

A SUSTAINABLE FUTURE FOR FISHING - ADAPTING TO HIGH FUEL COSTS

1. Scottish fishing enjoys many priceless assets - rich fishing grounds, a product in strong demand and top quality people. In recent months, however, the sector as a whole – catchers, processors, distributors - have faced deteriorating economic conditions. They have been especially hard hit by dramatic increases in fuel prices. This plan reaffirms the sector's - and the Scottish Government's - firm belief that Scottish fishing has a vibrant future as a key part of thriving coastal communities. It sets out steps which need to be taken over the next three years to ensure that the sector is economically and environmentally sustainable, can invest with confidence and attracts in the new blood on which its future depends. Under this plan the sector and Government will take the steps necessary to ensure a sustainable and profitable future for the industry.

The Themes

2. Under this plan we shall

drive forward improvements in fuel efficiency. High fuel prices are almost certainly here to stay. A sector which is fit for purpose in the 21st century will be as efficient as possible in terms of litres of fuel used per fish caught/processed. Ideas for improving fuel efficiency will be identified, developed and implemented. This will contribute not only to economic performance – every 1% cut in fuel consumption will save the Scottish fleet £1 million per annum - but to a more environmentally sustainable Scotland.

maximise value added in the Scottish seafood chain. As an integral part of the food industry, fishing stands or falls by its performance in the market place. The new economic circumstances make it even more critical that that performance is the best it can possibly be. As part of our national food and drink policy, we shall support the industry to achieve real progress on value added and the reputation of its product.

tackle inefficiencies wherever they occur. Under this plan, steps will be taken to reduce identified costs and to ensure wider policies help create an efficient, streamlined sector. This will include seeking to develop better fisheries management arrangements to tackle the scourge of discards.

3. Adding value, improving fuel efficiency and removing costs are all clearly essential. Work on these starts now. But there may be fleets where other adjustments are needed to meet the challenges of today and tomorrow in a world of high fuel costs. Careful analysis and discussion will be required if we are to identify the interventions most likely to ensure orderly and optimal adjustments. The task is urgent but must not be rushed. This plan will therefore initiate an intensive dialogue with the key Scottish fleet segments to analyse their needs if the industry is to flourish in the decades to come.

Delivering the plan

4. Meeting these objectives will require a wide range of actions. Examples which have already been identified are set out in the attached list. They will involve a wide range of people; many of the actions listed are dependent on proposals coming forward from the sector under the European Fisheries Fund which will open to applications later this month, following approval of the UK Operational Programme by the European Commission. Over the lifetime of the plan, others will be added as we keep alive this national effort to safeguard a vital national industry. The implementation of the plan will be undertaken in close partnership with the Scottish Fisheries Council.

5. Implementing this plan will require resources and commitment at every level. The exact level of resources to be made available will depend on decisions in Brussels on final EFF allocations and in London on critical UK Government support. In the meantime, the Scottish Government wants to make clear its commitment to the sector and to the delivery of this plan. As a first step, resources totalling around £29 million will be made available to implement this 3 year plan. This is a substantial start on which we hope to build. If sufficient strong proposals come forward from the sector to deliver the objectives of the plan, we would consider providing additional support. We are also confident that other players in the sector - and beyond – will want to play their part in helping ensure that this plan can deliver the future which this vital sector deserves.

.

ACTION PLAN

Listed below are examples of measures which will help implement the 3 year plan. This list will evolve over time: the specifics of many of the measures will be determined by proposals which come forward from the sector; and the list itself will be developed further with the Scottish Fisheries Council starting at its 9 September meeting.

Improving Fuel Efficiency

- 1.1 Measures to drive up fuel efficiency across the whole Scottish fleet including:
 - a. Support to enable Scottish vessels to have **fuel efficiency health checks**, undertaken by publicly funded experts. Recommended actions would lead to fast tracking for EFF and other support.
 - b. Support for identifying and **promoting throughout the fleet up-to-date information on fuel efficiency**.
 - c. Support for **trials/pilots of measures to improve fuel efficiency**. This work will benefit from the availability of the newly appointed observers on board and from specifically earmarked money under the Scottish Industry Science Partnership. Particular attention will be paid to measures such as new gears which contribute to both fuel efficiency and stock sustainability.
- 1.2 Support for the use of **flow meters** on Scottish vessels. These have been shown to significantly improve fuel efficiency.
- 1.3 An urgent scoping study to prepare the way for future support for **re-engining**, both to modernise engines and to allow the use of thicker marine diesel.
- 1.4 As part of the follow on from the establishment of fully devolved licensing arrangements in Scotland (should this be taken forward after the current Scottish Quota Management and Licensing consultation – SQMLS - concludes) a **review of licensing rules** to ensure that the system is business friendly, while continuing to support regulatory requirements.

Maximising value added and enhancing Scotland's seafood reputation

- 2.1 Additional support of £300k will be provided to **Seafood Scotland** to develop the processing sector and boost the brand, reputation and value of seafood. It will also support sustainability accreditation, including under the Marine Stewardship Council. Seafish intend, in parallel, to provide support to the tune of £1 million over the next 3 years.
- 2.2 Convene a small group of experts to look urgently at **key value added issues**, such as branding, regularity of landings, terms of payment, promotion. It will also advise on how best to use the additional EFF funding to be allocated to marketing. Its preliminary views will be fed into the supermarket summit in September and to the developing food and drink policy.
- 2.3 As part of the SQMLS, a thorough look at the performance and role of **producer organisations**, including how best to improve the delivery of their marketing role including their interface with Seafood Scotland.

Tackling other costs and inefficiencies

3.1 Implementation of the commitment to cover the costs of the next phase of **warranties for vessel monitoring systems** and to contribute this year to the **maintenance of safety equipment**.

3.2 Cover some additional identified costs:

- the installation of **e-log books**;
- press the UK Government to cover the cost of **light dues**.

3.3 Implement the conclusions of the **SQMLS** consultation in such a way that it produces reduced costs for the active fleet.

3.4 Support for an urgent study into the scope for delivering savings in the **cost of fuel** to the fishing sector, in particular:

- explore with the fishing sector the scope for collective purchase, with or without bulk buying.
- explore the scope for using public funds to improve port and other infrastructures, in particular in the west coast.

3.5 Steps to deal with the plague of **discards**, in particular

- hosting a workshop in September to develop and promote innovative ideas within the Scottish sector for reducing discards.
- exploring the scope for drawing lessons from the Conservation Credits scheme so as to allow access to increased volumes of North Sea cod.
- exploring international best practice through the expert panel which we shall be setting up by end August to explore alternatives to the Common Fisheries Policy.

Identifying the needs of each fleet segment

4.1 Public support for a **detailed analysis, fleet segment by fleet segment, of the most appropriate interventions** to ensure an ordered and effective response to high fuel prices and the best possible future for the Scottish industry. This is likely to involve focussed discussions in small sectoral groups, supported by necessary public funded expertise. Careful account will be taken of onshore and community interests and of any impact on stock sustainability. Conclusions to be available by end November.

4.2 Taking forward early discussions with relevant local authorities and enterprise networks to ensure that **local economic development support** is properly targeted for those communities most likely to be affected.

4.3 Preparing the way to implement the conclusions of the work at 4.1, in particular exploring the creation of **fleet adaptation schemes** for Scottish fleets.

4.4 Analysis of current and likely future **labour issues** in the catching sector.

4.5 Develop with the sector a **new entrants** scheme in the context of the review of quota management.

4.6 Investment in **training** to ensure a skilled, professional Scottish sector for years to come.