

RURAL ECONOMY AND CONNECTIVITY COMMITTEE

SALMON FARMING IN SCOTLAND

SUBMISSION FROM WAITROSE

1. Do you have any general views on the current state of the farmed salmon industry in Scotland?

The industry has great strengths, not least in the fact that it is consolidated into a few major companies and a number of smaller farming businesses. This provides significant opportunities for industry wide collaboration and innovation as well as for investment in research, and the further development of innovative practices and equipment.

Farmed Scottish salmon is a significant export success and has won and maintained its reputation for quality for many years, this includes achieving Label Rouge accreditation. The industry has developed its own voluntary code of good practice and it is fair to say that farmed Scottish salmon is one of the most audited. In addition, the farming of salmon in Scotland has created around 8000 jobs, many of which are in remote rural areas, helping to sustain otherwise fragile communities and their infrastructures; schools, shops, small businesses etc. all gain from the jobs provided in these areas.

However, the industry is facing some major challenges. These include the management of sea lice, a range of gill issues, environmental change and a small, but increasingly vocal, anti-salmon farming lobby. If the 2030 vision is to be realised, even partially, then the industry needs to accept that it must work towards a social license to expand. Unlike open sea commercial fishing, salmon farming takes place close to the coastline with its farming structures sited in scenic areas and fully visible to the public. Because of this visibility, it has become an easy target for those seeking to place the blame on farming businesses for issues such as the declining wild salmon run in Scottish rivers. This accusation is not proven but that has not stopped protestors seeking to apportion blame and this Government enquiry is the result.

As stated earlier in this submission, the industry needs to recognise that it must have a social license to expand. To achieve this, it should increase the level of transparency around operations and protocols so that key animal health, welfare and environmental indicators and issues are made more widely available to public scrutiny. This would likely act as a counter to the all-out focus on volume of production which, as argued by some, lies at the heart of some of the greatest criticism levelled at the industry.

As part of the drive for volume, stocking densities on many farms have been held at as high a level as possible - around 15 to 20 kgs/m³ at present. We ask whether the industry should consider uniformly reducing stocking densities to the level of the current organic standard of 10 kgs/m³ in order to test the idea that lower stocking densities may reduce stock mortality. Mortality rates are currently far too high - at

around 23% - and reducing this level through better husbandry at lower stocking density should, in theory, result in the farms maintaining harvested volume; a potential win-win for the industry, the environment and fish welfare.

2. There have been several recent reports which suggest how the farmed salmon industry might be developed. Do you have any views on action that might be taken to help the sector grow in the future?

The future lies in good research. More research is required into fish health, disease management and prevention, vaccination, sea lice mitigation, algae and plankton impact, early warning systems, functional feeds, offshore infrastructure, managing environmental impact and more. Per tonne, we believe the UK currently spends less on research than our Norwegian counterparts and this needs to change. Indeed, one could argue that that this has already begun to happen with the launch of the SAIC and Innovate 'match' funding.

In addition to research, we believe that regulatory bodies could provide more robust controls (possibly including financial ones) on breaches to licences or codes of practice. NB: some of these controls do exist, for instance with SEPA reducing biomass on farms that breach ELC limits. However, it could be argued that they are not as robust or financially punitive as they need to be.

We also believe that zoning could play a positive part in better matching our societal environmental needs and expectations with the needs of the salmon industry and its stakeholders (employees, customers, dependent communities). Green (Organic) zones, R&D zones, alternative native species zones and standard salmon farm zoning might encourage innovation as well as protecting varied loch environments from the current single use strategy.

3. The farmed salmon industry is currently managing a range of fish health and environmental challenges. Do you have any views on how these might be addressed?

- Reduce stocking densities in each pen (see question 1).
- Manage stocking densities in specific geographical areas.
- Move funding towards research and development for fish health, disease management and prevention, vaccination, sea lice mitigation, algae and plankton impact, early warning systems,
- functional feeds, offshore infrastructure and managing environmental impact amongst others.
- Provide a much more efficient SEPA service, i.e. fund this organisation to allow it to perform tests and produce results more efficiently than at present.
- Find a way to promote the industry focus on maximising fish health and welfare over production volume, perhaps by requiring the open publication of mortality figures.
- Decide upon and then promote best practice. This might need disconnecting the SSPO CoGP from the final 'best practice' results as the SSPO is funded by the industry.

4. Do you feel that the current national collection of data on salmon operations and fish health and related matters is adequate?

Marine Scotland, SEPA and the SSPO provide good data but we believe the Norwegian system may be more effective in providing information within the public arena. Examples might include, reporting data on sea lice levels on individual farms, reporting mortalities, reporting wild wrasse capture volumes, and the open publication of environmental impact and genetic transfer data from escaped farmed fish to wild populations.

That said, we are aware too of the good collaborative work being performed between regulatory bodies such as SEPA and one or more of our specific farming partners. An example is work on improving the efficiency, reliability and sustainability of certain data capture methods for benthic measurement.

5. Do you have any views on whether the regulatory regime which applies to the farmed salmon industry is sufficiently robust?

Planning permission takes a long time but does at least provide plenty of opportunity for public engagement in the consent process. The costs of establishing a farming operation are high and the planning process could better take into account the significant financial investment required. If there are efficiencies to be made then they should be implemented.

Environmental impact assessments are only performed as new farms are built or when there is a change to agreed operating parameters on the farm. We believe such assessments should be reviewed more often as a number of farms are many years old and some have created environmental degradation and damage which may well be recorded and dealt with by SEPA but appears to have little practical effect on the farming operation itself other than the occasional reduction of biomass.

SEPA performs a good service but appears undermanned. Some farm sites are not assessed by SEPA representatives for some years and the reports of findings can take too long to be returned to the farm. This results in delays in responding to problems found, such as out of specification benthic readings.

Escape data is published but there is little incentive to develop long-term escape prevention strategies. As an industry, we need to ask if there should be more robust financial penalties to encourage the development of effective, long-term strategies to prevent escapes.

Seal cull data is widely published but, as for escapes, there appears to be little long-term incentive to reduce the requirement for seal culls going forward.

Effect on wild salmon

We are well aware of the claims being made by some groups that salmon farms are the major contributor to the decline of wild salmon catches in Scotland.

Our view is that these claims are unsubstantiated and there is a growing body of evidence that counters the negative view of salmon farming. All farming has some effect on the environment and we are concerned that this debate, conducted in the main within the media rather than within groups that can drive change, has become too one-sided and may be ignoring evidence which could contribute to a more balanced view. The debate needs to include an assessment of the possible impact of commercial and sport salmon fisheries on the decline of wild salmon over the last four decades.

Sport and commercial fisheries capture salmon returning to rivers to spawn and until catch and release schemes were introduced, it is likely that the vast majority of those fish were killed before they had chance to successfully spawn. In 2016, 90% of the annual rod catch was released compared with less than 8% in 1994. Similarly, less than 1% of rod-caught spring salmon were released in 1994, while 98% were released in 2016. The removal of a volume of potential brood stock from the rivers will likely have had some effect on the numbers of smolts returning to sea in the following cycle.

The debate continues and we would encourage both industry and the anti-salmon farming lobby to engage in a more mature manner, including sponsoring independent research, in order to find a more mutually acceptable position. In other parts of the world, such as on the west coast North America, riverine fisheries and sea-based farming companies engage in joint projects to rear and release salmon fry and smolt into the rivers. This appears to be a win-win approach for both parties and perhaps demonstrates the type of innovative thinking that should be better embraced here in the UK.

6. Do you have any comments on how the UK's departure from the European Union might impact on the farmed salmon sector?

- Departure from the single market may result in trade tariffs that disadvantage Scottish salmon against competitor producers in other parts of the world such as Norway.
- Smoked salmon may be particularly badly affected with a WTO tariff of 13%. The fresh salmon tariff under WTO rules would be 2%.
- Delays in border crossings while transporting fresh product will result in lost shelf life and higher likelihood of waste.
- Scottish harvest and packing units in the Highlands are mostly staffed with migrant labour from Eastern Europe. With the ending
- of the free movement of labour, there is concern that we may not find the people we need to operate these businesses.

Please feel free to answer some or all of these questions or focus your answer on other areas of particular interest to you or your organisation that are relevant to the Committee's inquiry.

Also, specifically for Waitrose:

How Waitrose sources Scottish salmon?

Waitrose sources salmon from four farming partners in Scotland and all those partners must adhere to a range of standards and assessments before we will accept them as supplier.

Waitrose's starting point for sourcing Scottish salmon is our 'Responsible Sourcing' policy. All Waitrose suppliers must source farmed salmon from aquaculture operations that are responsibly managed and independently certified, not only to the industry-wide SSPO Code of Good Practice, but also to a recognised third party standard. Recognised third party certification includes: ASC, Global Gap, GAA BAP, FOS, RSPCA, Soil Association Organic and Naturland Organic.

The feed used for our salmon must also be independently certified. Marine based raw materials must only be sourced from responsibly managed fisheries and certified to IFFO RS, MSC or FOS standards. Organic salmon feed is also suitably certified and may only use marine raw material from trimmings from fish responsibly caught for human consumption.

In addition, we require our farming partners to adhere to a Waitrose specific Aquaculture Protocol. The Protocol sets out standards of behaviour in detail with regards to fish husbandry, fish health, environmental impact, sourcing and use of feed, harvesting procedures, workers' rights, community engagement, biosecurity and more. We assess our farmers' adherence to these standards using our 'feet on the farm' on-site 'Responsible Efficient Production' assessment, the detail for which is covered under the next query.

How Waitrose works with producers?

The themes running through our relationships with our farming partners are Continuous improvement and 'Responsible' farming. The 'Responsible' theme is split into Responsible Production, Health, Sourcing and Employment.

These themes run through every interaction with our farming partners and provide the context for all decision making.

Out on the farms, our Responsible Efficient Production (REP) team visits each farm prior to them starting to harvest and performs a full REP assessment. Any farm not fulfilling the assessment requirements will not be accepted as a Waitrose supplier until those requirements have been corrected. The REP assessment is an in-depth audit of processes, procedures and results and measures a range of criteria. These include, for example, veterinary health plans, infrastructure, feed, stocking levels, mortalities, treatments, environmental planning, water and sea bed quality reports, health and safety, workers' rights and more.

The purpose of the assessment is to encourage continuous improvement. Farming at sea is a difficult thing to do and one year is never the same as the next with varying weather, sea temperature, disease and other natural challenges. We think it is important therefore to work in partnership with our farmers and work with them through these challenges. This way, we maintain our influence, consistently build

on our understanding of the reality our farmers are dealing with and demonstrate a long term commitment to positive change. That said, should a farm clearly not be dealing with an issue effectively enough or if our REP assessors discover any more acute issues, then a supply 'stop' would be put on the farm until these issues were corrected.

Once the fish have arrived at our processing plant we perform additional checks on the quality of the flesh and feed the results back to our farming partners.

Waitrose farmers must deliver salmon of the right quality. Our Fresh Farmed Salmon Specification is a clear guide to what we consider an acceptable quality of fish; all fish entering our supply chain are assessed against this standard. The specification assesses a range of quality attributes including texture, temperature, gills, scale loss, sea lice, gutting and cleaning, flesh colour, discolouration and more. We will not accept fish that do not achieve the required specification.

There is a similar specification for testing for a range of biological, chemical or heavy metal residues and clear action plans in place to deal with any positive results.

Daily taste panel results are also fed back to our farming partners as appropriate.

Summary

Waitrose works in long term partnership with our farming partners on their journey of continuous improvement. Our aim is not only to understand the challenges faced by our farmers but also to set standards, promotes our values, ensure compliance and create aspiration for continuous improvement.

What are Waitrose's expectations of the producers now and in the future in terms of sufficient/ quality of supply?

Waitrose customers want to see consistency both in terms of the quality of the product and the predictability of supply. Both these requirements are linked. With good husbandry practices, clear strategic direction and a focus on managing fish health and welfare over and above volume or speed of growth, quality and predictability should follow.

Waitrose's expectation is that our farming partners will continue to aspire to improve farming practices into the future and ensure fish health and welfare is at the heart of their operations. Scottish salmon is already one of the most highly regulated farming environments (is this sentiment at odds with some of the information at the beginning of the submission?) and, as the Waitrose farms are already consolidated under the ownership of only four Scottish salmon companies, there is a tremendous span of control. Indeed, with the industry-wide Code of Good Practice, there is already excellent control and uniformity in farming practice. This uniformity already impacts positively on the quality of the end product and we must continue to build on that.

Our expectation is that our farming partner companies will continue to work in close

partnership with us on achieving further improvements in standards of operation. Fish health is top of the agenda at present and, with the advent of the SAIC (Scottish Aquaculture and Innovation Centre), there are already a number of innovative joint-venture projects underway to address some of the current complex health issues. The industry has great pedigree here with real focus brought to bear in the 1990s on developing vaccines to address key disease challenges. Certain previously chronic diseases have been almost eradicated as a result and there is no reason why more of the same cannot be achieved in the future.

However, this will require clear strategic intent and coordinated activity between all salmon farmers in the region. Waitrose will continue to promote such innovation and take part in trials etc. as appropriate.

Waitrose
April 2018