

## **RURAL ECONOMY AND CONNECTIVITY COMMITTEE**

### **SALMON FARMING IN SCOTLAND**

#### **SUBMISSION FROM SHETLAND ISLANDS COUNCIL**

Aquaculture is an important industry for Scotland and for Shetland where 23% of total Scottish production of farmed Atlantic salmon is grown.<sup>1</sup>

Shetland is an island community and as such has a high level of economic and social dependence on maritime industries and a healthy marine environment. Aquaculture, and salmon farming in particular, is a major contributor to the local economy and is the top food export. A report produced by the Scottish Salmon Producers' Organisation<sup>2</sup> estimated that the industry employed 421 staff in Shetland bringing earnings of £13.9m into the local economy.

The sector is of particular importance to Shetland, not just in terms of jobs but the location of jobs and quality of jobs in the remotest parts of our islands. With good employment in rural areas comes the social and community benefits helping to maintain community structures such as homes, schools, shops, local maintenance services, inter-island ferries etc. Employee earnings also circulate within the economy to bring further local benefits and in addition, salmon farming companies sponsor and support local causes and community activities.

Many rural communities depend on the employment and revenue the industry provides and there is potential for further economic growth as the industry continues to produce farmed salmon to meet the growing demand worldwide for quality salmon products. Sustainable growth in production also has benefits for supply chain growth and Shetland has built up strong local support services in a wide range of specialities from equipment supply, site maintenance and transport to quality control, training and research.

Shetland Islands Council supports sustainable growth of the salmon industry and wishes to work with the sector and supply chain to ensure this is achieved.

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

The Scottish salmon industry has come a long way since the early days of production and is now a mature industry led by a highly skilled workforce making the most of the natural environment to produce a quality product.

The recent report commissioned by SPICe on the environmental impacts of salmon farming<sup>3</sup> has highlighted a number of concerns about harm to marine ecosystems or protected species and habitats. For the industry to remain sustainable and for

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<sup>1</sup> Scottish Fish Farm Production Survey 2016, Marine Scotland Science.

<sup>2</sup> Scottish Salmon Farming Economic Report, Scottish Salmon Producers' Organisation – November 2017

<sup>3</sup> Review of the Environmental Impacts of Salmon Farming in Scotland, SAMS Research Services Ltd - January 2018

growth to be achievable the industry must work with regulators and industry experts to overcome the technical and biological barriers which exist.

**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?**

Industry development and growth is good for the local economy, but not at any cost. Shetland Islands Council is conscious that this is a regulated industry for a reason and supports development which does not impact on the environment to the extent that irreversible long term damage is done.

It is agreed that the general concept of increasing production within Scotland would benefit the wider economy but long term sustainable growth would not be achieved by rapid increases in production. Growth should be driven by demand and built on the strong reputation that Scottish salmon has worldwide.

Making the most of commercial opportunities, while still keeping the environmental qualities of the sea is a vital equation that needs careful planning. The best outcomes are achieved when the people who interact most with the marine environment are involved with both its protection and commercial use. Shetland has built up a high level of expertise in marine planning and the Shetland Islands Marine Spatial Plan (SIMSP) is held as an exemplar policy model for aiding decision making in coastal waters. The SIMSP is supplementary guidance to the Council's Local Development Plan and is effectively a precursor to the Regional Marine Plan currently being developed.

The Scottish Environment Protection Agency (SEPA) are proposing a revised approach to its regulation of fish farms under the Water Environment (Controlled Activities) (Scotland) Regulations 2011 (CAR) called Depositional Zone Regulation (DZR). Although Shetland Islands Council expressed some reservations about certain aspects of what is proposed under DZR during the consultation exercise in 2017, the concept nevertheless has the potential to facilitate sustainable industry growth by encouraging the development of larger fish farms in more exposed, deeper and tidal locations whilst reducing environmental impacts at more sensitive inshore locations. The principle of moving fish farms to offshore locations should be encouraged and be supported through appropriately funded innovation projects as it has potentially significant benefits for industry, the environment and communities.

The salmon industry has always been at the forefront of technological and scientific development with investment in innovation and research. In addition to research undertaken directly by salmon organisations, there are many examples of partnership working between industry, educational institutions and public agencies to find solutions to challenges. One example is the work undertaken at the NAFC Marine Centre in Shetland on cleaner fish trials (supported financially by the local authority, Scottish Government and EMFF European grant). The annual financial support provided to the overall work of the NAFC Marine Centre is another example

of the importance the Shetland Islands Council places on applied research and training to support a successful fisheries and aquaculture industry.

Shetland Islands Council values the national support provided to the research and training institutes to address current and future development needs including tackling skills deficiencies, maximising use of digital connectivity, alternative growing sites, improving fish welfare and minimising environmental impacts.

Shetland Islands Council would also like to highlight the importance of having robust transport links within the island group and between Shetland and mainland Scotland to ensure this valuable food product reaches markets timeously and in top quality.

**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?**

Shetland Islands Council is aware that a Strategic Farmed Fish Health Framework Working Group has been established reporting to the Cabinet Secretary for the Rural Economy and Connectivity. The group consists of members of industry and Scottish Government and work is underway to develop a Farmed Fish Health Framework for Scotland. This high level strategy aims to identify objectives for the next 10 years to help industry to address biological challenges which exist.

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

Good quality data to assist with the monitoring of farming activity is important but it must be translated into relevant and meaningful results.

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

Shetland Islands Council is minded that the current regulatory regime is sufficiently robust. The Scottish salmon farming industry is tightly regulated with controls imposed by a number of regulators including local authorities who deal with planning controls, SEPA who set biomass and chemical discharge limits through licences issued under CAR, Marine Scotland who deal with navigation and fish health, and Crown Estate Scotland who lease areas of seabed for fish farms.

The 'Technical Standard for Scottish Finfish Aquaculture', a key output of the Ministerial Group for Sustainable Aquaculture, covers a range of factors concerning fish farming equipment, and takes account of specific environmental conditions, with the aim of preventing escapes of farmed fish due to technical failure and related issues. The majority of the industry are also committed to operating to the 'Code of Good Practice for Scottish Finfish Aquaculture' which contains good practice criteria covering a number of areas including fish health and biosecurity, management and protection of the environment and fish welfare.

The 2016 Independent Review of Scottish Aquaculture Consenting identified inefficiencies and duplication across the current consenting regimes. It

recommended a number of ways to improve and streamline the consenting process and work on this is ongoing.

Local communities and interest groups can, through the planning system, contribute to the decision-making process. Crown Estate Scotland's commitment to pilot local management of Crown Estate assets (including the seabed) and the provisions contained in the Scottish Crown Estate Bill, which currently sits with Parliament, represents an opportunity for further devolution of decision making to the local level.

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

Brexit presents both threats and potential opportunities for the salmon farming sector.

A large proportion of exported salmon product from Scotland goes to the EU (estimated at 47% by volume and 43% by value<sup>4</sup>) and therefore changes to customs barriers and trade tariffs represent areas of concern.

Salmon is a perishable product and speed of delivery is noted as a key component of ensuring exported product is received as fresh as possible. To this end Shetland Islands Council supports highly streamlined customs arrangements to ensure quality product reaches customers.

The salmon industry currently benefits from free access to EU markets and so will be disadvantaged by exit from the Single Market. Securing a trade deal with the EU which minimises tariffs and improves the commercial position for exporters will benefit the industry. Brexit may also result in new opportunities for the industry with potential to enter new and more favourable trade agreements outwith the EU.

Shetland is home to many EU nationals which live, work and invest and study in our local communities. A significant number of these workers are employed in the salmon farming sector in a range of skilled and semi-skilled positions. Our ability to retain and attract the workers needed, whether EU or further afield, is essential to avoid a post-Brexit recruitment crisis.

There is a need for alternatives to EU structural funds to be progressed and with this comes the opportunity to streamline bureaucratic procedures and redesign support policy in line with local and regional development needs.

Shetland Islands Council  
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<sup>4</sup> Securing a Positive Outcome For Scottish Salmon After Brexit – Scottish Salmon Producers Organisation, Jan-Jul 2017