

## Written evidence submitted by Brixham Trawler Agents, More Seafood, Passmore Fishing, Samways Fish Merchants & International Transporters, Waterdance Ltd and Western Fish Producers' Organisation (SME0017)

*This submission is on behalf of a group of organisations exporting from Brixham. We are submitting evidence because all parties have been severely impacted by the exporting issues. We considered a joint submission would give an overview of issues from the catching sector, the auction, the fish buyers, and the exporters, and show the interlinked impacts throughout the supply chain.*

- *Samways – The main seafood exporter working with BTA, transporting fresh seafood daily from Brixham to Boulogne sur Mer via Dunkirk. Exports are made up of many species and many vessels in the same consignment.*
- *More Seafood – a scallop processor and exporter in Paignton. Scallops are mostly exported to Europe fresh, two to three times per week to Boulogne sur Mer.*
- *Brixham Trawler Agents (BTA) – Fish market managers and location of export health checks*
- *Western Fish Producers' Organisation – a co-operative of fishing companies in Brixham including Waterdance Ltd, Passmore Fishing and independent vessel owners.*
  - *Waterdance own 22 fishing vessels.*
  - *Passmore Fishing own three fishing vessels.*
  - *Emily J is an independently owned and operated scalloper.*

### Summary

- Usual fish export service is day-1-for-day-2, i.e., sold on day one and received by the customer on day 2. During January, the service was day-1-for-day-3. Service has now returned to day-1-for-day-2 but at a cost. For example, Samways has hired two extra FTEs to complete the paperwork.
- Export paperwork requirements mean driving your shipment to find an Environmental Health Officer (EHO) for More Seafood or hiring a private veterinary officer for Samways; because local council EHOs are over-stretched and cannot come to individual premises each time.
- Paperwork should be digitised and Export Health Certificates (EHC) should be conducted on a risk basis via regular audits, rather than on each consignment. Paperwork should also be made appropriate for businesses who ship 20 different species per week from over 100 different fishing vessels.
- Customs Officials in France and Customs Agents were not prepared for the amount of paperwork. Checking the paperwork caused the boarder delays. There was not a system of providing feedback by the customs agents to the supplier when there was an issue with the paperwork.
- Samways had 184 hours of delay at the border in January, at a cost of additional driver time and additional lorry hire.
- Missed onward transport and missed pick-ups for the lorries to bring goods back have caused financial losses.
- Fishing business have been made to undertake shorter fishing trips to ensure product stays fresh, this has cost Waterdance an extra 28% more in fuel per £ of fish.
- Brixham fish auction (Brixham Trawler Agents - BTA) has increased its levy on fishing businesses by from 5% to 6.5%. This will cost Waterdance an extra £350,000 during 2021.
- BTA fish auction have spent £40,870 in one-off costs and have £8,770 in ongoing monthly costs. Samways exporters have spent £14,150 in one-off costs and have £27,980 in ongoing monthly costs. None of these costs are eligible to be claimed for under the Seafood Disruption Scheme.

- Fish prices were down 30% between January 2020 and January 2021.
- Fish prices in January 2021 on UK auctions were 25% less than fish prices in EU auctions. This is purely the impact of Brexit, as both the EU and UK had COVID-19 restrictions.
- EU buyers on Brixham fish auction decreased from 27% of the buyers in the first week of January 2021 to 15% in the first week February as buyers lost trust in the product arriving in a timely manner.
- Priorities should be: providing financial assistance to the fishing industry and providing financial assistance to the exporters that actually covers the costs to their businesses, digitizing the paperwork, providing more resources to EHOs to come to all businesses and allowing them to visit on a risk basis and sign certificates electronically.

1. **Which seafood and meat exports have been particularly affected by border delays and disruptions since 1 January, and why?**

Live shellfish has been the most affected, and then fresh fish, which is clearly more perishable than frozen.

- Perishability
  - Fresh seafood has been particularly affected by border delays because of the perishability of the product, it is highly time sensitive.
  - Before Brexit, the usual service was day-1-for-day-2, which means the fish will be with the buyer the day after purchase. The seafood supply chain has historically been a very quick and efficient system where it is sold at 6am, leaves the BTA auction premises at 9am-11am, travel to the processor/exporter where it is ready to leave again by 4-5pm to get the ferry to Dunkirk at 10pm or 12pm and arrives in Boulogne sur Mer at 6-8am the following day, with no stops at the border, to then be re-distributed to the customer that day.
  - In January, the service was day-1 for day-3 as the fish was firstly spending so much time at the exporters site, getting the EHC and other paperwork ready, then it was being held in Dunkirk having the paperwork checked.
  - In February Samways have managed to achieve a day-1 for day-2 service again but they require two extra members of staff to achieve this and a third team member on busy days, such as when two trailer loads are sent on the same day.
- Export paperwork requirements
  - The current set-up for catch certificate & export health certificate does not lend itself to businesses that sell seafood from multiple vessels and species, such as Samways. Samways have had to employ two extra FTEs to deal with the paperwork, at cost to the company. Samways usually export around 20 species per week, from over 100 different vessels. They must complete two sets of export paperwork per lorry, each set is 46 pages long.
  - The system is paper based but could be digitised to reduce the likelihood of some types of errors.
  - Some reasons for rejection have been over-the-top, such as the EHC must be stamped on every page or unmarked box, page numbers added by hand and having to use certain coloured ink.
  - **Annex 1.** details the new paperwork requirements for the fish market, and the exporter.

- Pressure on customs agents and border control points (January issue and tentatively this seems to be improving)
  - Pressure in both areas created delays on the majority of trucks that were lasting between 13 to 15 hours in Dunkirk in January. Only 4 out of 22 trucks in January cleared in a reasonable time frame, leading to a total amount of 183.5 hours of delay for Samways. **Annex 2** shows a table of the hours it has taken for each Samways lorry to complete the paperwork and clear customs at Dunkirk.
  - In February, delays are now lasting between 0 and 9-16 hours. Samways have experienced two delays between 1<sup>st</sup> Feb and 12<sup>th</sup> Feb, both due to the customs agent doing paperwork incorrectly, which they said they had a lack of manpower to correct in time.
  - The initial lack of manpower, training/experience, and the requirement to scrutinise every element of the paperwork caused huge complications at the border control points.
  - Equally, the more complex the paperwork, the longer it takes to get resolved.
  
- Pressure on vets & Environmental Health Officers (EHOs)
  - The system is reliant on a vet or EHO inspecting the consignment in person, which means you must have access to a vet or EHO at exactly the time you need them which may be a short window.
  - Some companies, such as Samways, are located far from the EHO and have vets that visit them daily but must pay for this service. They check the quality of the fish, the packing, loading, and sealing processes for all shipments.
  - Other companies, such as More Seafood, must travel to meet the EHO, wherever they may be. The EHO will then sign the paperwork, as it is paper based, this cannot be signed remotely. EHOs know the individual exporter and therefore inspects a proportion of consignments, based on a level of risk.
  - Samways local council EHOs have said that due to a lack of human resources, they are unable to visit Samways each day. This is being renegotiated during February, to see whether the EHO can offer the service, in the hope that this may bring down costs.
  - As a result of their training, vets are not willing/able to assess Samways' site on a risk assessment basis, as EHOs can, meaning that they must check every part of the process daily/per shipment. This takes 2.5 hours average per day for Samways, at a rate of £150 per hour.
  
- Lack of communication at the border
  - During January, there was no information coming back from the Border Control Posts (BCPs) or the customs agents about what exactly the problem was. If there were issues with the paperwork, this was not being fed back and therefore could not be fixed. Customs agents were not well-enough prepared and therefore did not have the manpower on the ground to get the information and feed it back. Reasons given for the delays were extremely vague for the first month, ranging from 'IT issues' to 'an issue with the paperwork', but no specific details as to what the issue is, to allow us to fix it. We can tentatively say that this is now changing in February, and detail is starting to be emailed through from the customs agent when something is wrong with the paperwork.
  - The drivers are banned from entering the customs office to check the status, they must stay in their cabs at all times.
  - Brixham Trawler Agents are paying for an agent in the EU who spent an extra 6 hours per week driving to border controls to meet with lorry drivers, customs agents

and attempting to speed the process up, but he cannot be at the Border Control Point for every consignment, due to considerable extra cost for BTA.

- Missed onward transport and missed return pick-ups
  - Some consignments have missed onward transport from Boulogne sur Mer and therefore the initial end customer did not receive the product. The product then had to be sold to a different customer in Boulogne sur Mer at a lower price. This has eroded trust from the initial customer.
  - Part of the income in haulage is also to bring products back on the return journey. But this cannot be organized currently because the arrival time of the lorry is so uncertain, leading to further losses of revenue.
- Difficulty landing directly abroad
  - Normally fishing companies can elect to land directly into the EU, or to land into the UK and transport the fish to be sold on EU markets. This allows companies to try to get the best price for the fish. Waterdance Ltd have not attempted to do either of these processes yet because of the risks. Vessels from other companies have reported being arrested while landing directly for very slight (20kg) discrepancies between different pieces of paperwork. There was information from the MMO on what fisheries control paperwork was required to land directly, but there was no information from HMRC about what customs requirements there would be.

## **2. What impact have delays and non-tariff barriers on seafood and meat exports to the EU had on UK businesses?**

### **(a) What are the medium to long-term implications of the non-tariff barriers for UK exporters and supply chains?**

- Cost impacts for fishing businesses
  - The delays at the border meant that BTA put a shorter limit on the length of fishing trips, to try to ensure the catch maintained high quality when it reached the customer. Trips are usually up to 7 days, but they were reduced to 5 days in January and 6 days in February. Allowing for a 30% price decrease in sales, the fuel cost is 28% over the course of the month. Due to this shorter trip length Waterdance have been using 28% more fuel per £ of fish caught when compared to January last year (including allowing for the 30% reduction in price of fish). Calculations are found in **Annex 3**.
  - BTA charges a levy for its services to grade and sell the fish. The levy used to be 5% of the sales price, but it has been increased to 6.5% to contribute to the extra export expenses. This will cost Waterdance an extra £349,000 per year based on recent annual turnover.
- Cost impacts for Brixham fish market (Brixham Trawler Agents - BTA)
  - BTA have spent £40,870 in one-off costs and have £8,770 in ongoing monthly costs. The costs have been broken down in **Annex 4**.
- Cost impacts for seafood exporters - Samways Fish Merchants
  - Samways have spent £14,150 in one-off costs and have £27,980 in ongoing monthly costs.
  - Costs can be seen in **Annex 5**.
  - Both Samways and More Seafood have had very large French VAT bills, £73,500 and £35,00 respectively, which they will be able to claim back eventually but they cannot

yet because they have not received their French VAT number, or their VAT returns have not yet been processed. Cashflow is quickly becoming an issue.

- Trust of consumers
  - It is not just the specific consignments that have been affected, it is the trust of the European consumers. Foreign buyers have lost confidence in buying seafood from the UK because they have had issues in the fish getting to them in a timely manner and therefore in good condition. Many people have lost customers. BTA had 12 regular buyers from the EU in November 2020, when there was also a lockdown in the UK and many other EU countries, but in January 2021 they had 6 regular EU-based buyers. Once new buying relationships have been formed, it is unlikely these customers will return.
  - **Annex 6** shows the percentage of fish sold on Brixham market to EU buyers declined from 27% in the first week of January this year to 15% by the first of February.
  - More Seafood used to export three times a week, now they only export twice a week, because of the decrease in demand.
- Impact on fish prices
  - Not knowing what the deal would be until 24.12.20 meant that there were many unknowns with regards to costs of export, including tariffs. This meant BTA were unable to provide customers with new prices until very late. This made them nervous about buying and meant sales were down.
  - Then when the border delays occurred, this made customers very nervous as fish is perishable and any delays would decrease the value of the product. Sales were less than usual for January.
  - Fish prices were down an average of 30% between January 2020 and January 2021. The graph below shows one example of prices of dover sole through the year. **Annex 7** shows a comparison of average prices for key species in January 2020 and January 2021.



- It is difficult to separate the impacts of COVID-19 and the impact of Brexit, but one indicator is the difference in fish prices between the UK market and European market in January 2021. A dover sole from any waters around the UK and EU is very similar to any other. Indeed, many of the Belgian boats are fishing the same grounds

as our vessels. Therefore, the dover sole can be considered as a commodity that should have the same value within a common market. The main market for dover sole is continental Northern Europe so we have seen historically a small premium (around 10%) on EU markets, presumably due to proximity to end consumers and so lower transport costs.

- We have left the single market and so expected that historic price differential to open a little. However, on Jan 27<sup>th</sup> 2021 there was an average price difference of £2.56 per kg of Dover sole between the Belgium market and Brixham market, this is a 25% difference. The markets usually reflect each other, as they are online auctions, but now the same fish, which is likely caught in UK waters by Belgium vessels is achieving a much higher price in Belgium than it is in the UK. This is an average of the different size classes; some size classes showed a difference of £4 per kg. The data on prices of the two markets is provided in **Annex 8**. Buyers are willing to pay that much more for the fish because on the lack of trust that they have getting UK fish across the border in a timely manner.

### **3. What steps should the UK Government take to mitigate these issues? What should its short and long-term priorities for action be?**

Short Term:

- Urgent action to enable trucks to flow freely into the EU to increase confidence in UK to EU supply lines. It is most important to getting the exporting running smoothly. Anything more specific we can cite to achieve this?
- We need an urgent task force with the EU and the government to be supporting our business by getting HMRC and customs agents' people on the ground to get feedback on what the issues are as they arise.
- Support to local council EHOs with more resources
- Re-consider the scope of the relief fund, see next question.

Medium term:

- Creation of a paperwork system suited to the UK Seafood industry supplying into the EU in regard to number of species and vessels. Can this be added to giving more detail?
- Digitise the EHC system
- Put in place an official system that allows EHOs and vets to do audits on a risk basis rather than inspect each consignment.
- Analyse the full range of costs to businesses UK-wide work to reduce them.

Long Term

- A stable platform to continue growth of business into the EU. We need a demonstrated continual reduction of costs and complexity of new process of exporting which enable us to maintain competitive pricing, and continuation in service so we can provide long term stability of delivery to customers. Anything more specific to add to this that might need negotiation with the EU? e.g. multi-vessel schedules?
- A manageable export paperwork process.

### **4. How effective and timely will the Government's proposed £23 million support package for seafood exporters be?**

- Compensation for loss of earnings will help businesses deal slightly with the huge extra costs they have faced. The fund that has recently been released is not fit for purpose as the criteria of what is covered does not cover the costs that businesses have been incurring to get over the hurdles at the border. The reality is that the costs, and the loss of trust from customers have been the biggest impact, not consignments getting fully rejected. The fund is not covering the actual impacts. Businesses may only be able to claim small amounts and therefore the whole £23 million is unlikely to be spent.
- For example, Samways can claim £0 when their costs have been £27,979.31 per month, excluding loss or revenue and trailer rentals caused by extended delays. A breakdown of costs can be found in **Annex 5**.
- Change the scope of the fund so it is like the COVID-19 relief fund, where it is acknowledged that all actors in the supply chain have been impacted.
- The fund also does not cover fishing businesses who have suffered additional costs and reduced prices.

### **5. How useful and responsive were the guidance and support provided by the Government to business, before and since 1 January?**

The government should have done more testing of their systems and the guidance, as the tests were on January 1<sup>st</sup> with real shipments.

The document for advice on how to land directly abroad does not have any information at all about customs. It was written by the MMO, who have not had any communication by HMRC. Guidance and communication from HMRC specific to seafood and direct landings has been zero. Experience of the MMO helpline is that when they do not know an answer to a question, they say they will find out and call you back but have not done.

### **6. What can the UK learn from other countries who export food to the EU?**

There is a sub-committee being run by the MMO that is seeking to identify nations that successfully export food to the EU. Samways are a part of this group, which is currently focusing on the simplification of catch certificates. The most suitable country for analysis is Iceland, although the group feels that the UK will need to pick and choose from third country deals agreed with the EU. This is going to be a long-term project and commitment, but the UK Seafood industry should be willing to strive for a deal unique to the type of trade that occurs between the UK and the EU.

### **7. How ready is the UK to introduce checks on food imports from the EU during 2021, and are there lessons to be learnt from the issues that UK exporters have faced?**

Experience on the EU side suggests customs agents and officials will need thorough training and increased staffing to cope.

There should be a recommendation to be testing the rigidity of a feedback model from border control back to the exporter of the goods. Provided there is testing of exports (i.e. paperwork and relevant border checks), and realistic feedback being provided, over a period of time then the supply chain should be better prepared for 1 July 2021. As has been touched upon, the 1 January was the first real test that the system faced, and it failed miserably. It took until February to get back on top of the situation, so for the UK it should prioritise testing and feedback continuously until everything is live.

## Annex 1. Details of the extra paperwork required from the fish auction and the exporter.

### Brixham Trawler Agents:

- Provide special reports to the freight forwarder of each customers buying at the auction. This then must be amalgamated into another report which gives the volume of sales per species with the name of the boat it was bought from on it.
- Labels must be printed for each species and put with the boxes containing those species. This makes it easier for the vets to identify.
- Manually enter the number of boxes of fish to each customer per species onto the invoices before the invoices are sent to our freight forwarder.
- The number of boxes per customer per species must be entered by the loaders of the lorry onto a spread sheet so that the information on the invoice is correct.
- All EU sales invoices are printed and filed, together with the customs paperwork for the day. All the above is completed every day and was not done pre-Brexit.
- A French VAT Return must be completed monthly. Not done yet but the spread sheet provided to us to complete is very complicated.
- The VAT must be paid. We then must complete the reverse charge VAT claim and reclaim this VAT (not yet done so time unknown).

### Exporters:

- Export Health certificate
- Statement of Values
- Catch certificate
- Sales Invoices
- CMRs

## Annex 2. Hours of delay for each Samways lorry in January

Samways Lorries From Bridport to Boulogne Sur Mer (Times Stated as GMT)								
No. Lorries	Due Leave Day	Due Leave Time	Due Arrival Day	Due Arrival Time	Actual Arrival Day	Actual Arrival Time	Delay in Hours	
2	04 January 2021	17:00	05 January 2021	06:00	06 January 2021	17:00	35:00	
0	05 January 2021	Export cancelled due to previous day's issues, which needed to be resolved						
1	06 January 2021	17:00	07 January 2021	06:00	07 January 2021	15:00	09:00	
1	07 January 2021	17:00	08 January 2021	06:00	08 January 2021	14:00	08:00	
2	08 January 2021	17:00	09 January 2021	06:00	10 January 2021	06:00	24:00	
2	11 January 2021	17:00	12 January 2021	06:00	12 January 2021	15:00	09:00	
1	12 January 2021	17:00	13 January 2021	06:00	13 January 2021	17:00	11:00	
1	13 January 2021	17:00	14 January 2021	06:00	14 January 2021	10:00	04:00	
1	14 January 2021	17:00	15 January 2021	06:00	15 January 2021	13:30	07:30	
1	15 January 2021	17:00	16 January 2021	06:00	16 January 2021	08:00	02:00	
1	18 January 2021	17:00	19 January 2021	06:00	19 January 2021	15:00	09:00	
1	19 January 2021	17:00	20 January 2021	06:00	20 January 2021	13:00	07:00	
1	20 January 2021	17:00	21 January 2021	06:00	21 January 2021	11:00	05:00	
1	21 January 2021	17:00	22 January 2021	06:00	22 January 2021	17:30	11:30	
1	22 January 2021	17:00	23 January 2021	06:00	23 January 2021	12:30	06:30	
1	25 January 2021	17:00	26 January 2021	06:00	26 January 2021	21:00	15:00	
1	26 January 2021	17:00	27 January 2021	06:00	27 January 2021	08:00	02:00	
1	27 January 2021	17:00	28 January 2021	06:00	28 January 2021	20:00	14:00	
1	28 January 2021	17:00	29 January 2021	06:00	29 January 2021	08:00	02:00	
1	29 January 2021	17:00	30 January 2021	06:00	30 January 2021	08:00	02:00	
						<b>Total Hours Delay</b>	<b>183.50</b>	

### Annex 3. Cost impacts on fishing businesses

The below table shows the settling of two of the Waterdance vessels from January 2020 and January 2021. In January 2020, the vessels did trips of 7 days; in January 2021 this was restricted by the market to trips of 5 days. This increased the amount of fuel burned per £ of fish by 27%, when considering the price reduction of the fish.

Settling date	landing	Litres	Fuel cost				litres per £ sale
10/01/2020	£69,262	31227	£14,958	£0.48	22%		0.45
21/01/2020	£67,309	24956	£11,829	£0.47	18%		0.37
07/01/2020	£55,086	18088	£8,827	£0.49	16%		0.33
09/01/2020	£29,888	13799	£6,573	£0.48	22%		0.46
28/01/2020	£63,655	28994	£12,618	£0.44	20%		0.46
29/01/2020	£53,605	28623	£12,880	£0.45	24%		0.53
<b>Total 2020</b>	<b>£338,806</b>	<b>145687</b>	<b>£67,685</b>	<b>£0.46</b>	<b>20%</b>		<b>0.43</b>
14/01/2021	£33,991	23900	£9,871	£0.41	29%		0.70
22/01/2021	£21,971	17185	£7,183	£0.42	33%		0.78
04/01/2021	£29,471	18102	£7,240	£0.40	25%		0.61
13/01/2021	£52,944	34132	£13,858	£0.41	26%		0.64
20/01/2021	£19,133	13758	£5,751	£0.42	30%		0.72
27/01/2021	£31,038	21421	£8,933	£0.42	29%		0.69
28/01/2021	£25,338	14061	£5,763	£0.41	23%		0.55
<b>Total 2021</b>	<b>£213,884</b>	<b>142559</b>	<b>£58,598</b>	<b>£0.41</b>	<b>27%</b>		<b>0.67</b>

Average increase in fuel burnt (litres)		0.24	55.0%
Additional cost for January 2021	£	20,794.16	35.5%
Additional cost after allowing for 30% sales price reduction	£	15,995.51	27.3%

### Annex 4. Additional costs post-Brexit for fish market

BRIXHAM FISH MARKET			
Issue	Internal costs		External costs
Estimated reduction in sales	25%		
	(circa £150,000)		
Auction software: To accommodate the information required to complete EHC's and catch certificates changes were required to the software, and new reports needed to be created. This needed testing and reviewing ensuring information was suitable for input into the forms	Staff time approx. 25hrs	one off	£1,500

Back office systems: There were many changes to invoices required to satisfy customs. Each change needed testing	staff time approx. 25 hrs	one off	£1,443
Invoicing: To be able to complete the necessary requirements of customs invoices still need manually adjusting daily.	staff time approx. 30 hrs	ongoing	
Fiscal Representation: We have had to appoint a French company to deal with VAT, EORI, and vat reverse charge, in France.	staff time approx. 10 hrs	one off	€ 3,500
Monthly VAT return	Staff time approx. 30 hrs	ongoing	€650 per month
Freight Forwarder: We have appointed a company to undertake our transport and complete all the necessary customs documentation on our behalf	staff time re ongoing conversations approx. 10 hrs	ongoing	Approx. £5,000 per month (not yet invoiced)
Customs agent: We have appointed a company to carry out all our customs checks and deal with issues at border control points.	staff time re ongoing conversations approx. 10hrs	ongoing	€ 3,805 (1.1.21 to 22.1.21)
Market labour: We are having to make sure the lorry is loaded correctly, box numbers recorded, and all labelling is correct. Our own staff oversee. (5 people compared to 2 just to make sure everything is correct)	staff time ongoing (extra 5 hrs per day)	Ongoing	£1,000 pm
Labels required for each pallet			£800 pm
Trailer hire			£900 pm
Additional boxes (as not coming back quickly and cannot mix species)		one off	£30,000
Consultancy: Our EU consultant has spent a huge amount of time talking to customers, and even going to border control on our behalf. Talking to customs agents and being involved with our transporters.			£500 pm

Total one-off costs	£40,871.60
Total ongoing costs per month	£8,769

## Annex 5. Additional costs of exporting post-Brexit for exporters

<b>Samways Fish Merchants</b>			
<b>Additional costs from "Brexit"</b>			
<b>Matter</b>	<b>Comment</b>	<b>Monthly</b>	<b>One off</b>
		<b>£</b>	
<u>People</u>		(20 days)	
Chris Sheath	Full time contractor (£400 per day), one off set up	8,000.00	10,400.00
Katie Smith	Full time employee	2,543.32	
Jonathan Kramer	50% of time (only helps during peak time). Contractor - 50% x €3764,	1,670.38	
<u>Others</u>			
Haydons	Per invoice	4,357.50	
Kingston	Per invoice	2,137.50	
DFDS	UK Export (Dues, service, comm, DDA), base on invoices for 1st 13 da	6,624.62	
DFDS	EU Import (£52.00 per day). Based on invoices so far	1,040.00	
French VAT return	€600 per month, start fee per invoice	500.00	1,875.00
Dutch VAT return	€600 per month, Start up estimated	500.00	1,875.00
Dutch company	Annual accounts & tax fee (apportioned) - plus registration	556.00	
Stationery, telephone etc	Estimated	50.00	
<b>TOTAL</b>		<b>27,979.31</b>	<b>14,150.00</b>
<b>Not included</b>			
Additional containers			
Drivers waiting time			
Additional miles			
Lost sales			
Costs of freezing unsold scallops			
Also - VAT paid in France for January was €84,814 which we will not get refunded for 3 -4 months. At that rate cashflow will be a problem.			
There were some small set cost for driver licences, vehicle licenses etc. no more than £1,000.			

### More Seafood

- More Seafood have spent £35k over the 6-week period post Brexit in VAT. They can reclaim this eventually but currently they do not know when they will get this back as they are still waiting for the authorities to issue them with a French VAT number. This is a huge cash-flow issue.
- DFDS handling charges to arrange clearance paperwork are £150 per shipment (approx. 2 times per week)
- 3 Hours admin every time they export, the main problem being trying to locate the EHO and getting him to stamp the paperwork, as this cannot yet be done electronically.

### Annex 6. The percentage of fish sold on Brixham market to EU customers January 2021.

Week beginning	Percentage of fish sold to EU customers
04.01.21	27%
11.01.21	22%
18.01.21	22%
25.01.21	16%
01.02.21	15%
08.02.21	15%

### Annex 7. Price comparison of key species between Jan 2020 and Jan 2021

		Jan-20	Jan-21		
		£ per kg	£ per kg		% difference
BASS		9.88	7.21		-27.02
BRILL		8.50	5.39		-36.59
HADDOCK		2.78	1.89		-32.01
LEMON SOLE		7.82	6.18		-20.97
MONK		11.00	7.68		-30.18
PLAICE		2.57	2.12		-17.51
POLLOCK		4.46	2.35		-47.31
SAND SOLE		7.56	5.77		-23.68
SOLE		13.10	8.83		-32.60
TUB GURNARD		2.61	2.00		-23.37
TURBOT		14.90	9.77		-34.43
WING		3.00	2.44		-18.67
TOTAL		89.96	63.45		-30.11

### Annex 8. Price difference between Belgium and Brixham market on same day in January.

Species	Size class Ostend (g)	Euro/kg Ostend	Ostend convert into £/kg	Size class Brixham	£/kg Brixham	Cost to EU customer from Brixham (£)?
Sole	800	11.87	10.51	1	8.7	9.29
				2	9	9.59
	501-800	13.8	12.22	3	9.8	10.40
	401-500	14.69	13.00	4	10	10.60
	351-400	15.92	14.09	5	10.7	11.31
	301-350	16.46	14.57	6	10.9	11.51
	251-300	16.62	14.71	7	11	11.61
	201-250	16.5	14.61	8	10.6	11.21
	161-200	13.26	11.74	9	8.8	9.39
	120-160	11.1	9.83	10	7	7.57
<b>Average</b>		14.47	12.81		9.65	10.25
<b>Difference between Brixham and Ostend averages</b>		£2.56				
<b>Percentage difference</b>		25 %				

This table shows the average prices in Belgium on January 27<sup>th</sup> and the averages at Brixham. There are 9 size grades for sole in Belgium and 10 at Brixham. Size 1 is the largest and equates to 800 grams + in Belgium. The Belgium price is adjusted for the exchange rate on Jan 27<sup>th</sup>, and the Brixham price has 50p per kilo and 1% added to get the total cost for European buyers to contribute to the transport and paperwork expenses for export. This gives an average difference of £2.56 per kilo, which is a 25% price difference. There is a clear suggestion to me that we are seeing the effects of informal non-tariff barriers to trade such as low EU buyer confidence in the product arriving in a timely manner.

Central auction system – Zeebrugge & Oostende							
Overview of current average prices							
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Species	Size	Qual.	Characteristics	Wgt. (kg)	ZEE (€/kg)	OOS (€/kg)	
Scallop	0 - 6	A	NORMAL	325,00	0,00	2,45	
Scallop	6 - 8 (2)	A	NORMAL	260,00	0,00	1,95	
Sole	+ 800	A		116,00	0,00	11,19	
Sole	+ 800	E		84,00	0,00	11,87	
Sole	120 - 160	A		517,00	0,00	8,70	
Sole	120 - 160	E		69,00	0,00	11,10	
Sole	161 - 200	A		545,00	0,00	10,94	
Sole	161 - 200	E		128,00	0,00	13,26	
Sole	201 - 250	A		158,00	0,00	16,59	
Sole	201 - 250	E		161,00	0,00	16,50	
Sole	251 - 300	A		147,00	0,00	16,20	
Sole	251 - 300	E		165,00	0,00	16,62	
Sole	301 - 350	A		151,00	0,00	15,95	
Sole	301 - 350	E		164,00	0,00	16,46	
Sole	351 - 400 Tong	A		131,00	0,00	15,72	
Sole	351 - 400 Tong	E		117,00	0,00	15,92	
Sole	401 - 500 Tong	A		178,00	0,00	13,58	
Sole	401 - 500 Tong	E		192,00	0,00	14,69	
Sole	501 - 800 Tong	A		210,00	0,00	12,42	
Sole	501 - 800 Tong	E		257,00	0,00	13,80	
SPIDER CRAB CLAWS	DIVERSE (1)	A	NORMAL	2,00	0,00	2,04	
Spotted Dogfish	ONGESORTEERD	A	NORMAL	629,00	0,00	2,90	

In Belgium, the fish is also graded for freshness as 'A' (lower quality) and 'E' (higher quality). No such grading occurs in Brixham. We have used 'E' quality to compare Belgian to Brixham fish as UK vessels generally do shorter trips than those from Belgium.

February 2021