



Sir Edward Mountain MSP  
Convener, Rural Economy and Connectivity Committee

27 November 2020

Dear Edward

### **The impact of a new salmon farm or a salmon farm expansion on local employment**

We very strongly welcome your Committee's ongoing and tenacious scrutiny of this sector, and in particular note that your session last week heard this statement from Mark Harvey of Highland Council:

*".... Perhaps I am speaking from a rather Skye-centric viewpoint, but where that tends to be addressed in the applications that we have been dealing with, there is a play-off or competition between the direct or indirect creation of employment by the fish farm proposal versus the impact upon tourism. It is one industry versus another.*

*Our guidance to members has had to be that it is an almost impossible assessment to make. We have indicated that, at present, we do not feel that considerable weight should be placed upon it. One side of the discussion is, 'It will create local jobs', and the other side is, 'It could damage local employment through the loss of tourism.' As I say, that is a particularly Skye-centric view, because, at the moment, tourism obviously has such an important place within the local economy. Although we try to make an assessment, I think that it is extremely difficult to do so. We know that it is probably correct to weigh up both factors, but doing that is extremely difficult."*

Mr Harvey's comments underline one of the key findings of the study – [The Economic Contribution of Open Cage Salmon Aquaculture to Scotland: A Review of the Available Economic Evidence](#) – that our organisations published this April. Our study emphasised that there is an urgent need for a comprehensive Cost Benefit Analysis (CBA) on the economic impacts – both positive and negative – of salmon farming. Without such a CBA, Scottish Government's support for the unrelenting expansion of salmon farming is based on incomplete evidence. Indeed, we understand that the absence of a relevant CBA breaches Scottish Government guidelines on providing financial and other support for a particular industry, as detailed in the Green Book and the Scottish Public Finance Manual.

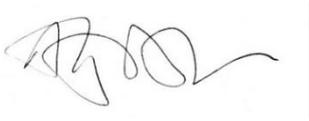
None of the publicly funded economic studies of salmon farming to date in Scotland (including the recent BiGGAR study) have assessed the costs that the salmon farming industry causes to other economic sectors and stakeholders in the coastal marine environment. They concentrate solely on the economic benefits that salmon farming brings. This was confirmed by the Cabinet Secretary for Rural

Economy in his letter to SIFT of 29<sup>th</sup> September 2020 which stated that *'the research did not seek to cover a comprehensive cost-benefit analysis of the sector's interactions with the marine environment and its other users'*.

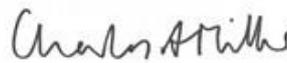
We reiterate that this fundamental omission needs to be addressed without delay. Otherwise strategic and planning decisions will continue to be made on the basis of partial evidence and many within local communities will continue to believe that the system is fundamentally unfair.

Might your Committee, in the light of the continued shortcomings of the Scottish Government's response to your November 2018 report (which of course started to shine a light on the economic issues in paragraphs 11-33), be prepared to write to Ministers to press them to make a start on assessing the full economic impacts of the industry? We are also aware that SPICe has considerable expertise in this area: might their researchers be able to take a look at this vexed question too?

Yours sincerely



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Relevant links:

1) **The Economic Contribution of Open Cage Salmon Aquaculture to Scotland: A Review of the Available Economic Evidence** (full report).

[https://bit.ly/Contribution\\_Salmon\\_Aqua\\_Scotland\\_full\\_report](https://bit.ly/Contribution_Salmon_Aqua_Scotland_full_report)

2) **The Economic Contribution of Open Cage Salmon Aquaculture to Scotland: A Review of the Available Economic Evidence** (executive summary).

[https://bit.ly/Contribution\\_Salmon\\_Aqau\\_Scotland\\_exec\\_summ](https://bit.ly/Contribution_Salmon_Aqau_Scotland_exec_summ)

3) **Peer Review of the Economic Contribution of Salmon Aquaculture to Scotland** (full report).

[https://bit.ly/pr\\_full\\_contribution\\_salmon\\_aqua](https://bit.ly/pr_full_contribution_salmon_aqua)

4) **Peer Review of the Economic Contribution of Salmon Aquaculture to Scotland** (executive summary). [https://bit.ly/pr\\_exec\\_contribution\\_salmon\\_aqau](https://bit.ly/pr_exec_contribution_salmon_aqau)