



**INTERFISH
PRODUCER
ORGANISATION**



FUEL PRICE CRISIS

A collective response from the four South West Fish Producer Organisations

17/06/22

Dear Minister

We are contacting you as a collective voice from across the South West of England regarding the continuous rise in fuel prices and the impact this is having on the fishing and seafood industry. The four Producer Organisations collectively represent 240 commercial fishing vessels, some of which have now begun to tie-up due to the economic viability of fuel price vs fish price.

Within the last two weeks, net fuel price has finally breached the £1 a litre mark, a known tipping point based on the Seafish economic modelling. With the continuous increase in fuel cost being slightly offset by higher than usual fish prices in the first half of the year, as well as support from the short-term fuel rebate, the industry has managed to survive longer than expected. However, a further surge in oil price has now stripped profit from landings, which is starting to make it unviable for boats to go to sea. Fishing businesses are in a unique position, as they are price takers and do not have the option of increasing fish prices to cover the inflation. As a result, we are now witnessing some vessels reportedly settling in debt and crew receiving as little as £150 wages for a week-long trip.

The fuel price is not only a direct challenge for the catching sector, it has a significant impact on the entire seafood supply chain. The catching sector is the start of the supply chain. Without boats going to sea, there is no supply chain. For every person at sea catching, there are significantly more working onshore, be it harbour staff, fish market graders, fish merchants, processors, filleters, engineers, delivery drivers, chefs, the list goes on.

If the fleet were to tie up en masse, it would further compound some of the industry's significant challenges. Skippers, crew, and shore-based workers will have to face a decision of either wait for the fleet to become profitable again or seek other employment options. The latter choice is an irreversible process. Once gone from the industry, it will be very challenging to get the workforce to return, which is sadly something we are already witnessing. Other consequences include fishing companies no longer investing in vital health and safety improvements and not being able to afford the skilled workers they so desperately need.

We have been actively raising these issues via the NFFO and appreciate the correspondence that has already taken place. However, we are now communicating from all angles to show

the impact this is having, but also show our commitment to working with Government to develop a solution.

There are funds available to support the industry with various grant schemes currently live, be it the Fisheries and Seafood Scheme or the £100m UK Seafood fund. We recognise these funds are focused on long-term strategic projects. However, if we do not find a solution to the immediate fuel price challenge, there will be no fleet to take advantage of funds for long-term projects. Furthermore, witnessing EU member states receive various support packages under the current EMFAF scheme and the previous EMFF scheme adds frustration, as this instantly pits the UK fleet at a disadvantage. Therefore, learning from others to deal with the immediate impact would be sensible, and a consideration of re-allocating existing funds would ensure there is a fleet for the future.

Whilst there is a need to focus on long-term solutions to the fuel crisis, and the industry is committed to this, there is no hiding from the immediate impact of the current fuel cost. Therefore, we request to meet with you or a member of your team as soon as practicable given the urgency of the issues facing the sector.

We look forward to your response.

Chris Ranford - Cornish Fish Producers' Organisation
Andrew Pillar - Interfish Producers' Organisation
Juliette Hatchman - South Western Fish Producers' Organisation
Chloe North - Western Fish Producers' Organisation