



The Blue Marine Foundation has serious concerns over the shape and nature of aquaculture in Scotland. The seabed and the fishery are both public assets and access to them should reflect a structured approach seeking to work with natural processes where it can, to ensure long term social and environmental sustainability.

The seabed in Scotland is owned by the Crown and managed by Crown Estate Scotland for the benefit of the public under the Scottish Crown Estate Act. The enclosure of the seabed in Scotland was *not* as a result of a systematic, thoughtful, process. The (then) Crown Estate Commissioners approached licensing of fish farms via an *ad hoc* incremental flexing of its powers. Finfish aquaculture just happened without a considered approach focussing on growing Scottish-based locally owned industry and without any appropriate strategic thinking seeking to make the most from Scotland's extraordinary inshore environment – and what regulatory reforms were needed to ensure that could happen.

To begin with each farm was leased to small scale Scottish businesses, but over time these have been aggregated into four main companies: Mowi Scotland Limited, Scottish Sea Farms Limited, Cooke Aquaculture UK Holdings Limited and Bakkafrost Scotland Limited. There is a question as to whether such aggregation should *ever* have been permitted as it makes it harder to the Crown Estate Scotland to bargain against a consolidated block of tenants. One of the last independent producers, Wester Ross Fisheries was sold to Mowi in 2022, further consolidating Mowi's dominant position. This is potentially dangerous as it exposes Scotland to whims of overseas companies.

The industry pays Crown Estate Scotland rent based on 1.5% of the market price, meanwhile in Norway (on top of existing high rents) in 2023 the sector was charged 25% on profits as a "resource rent" because revenues emanate from shared natural resources. Crown Estate Scotland received rents of £12.5 in its March 2025 accounts. The Committee should investigate how Norway has managed to earn such significant rents and Scotland has not.

The sector is also generally excluded from paying business rates – something which also deserves investigation. It is not immediately obvious why predominantly foreign owned businesses enjoy a tax exemption, when other, local, rural businesses do not.

Since the four main companies are all foreign owned and their accounts are merged into group filings via the operation of mechanisms such as intercompany loans, it is difficult for the public to assess how much of the profits and turnover remain in Scotland. It is fair to say though that transnational corporations routinely conduct their most profitable value-added activities in their home country and "transfer pricing" means that profits can to some extent be moved outside of the UK. As a result the corporation tax take from these four companies was fairly meagre:

Mowi had a tax charge of £11.7 million in corporate tax in 2024.

Cooke had a charge of £4.2 million in 2024.

Scottish Sea Farms recorded a tax charge of £7.1 million in 2024.

Bakkafrost Scotland recognized a tax credit of £283k in 2023 due to operating losses.

A total of £22.7m.

These companies have also received considerable amounts in state funding. For instance, in 2023 Mowi received a £5m grant in the second round of the UK Seafood Fund Infrastructure Scheme.

Further sums will be paid via income tax and VAT but in truth these are not the sorts of amounts which contribute significantly to the Scottish tax take. For instance, the marine energy sector contributed £105m in rent alone according the Crown Estate Scotland 2025 accounts moreover the public sector revenue estimated from Scotland as a whole was £91billion in 2024/5.

Environmental limitations affecting the industry are highlighted in Mowi Scotland's 2025 accounts:

*“On the production side, the challenges faced by the Company relate to fish health and growth primarily affected by sea lice, cardio myopathy, gill disease, treatment losses and to a lesser extent algal bloom. These biological challenges result in higher mortality, lower biomass and downgraded product all of which lead to increases in the production cost per kilo and decreased sales prices.”*

Environmental limitations are a serious brake on further growth.

In addition to potential commercial impacts on farmed salmon stocks there will be other submissions relating to the broader environmental impact of salmon farming. One further point to consider is that if the market turns against Scottish farmed salmon, or if liability is established for impacts on wild populations, then Crown faces a contingent liability for the costs of any clear up if the companies themselves fail. This is a serious problem in Greece, for instance, where there is an established pattern of bankruptcy for open pen farms with redundant structures being left to rot.

Finally, but perhaps most importantly, shellfish aquaculture has struggled. The regulatory, legal, infrastructure and access to market hurdles all need to be focussed on and resolved. There is a clear need for simplification of regulation and appropriate subsidy. These too should be further investigated by the Committee.