, Chair. It is a pleasure to be here. Thank you to our witnesses as well. I want to touch initially on the UK Government's announced £23 million fund to support the UK fishing industry survive the current crisis. I wonder what our witnesses think in terms of whether or to what extent they believe that this fund provides sufficient support to fish exporters, given the losses that they have sustained to date and the horizon of any form of improvement arriving at the door of catchers, processors, hauliers and so on. Jimmy, if you go first.

Jimmy Buchan: It is going to be very difficult to ascertain who should and who should not get access to the funding. There were some businesses who did not prepare for Brexit, put seafood into the system and choked it in the first few weeks of the year. There were others who took a prudent approach to say, "Right, this is too risky. We are going to step back," and they did not trade at all. How do you then decide who had a loss and who did not have a loss? Are we going to reward people who were irresponsible and got caught out, or are we going to reward people who were responsible and did the right thing? It is one of the criteria.

All our members, both sides, have a legitimate argument. They could say, "Was it the Government's fault? Was it the logistics fault? Was it the French border control?" How do we ascertain when a loss was made and who was to blame? I am pretty sure the Government were working with some sort of framework and guidelines but, once again, I can't reiterate enough the £23 million is welcome. Is it enough? I don't think it is, but we are not here for Government funding; we are here to bring the



barriers down and get the trade. We should have never been at a funding issue; we should be continuing to do what we do, and that is trade.

James Withers: I would echo what Jimmy says. It is very difficult for any of us to answer your question about whether the scheme will be effective, because I think we are two or three weeks on from the announcement and we do not know when it will open, who will be eligible, how you claim and when the money will get to businesses. As Jimmy says, you need to demonstrate genuine loss. It sounds complex to me. I fear we may have a scheme designed to compensate for choking red tape that might get choked in red tape if we are not very careful. As Jimmy says, the ultimate solution has to be trying to get things moving. The compensation is welcome, but the scale of what we are talking about here in terms of potential risks certainly are dwarfed by the compensation scheme. We need to get trade moving. That has to be the focus.

Elaine Whyte: Yes, I would agree, we have to get trade moving. That is the first thing. I also agree that the £23 million is welcome, but Jimmy is right: there are so many places in the chain where it could fall down. I know fishermen who were recently phoned up by their processors and exporters who said, "Just don't go to sea". How do they prove their loss, which was based on a telephone conversation? Although their loss is very genuine, they have no sales docket, they have nothing to show. I think it is going to come down to the criteria, but I am glad they are extending it to fishermen now as well.

Q46 **Dave Doogan:** That is excellent. I had four questions on that fund, which all of you have pretty much touched on in your responses. If I could summarise and allow anybody to correct me if my analysis of your evidence is wrong: it will likely not be enough for the whole of the UK and the criteria we are currently unaware of. The complex landscape of who has a legitimate loss is a bureaucratic nightmare and it is very unclear as to what sectors—if we have learnt nothing else in the last months, it is how complex the fishing sector is—and elements of that complex landscape will benefit from the £23 million. Do I have any of your responses wrong in that respect? No, excellent.

In that case, could I move on to something we touched on briefly with Mr Bowie, which was the Government's £100 million fund to help modernise fishing fleets? Is the fishing industry in general agreement on how that would be best distributed? For example, would this be best distributed on the basis of landings currently and trying to maximise those, or should we instead use the fund to support some of the coastal communities that Ms Whyte was referring to that lack the very basic essentials for a modern commercial fishing enterprise? How would we best distribute that money? Taking into account the whole of the UK—the south-west, Scotland and everywhere in between—£100 million probably will not go that far. How best should that be distributed? Jimmy.

Jimmy Buchan: The Government will decide who and where it is going to be distributed. I can only put a plea out for the processing sector,



which I represent, that we need to have modern facilities, we need to have highly trained staff and we need investment in infrastructure. Most importantly, in these factories we need efficiencies. If we are going to compete in a global world, we need to have efficient factories that are slick and cheap to run, and in which we can produce the goods and pay a good price to the fishermen, but also be able to compete in a global market. If we do not get that right, we are going to continue to falter and have a lack of the investment that we so badly need.

Some of the bigger companies are the mainstay of a small community. They are employing 300, 400 or 500 people in a local area, so it is very important that we invest in that type of business along with the smaller businesses that Elaine so rightly flagged up. Whether you are a small single fisherman out in the western isles or the western coast, or a big processor on the east coast, we need infrastructure and investment so that everyone in the supply chain can benefit. That includes the fishermen as well.

Elaine Whyte: I have some members with boats that are 60 years old. Especially since Brexit and Covid, they are finding it hard to make the safety investments that they have to make. The last thing that I want to see is a loss of life. When I go to places like Norway and I see the investment in the small coastal fleets I am heartened, because it shows me not only what a poor state we are in, but what potential we have. That is the positive to take from it—there is potential.

Again, I agree with Jimmy. Across the board we need to look at the scales, but again, speaking from my community, I would say that one boat can maybe support five families, and five families in a small community, where depopulation is running at 16%, is a massive plus to the community. It brings children in and all sorts of things like that. I would say, yes, look across the field, look across every sector, but certainly I have to make the plea for the coastal communities—to make them safe and to make them productive, and to see the potential that we have to keep our young people there through a little bit of investment.

Dave Doogan: James, did you want to add to that?

James Withers: No, I think Jimmy and Elaine have covered that perfectly.

Q47 **Dave Doogan:** Thank you. Chair, finally from me, it is almost a supplementary to Mr Bowie's point about land catch abroad. It has always happened. It might be anecdotally slightly higher now, given current circumstances regarding exports to the EU. Jimmy, specifically to you, isn't it very important that we focus on the value stream of fishing and making sure that headlines about increased quota and increased catch are reflected not just on the one job at sea, but the three jobs onshore that are related to that and maximising the return on every fish landed in terms of employment and investment in our communities? How do you see that landscape evolving in the best-case scenario going forward?



HOUSE OF COMMONS

Jimmy Buchan: Again, that direction lies in the hands of the Government. They have the powers and the levers to control where and when the fish is landed.

Q48 **Dave Doogan:** Sorry, can I press you on which Government?

Jimmy Buchan: It would be fair to say it would be the devolved Government, because Scottish fishing is a devolved issue, so the Scottish fisheries Minister would have some sort of powers and he can decide where and what types of fish are landed where. I cannot say this loudly enough: if you sell your fish into an international market, that international market will not be going on to a global market and shouting that it is a Scottish fish. It will either be Atlantic, Danish or whatever flag that that fish was landed into, and that will then go and compete with our Scottish companies. Fishermen have to be very careful. I know, because I was one for 40 years, and it is easy to chase the bounty because that is what you do. That is what makes you successful as a fisherman, but it cannot be at the cost of local communities and the national flag of that state.

If the fish is Scottish fish and it is caught in and around Scottish waters, I would like to think that a fair amount of that fish must come into the Scottish ports, but that is where we need the infrastructure because it is not a case of saying, "Right, you must land the fish." If we do not have the infrastructure in place to deal with it, we are shooting ourselves in the foot.

Back to the original question, we need the investment to go into the communities to build up the factories, to build up the skills and then to go out into the global market and compete with Chile, Norway and Iceland. It is all about having the right framework and infrastructure in place, and investment. I am sure that the success of the industry can ride on the back of that.

Dave Doogan: Thank you very much. Thank you, Chair.

Q49 **Chair:** Thank you, Dave. I am looking around to see if Liz Twist is there. I cannot see her. I think we are quite close to concluding. As brief as possible, because obviously we are getting close to the two-hour mark, what is going to happen now? If there was one thing that you would like to see put in place in order to assist you through these difficulties, what would that be? Lastly, has all of this just been some dreadful mistake? We will start with you, Mr Buchan.

Jimmy Buchan: We are where we are. Is it a mistake? You can't look back, you can only look forward. If we have learnt anything, you have taken a wide range of evidence today and there has been a clear message from all three of us today that the system is far from perfect. It needs political intervention and I urge the politicians to go and sort this out for the industry and the people who work within that industry, but it is back to what we said: we need the investment coming in. We need the tools to do the job and the tools are in the toolbox under the lock and key



HOUSE OF COMMONS

of the Government. Unlock the box, get the tools out and we will do the job.

Chair: Thank you. I see Neil Parish has his hand up. I will come to you in a minute, Neil. I will just let the other two answer briefly my perhaps impertinent questions. I will come to you, Ms Whyte.

Elaine Whyte: Yes, I would make a plea that we have further work that looks across the policy areas because there is absolutely no point in saying we are going to develop the infrastructure if environmental policy might close all of our fishing down. We need to be thinking holistically about if we do this one thing to enable a community, we do not want to disable it on the other hand. It is about getting that balance right. I would certainly ask that we continue to have working groups, that we sit down with the fishermen, and that we ask them what their biggest concerns are and how they see that they could get over it—whether it is another call for evidence or whatever. We also need to recognise that different sections within each sector have different needs and requirements and how we can best satisfy that.

James Withers: I will maybe be a bit more blunt in my answer, which will probably get me into trouble.

Chair: That wouldn't be like you, Mr Withers.

James Withers: The way Brexit has been chosen to be implemented has been a dreadful mistake with huge costs attached to it. The question now is whether we can accept there have been gross errors of judgment. We face a very blunt choice: do we want to accept decline; do we want to accept job losses; do we want to accept being a smaller exporting nation; and do we want to accept the fact our reputation will be damaged permanently or over the short term? Or do we want to think how we move forward, rebuild our relationships that have been built for 40 years, recognising that the EU is our single-biggest customer and can be a strong platform to build markets elsewhere? If we accept that, it has to be a better option than just accepting that dealing with the EU has just become some high odds, long-risk gamble where we will lose far more often than we win. If we accept the better option, let's move forward on that basis, but that work has to start now.

Chair: That is very helpful, thank you. Very lastly, Neil Parish.

Neil Parish: It is not a question, but just to say thank you so much for allowing myself and Dave Doogan to be here this morning because we have learnt a great deal. I can promise you we will be reciprocal and offer you a couple of places when we do our reporting starting in early March, and we are calling for evidence now. Jimmy, James and Elaine, very good witnesses this morning. If there is anything more you glean along the way, please bring it with you when you come. Also, can we make sure that our Clerks liaise very well so that we can share information? I think Select Committees work well as individuals, but they probably work even better when we combine our efforts, so thank you very much this



HOUSE OF COMMONS

morning.

Chair: Thank you, Neil. That is very generous of you and I think everybody has seen just how consensual and comradely we are across the Select Committee community in the House of Commons since we have you and Dave here today.

Can I thank all three of our witnesses? This has been a fascinating session—one of the best one-off sessions I think we have had—and very timely obviously. I think this is what we can do on Select Committees: respond to emerging issues and have you guys down to tell us what the difficulties are and what you feel is the solution moving forward. Thank you for coming at short notice and being so candid with us—it is so helpful. I am pretty certain this is going to be an issue that we will want to return to and you will obviously have an invite from the Scottish Affairs Committee, but thank you once again for coming along today and giving your time.