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Submitted to Fisheries: Quota allocation and management in 2021 and beyond: England and the Crown Dependencies

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Introduction

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Confidentiality and data protection

Would you like your response to be confidential?

No

If you answered Yes to this question please give your reason::

No

Do you wish for your name to be published alongside your response in any documents we make available to the general public as a result of this call?

Yes

Our engagement so far

Our aims

1 What do you think about our proposed aims?

What do you think about our proposed aims? :

Fair distribution of fishing opportunities:

It is difficult to comment effectively on the aims when the opening para on the issue in your guidance is so wrong. ["It has long been recognised that fish are a public asset. They are held by the Crown for the benefit of the public. As a public asset, it is right that the opportunities to catch these fish are distributed fairly."] If in fact fish had been recognised as a public asset they would not have been given away free and allowed to have been then sold , for private benefit, to foreign interests. If in fact a public asset then we would not have the current situation of slipper skippers and quota traders, profiting from the privatisation of the resource. They are not in fact held by the Crown but over 50% are in foreign hands [with no realistic potential for reclamation] and overall there is little benefit to the public of the commodification of the resource here and abroad.

And how can distribution possibly be claimed to be fair when 79% of the fleet by number have access to less than 2% of fishing opportunities?

The consultation makes clear of the aim that the FQA system will be maintained for current sector holdings. We would argue however that the claims of the need for financial stability for the holders of FQA's could be equally well served by time limited allocations. As the consultation makes clear, DEFRA is not expected to get everything right from the start so introducing a time limited allocation of existing as well as new quota would not risk current financial certainties but would put down a marker that government is going to be true to its word that access to fishing opportunities is held by the public rather than individuals and corporations, national or foreign. The same argument for financial security cannot be held true for those not in fishing [traders and slipper skippers]. You cannot on the one hand argue that fish are a public resource held by the Crown on behalf of the people and at the same time condone the commodification of the same resource. Over [too] many years of debate and discussion, the major sticking point in regard to a rebalancing of access to the resource has been the 'robbing Peter to pay Paul' syndrome. The forthcoming and promised windfall of additional quota via Brexit is a one off golden opportunity to address this imbalance and without the aforementioned challenge. It is of paramount importance that those supporting the argument in favour of the current approach to existing FQA based holdings by the sector [although we disagree with it - see later] [but only for fishermen], that they should also recognise and respect the fairness and equity in using sufficient windfall fishing opportunities to right the wrongs in terms of the historic imbalance of allocation for the benefit of the under ten sector. And as an aside, it may well be that the current capabilities of the under ten sector may not be able to benefit from increased opportunities from the start but that should not be a reason to withhold the provision of additional quota to the pool as it can always be leased out in the interim until the under tens are more able to utilise it fully themselves. This strikes us as entirely fair and not least as many under tens have had to lease quota from the sector in order to remain viable.

In terms of sharing the benefits more widely, we have provided DEFRA with a system for doing so on numerous occasions in the past.

We agree with the need, at least in the short term, to be flexible in terms of allocation but as previously mentioned, additional quota should be held by the under ten pool and be leased to others until the under tens are able to fully utilise it. It should not be given to the sector with a promise to return it to the pool when they are able to use it as once given away, it would be difficult to reclaim it. The under tens have been forced to spend significant amounts of money on leasing quota from the sector to survive. There is a very strong feeling within our sector that any additional quota should be retained within the pool and leased to the sector as necessary in the short term.

Maximise long term economic investment and return:

DEFRA have clearly been influenced by the argument put forward by those already benefitting from the FQA system of the apparent need for financial stability by sticking to the FQA system for current sector holdings. On the other hand, the under tens have never had that level of ability or clarity with regard to fishing opportunities, reliant as they are on the vagaries and variance on a monthly basis of allocations from the pool, and without any real ability to influence said allocations. This situation has of course been regularly exacerbated by the challenge faced by the MMO of having such small amounts to play with in the first place. It is little wonder that so many under tens have been forced into the pursuit of non quota species, many of which are now showing signs of strain. Unless there are additional fishing opportunities provided for quota species in the near future then we fear that at least some non quota stocks will have fallen to such low levels that these fishermen will have nowhere else to turn.

With respect to the maximisation of long term economic investment and returns, the government has a major role to play. In conversations with many inshore fishermen around the coast it is clear that current fisheries management has not prevented the dramatic reduction of many stocks. Having access to the resource is one thing but unless the Fisheries Bill provides the opportunity to introduce major changes in management and access then we are all wasting our time. It is also the case, albeit outside the purview of government that markets, especially for high quality inshore fish need to be improved in order to maximise returns for the primary producers. There are already signs of this happening and government could at least lend support to such initiatives through providing funds to improve marketing and supply chains.

Incentivise good behaviours and innovation:

we wholeheartedly agree with the premise of this section. We have long argued that the lower impact of the vast majority of the inshore fleet and its particular social and economic benefits to coastal communities should be recognised and rewarded. As an overall industry, we are using 17 times the effort to catch the same amount of fish as we did 100 years ago and that alone is not sustainable in the long term. We have argued previously in papers of the need for a far more holistic approach to fisheries management than is presently the case [compare for instance the management of scallop effort in the NEIFCA area [significant and positive] with that outside the 6 miles [effectively almost nothing]]. The aims in this consultation document are laudable but will only be of any use in the event that a similarly positive and proactive approach is taken with regard to management.

Transparent and objective allocation, trading and management of quota:

If, as your original statement said, fish is a public resource then there is no argument against having a genuinely open and transparent information system regarding allocation, holdings, swaps and trades. This is currently not the case as what systems there are in place are difficult to access and interpret.

Simplifying the system over time, with decisions made closer to those affected:

There is no better opportunity to improve the system than post Brexit. It is certainly in need of simplification and because it has evolved over time, with so many fingers in the pie over such an extended period it is little wonder that we have ended up with such a complex system. There is much that could be done in the short term rather than 'over time' and this issue should not be kicked down the road, not least as there is much that could be improved in the immediate future as an integral part of changes that will happen in 2021.

How we allocate quota: our existing quota

2 What do you think we should do with reserve quota in 2021 and why do you think we should do that?

What do you think we should do with reserve quota in 2021 and why do you think we should do that?:

It is hardly surprising that the consultation recognises in relation to the allocation of additional quota that there was no consensus among industry and other stakeholders about how this should be done. Any argument between the haves and the have nots is bound to result in this difference of opinion.

This whole question of the allocation of additional quota throws up some inconsistencies in the proposals put forward. On the one hand it is recognised that the current system of allocation, based on a range of historic anomalies is not fit for purpose yet the FQA system is being maintained for the current allocations [that result in 79% of the fleet getting only <2% of the national quota]. These anomalies include the fact that the share of allocations was originally based on two major wrongs. firstly, as admitted in the UKAFPO v DEFRA judicial review of 2012/13, the figures put forward in support of fixed allocations for the sector were based on falsified data, ie ghost fishing. It is all very well to shrug one's shoulders and put it down to history but the result has been massive discrimination against the

under tens for decades. This is the opportunity to put things right.

Secondly, it is clear that whilst the use of log books and falsified data benefitted the allocation to the sector, the lack of any requirement for the under tens to record their landings in the reference period, together with the pitifully incompetent gathering of their landings via the stratified sampling regime [and many of us remember just how flawed that was] resulted in the current huge imbalance of allocation. It is also a truism that at that time, the only folk around the table were the representatives of the sector. It is hardly surprising therefore that the system is so skewed in their favour. The shame of it is that successive administrations have stuck their heads in the sand by ignoring these wrongdoings for many years.

It is also worth noting that the FQA system does in no way prioritise social, economic or environmental criteria. Despite claims to the contrary, the evidence is overwhelming that allocations based on FQA's will continue to be provided to holders entirely irrespective of their methods of operation, impacts on the marine environment and the provision, or lack of it of social and economic benefits to wider society in general and coastal communities in particular. In this respect it is worth reiterating the outcome of the summary of responses to the previous fisheries White Paper where it stated that there was no consensus but the most popular choices were to allocate using socio economic, economic and environmental criteria to allocate additional quota to the inshore fleet.

With due respect, so much of this area of thinking has been based on the modelling outlined in Annex 4. I have reviewed that modelling and there is not enough paper to highlight the inconsistencies apparent to practitioners within it. Suffice to say at this point that it is a great shame that some of us were not consulted with regard to the basis for the model and that we can only hope that further discussion is possible before those basis are used for real.

Notwithstanding our comments about the need to re-consider the FQA approach for current fishing opportunities, and working on the assumption that there will be additional quota to allocate in 2021 and beyond, this is the one and only chance to right the wrongs of allocation over many decades and genuinely reinvigorate the myriad coastal communities around the coast.

In a nutshell, it appears that Option 5 is the preferred choice and to an extent we would agree but vitally with the proviso that capacity is more clearly defined and understood. The current capacity of the under tens has been knocked back time and again. From the aforementioned illegal activities of the sector in ghost fishing, to the despicable series of licence cappings foisted upon the under tens with the connivance of the sector representatives and to the benefit of their paymasters and through to the use of leasing as a weapon to keep the under tens in their place. It should be noted in respect of the latter point that the sector are on record as using access to leasing in this regard and that there is a significant anomaly with respect to the claim on the one hand that the sector needs all the quota it can lay its hands on but at the same time clearly has excess quota for their needs as they can afford to lease it out to the under tens. And this is by no means purely an inter sector issue. It is clear that many larger scale operators are held to ransom by slipper skippers and quota traders [and others] that has resulted in skippers having to pay so much for quota that their returns are hardly enough to maintain their businesses. It is hardly a surprise then that they are increasingly reliant on cheaper foreign crews and cannot attract indigenous workers on the basis that they cannot pay them sufficiently. This situation needs reviewing if we are to encourage new entrants.

In regard to reserve quota, whether it is held separately or merged with additional quota is dependent on the amount of additional quota received. It would perhaps be best to maintain the current approach to reserve quota until things are clearer, not least as the consultation makes clear the aim of DEFRA to introduce a more real time and dynamic system in 2021 and beyond.

How we allocate quota: the additional quota we get in the future

How we are considering options

Option 1: Fixed quota allocation units

Option 2: Equal distribution between sector and non-sector

Option 3: Track record

Option 4: Capacity

Option 5: Hybrid option

3 What do you think about each of the five options? In particular, which option do you think best delivers on our proposed aims?

What do you think about each of the five options? In particular, which option do you think best delivers on our proposed aims?:

See comments in previous section re the options.

We maintain our opposition to the use of FQA's for any new quota [and the need to introduce a time limiting approach to existing FQA based allocations] and have provided reasons for that opposition in previous responses.

We have also highlighted our concerns with regard to the modelling approach, specifically in relation to the lack of discussion with practitioners prior to its creation.

We are in agreement with your comment that you are unlikely to get things right first time. This is of no surprise as it is vital that we collectively take this opportunity to test ideas, have inclusive discussions and recognise the need to address questions of fairness and equity along the way.

We are concerned with the use of capacity as a determinant and have explained why. To an extent, using capacity is something of a red herring in that the capacity of the under tens has been so diminished as to be almost worthless in this respect whilst the capacity of the sector has grown significantly.

The overriding principle in this section should be to use the allocation of access to fishing opportunities as a force in support of genuinely long term sustainable fisheries that provide social, economic and environmental benefits for the many not the few. They should also act as an incentive to improve current practices and support improvements to meet the aforesaid aims above.

4 What do you think about using FQA units to split sector quota between producer organisations in 2021?

What do you think about using FQA units to split sector quota between producer organisations in 2021?:

Previous comments illustrate our opposition to the use of FQA's and do not need repeating.

5 How could we best define capacity if we used this for allocation? Which factors should we take into account and why?

How could we best define capacity if we used this for allocation? Which factors should we take into account and why?:

As previously mentioned, capacity is a red herring [sorry] as it has been so skewed over so long a period as to be worthless. This section underlines the need to return to basics and to understand the objectives for both fisheries management and allocation of resources. What do we want from and for our fisheries, who should benefit and why. We have previously supplied DEFRA with a note [post Brexit quota allocation note JP] that outlines this approach and we recommend that the note is considered in regard to this question.

Having been in the fishing business off and on for over 40 years, I consider the greatest danger to this whole process is that DEFRA et al are overtly swayed by larger scale interests [as has been the case over this period and beyond, to the detriment of the under tens and coastal communities] and that they fail to grasp the nettle and introduce significant changes to the status quo.

6 How could we determine which stocks are important to different fleet segments?

How could we determine which stocks are important to different fleet segments? :

We have previously supplied DEFRA with a paper [Redistributing quota to the under 10m fleet] jointly produced by NUTFA and NEF in this regard. Note that some of the figures will have changed significantly since its original publication but the basis premise remains worthy of consideration. We will forward a copy again for convenience.

It is in our view a straightforward task to determine the relative importance of stocks to the different fleet segments. There are of course numerous overlaps and the challenge will be to allocate appropriately, taking the aforementioned objectives into account.

7 Should all stocks be allocated using the same method? Why?

Should all stocks be allocated using the same method? Why?:

No. An integral element of allocation under the new approach post Brexit and in line with the Fisheries Bill will be for a far more dynamic system than the current one. There are a number of considerations to be taken into account such as balancing effort, bycatch levels, rewarding less impactful fishing methods and of course the social and economic aspects of access to the resource. We do consider that there is a clear need for a more dynamic approach in these respects. Two brief examples; the increase in Sole quota for the Lyme Bay area has made it worthwhile for larger vessels from away to steam there to fish. This has resulted in excess effort in a small area with a resultant negative impact on first sale prices and the local smaller scale fleet. Secondly, and not yet a quota species but assuming it will become one, cuttlefish have provided a good living for part of the year for pot fishermen in VIID. The lack of effort control on the species in the SW has resulted in massive nomadic as well as local larger scale effort on the species [known locally as black gold]. Quota management is necessary to ensure a fair balance of fishing opportunities throughout the Channel rather than the current gold rush and not least as the biology of the species lays them open to overfishing and economic extinction.

Whilst more specific and focussed quota management may look complicated at first glance, if one utilises the criteria mentioned previously then it becomes a much simpler operation and provides the added bonus of incentivising more sustainable fishing.

Allocating additional quota beyond 2021

8 Beyond 2021, should we create a new reserve of quota for new entrants? How could this work?

Beyond 2021, should we create a new reserve of quota for new entrants? How could this work?:

It is in some respects too early to consider this question bearing in mind the lack of clarity in terms of just what we are going to end up with quota wise. Having said that, there are a number of reasons identified that support the retention of an element of the national quota. New entrants is one, and a valuable one at that, as is rewarding sustainable fishing practices and so on. We disagree with the premise that all quota needs to be fished all the time. Despite the baseline of quota management extant in the UK, some stocks are clearly struggling. Not allocating access to those in the short term, provided that fishermen have alternatives to turn to may give the stocks a breathing space to recover.

We have used the word 'dynamic' on a number of occasions in this response and are concerned that a lack of dynamism by government in regard to future allocation and management may undermine the introduction of a whole new approach that is so necessary.

We have discussed the need for new quota to be provided to the under tens in the first place. ~We recognised the fact that in its current state, not least due to licence capping, this sector would not be in a position to utilise the amount of quota that they deserve. Rather than give it to the sector, it should be added to the under ten pool and apart from having the option of leasing it to over ten operators as the need arises, it could also act as a reserve for a number of initiatives, including new entrants. There are any number of options with regard to the latter, including providing it free of charge at the outset to allow new entrants to get going without undue costs but then having a sliding scale of costs as their business gets off the ground. This will no doubt be a subject for discussion during 2021.

9 Beyond 2021, should we create a new reserve of quota to help tackle the problem of choke species? How could this work?

Beyond 2021, should we create a new reserve of quota to help tackle the problem of choke species? How could this work?:

Continuing efforts by the fleet to improve selectivity will hopefully continue to reduce discards and therefore the choke species scenario. The challenge is and will be to on the one hand provide access to quota to cover an element of discards whilst at the same time not providing incentives to continue discarding.

It is clear that at present, discarding is continuing and the threat of fisheries being closed due to choke species has yet to raise its head for the most part.

It would be far too simplistic and unhelpful to introduce a system of reserve quota to offset discards without at the same time working to disincentivise discarding in the first place. So an element of access to quota to maintain fishing businesses in the face of choke species will be important but should be accompanied by a policy that does not permit fishermen and especially those with significant discards from profiting through their retention.

How we manage quota

Community Trials

10 How do you think we should define a community? For example, should it be focused on a port, region, type of stock or something else?

How do you think we should define a community? For example, should it be focused on a port, region, type of stock or something else?:

"We have found one key issue affecting the previous pilots was the lack of available quota. The additional quota we secure in future provides a unique opportunity

to overcome that issue and to explore these types of scheme further."

This statement from the consultation document encapsulates the major stumbling block to the previous community quota group initiative.

NUTFA was heavily involved from the outset in the consultation and subsequent trial. It became abundantly clear that relying on the track record of the under tens concered was never going to provide sufficient quota to make these groupsd viable.

In light of the demise of the Coastal PO, NUTFA are supportive of the idea of community quota groups but council against making the same mistakes twice.

In answer to the specific question, we consider that fishermen seeking to create a community group should be from generally the same area [wider than a port] but arguably less broad than a whole region perhaps [due to challenges in management].

We do not consider it viable to base such groups on a stock as almost no fisherman fishes only one species.

We consider that such groups should be configured as legal entities, based on community interest companies, with no individual fishermen owning quota but that it is held in common by the group and for the group. [see example of Thorrupstrand in Denmark for examples of cooperative approach feel free to aks for further details].

Apart from the lack of quota, another hurdle that became clear in the pilot was the lack of administrative capapcity and capability in the group. Despite promises of support and advice from the NFFO and the PO's, apparently little if any was forthcoming. In the event that such groups are supported [with the aid of increased quotas] then an integral and vital aspect of that support will be the provision, either individually, or more likely in a semi centralised way to cover elements of administration, organisation, costs, employment, engagement, trading, swapping etc, enforcement and so on. Fishermen will simply not have the time or abilities necessary to manage their allocations bearing in miond the workload required. As an aside, we do not consider that the current PO's should provide these services. Although they have undoubted expertise in such matters, they often serve different masters and conflicts of loyalty may well arise or even be suspected. An independent body should be appointed to offer these services, preferably on a natinal basis, not only as it would cost effective to do so but also as it would benefit from having a national perspective and experience.

11 Are you interested in participating in a community scheme trial and can we contact you about this?

Are you interested in participating in a community scheme trial and can we contact you about this?:

NUTFA is of course keen to be involved in such an initiative and has experience of the previous efforts in this respect.

Effort pilot

12 Are you interested in participating in an effort pilot and can we contact you about this?

Are you interested in participating in an effort pilot and can we contact you about this?:

Yes and yes. NUTFA management has been invloved in effort management regimes on an EU basis in the past and has given serious consideration to just how an effort management approach might or might not work. We have also been and continue to be supportive of an effort trial to show one way or the other whether such an approach is viable.

Merging the non-sector pools

13 What do you think about merging the non-sector pools in England and why do you think that?

What do you think about merging the non-sector pools in England and why do you think that?:

We consider that the law of unintended consequences ,may loom large for such an initiative. On that basis, we are not supportive of such a move but are prepared to contribute to further discussions on the subject.