

Scottish Government
1B-North,
Victoria Quay,
Edinburgh
EH6 6QQ
By email

2 March 2012

Dear Sir or Madam

Thank you for the opportunity to respond to the consultation on the Aquaculture & Fisheries Bill.

Scotland Food & Drink is the industry leadership organisation established in 2007 to grow the sector in Scotland and build the nation's reputation as a land of food and drink. We are a membership organisation, comprising 265 companies that operate in the food and drink sector. Our Executive Group drives our strategic work and comprises senior officials from all the main trade associations, levy bodies and public sector agencies involved in the food & drink industry in Scotland. I am writing this letter on behalf of the industry members of our Executive Group; the list of which can be found here:

<http://www.scotlandfoodanddrink.org/about-us/our-structure.aspx>

Scotland's food and drink industry has agreed a single strategy and action plan to grow the sector between now and 2017. This strategy is focussed on three pillars of development, covering premium, provenance and health; all of which are encapsulated by the salmon industry. The strategy incorporates targets relating to increased turnover, exports, Gross Value Added, productivity and investment in research and development. Further detail on the industry's "Fresh Thinking" strategy can be found here:

<http://www.scotlandfoodanddrink.org/media/17978/industry%20strategy%20refresh%20doc.pdf>

Scotland Food & Drink has established a unique model of working in partnership with the public sector to ensure the best possible operating environment for the industry to flourish. The following comments on the Aquaculture and Fisheries Bill activity are made within the context of that objective and the collective industry growth ambition set out in the strategy.

We have real reservations over the proposed Bill. We believe it could hamper the Scottish Government and industry's joint desire to grow the food and drink sector in Scotland; a crucial element of which is ensuring a balanced regulatory environment which enhances competitiveness, fosters economic growth and attracts investment, whilst at the same time providing protection to the natural environment and consumers.

As an industry, we value a robust regulatory regime. Ultimately, it underpins our brands and helps us to build and maintain Scotland's reputation for safe, high quality food and drink. However, a balance must be struck if Scotland is to also meet its aspirations of better regulation and improved competitiveness.

The Scottish salmon brand is strong and growing stronger every year. Exports are increasing at a rapid rate, contributing over £400 million to the Scottish economy. With the sector already providing 2,500 direct jobs and a further 6,500 indirect, its contribution to the economy and local communities is hugely significant and growing.

Exports is a central theme of the Scotland Food & Drink industry strategy. Indeed, this is now a key focus for the Scottish Government with the aspiration to grow exports from Scotland by 50% by 2016. Ultimately, the achievement of this target will rest, to a large degree, on the oil and gas and food and drink sectors. Therefore, protecting our productive capacity in Scotland and increasing levels of investment have never been more important.

The public and private sectors across food and drink are now working in partnership to develop skills in the sector and to ensure the industry is viewed as an attractive career choice. This will all be underpinned by the new Skills Investment Plan. The development of modern apprenticeships both in primary production and processing is also important progress. Hence, at Scotland Food & Drink, we are understandably nervous about anything which may represent a barrier to growth and the development of this partnership work.

It is right that environmental and welfare regulation should be central to the salmon industry's operations. However, there is already a plethora of activity in this area. The independently audited Code of Good Practice, as well as separate quality assurance schemes operated by major customers and welfare organisations such as the RSPCA, are testament to the operating standards embraced by the industry. These standards have been recognised through the awarding of both Protected Geographic Indicator (PGI) status by the EU and the French Government's Label Rouge. This voluntary, industry-driven quality assurance is supplemented by an already complex and extensive regulatory regime.

Clearly, the industry must always seek to improve and does so. However, any new regulatory intervention must demonstrate that a clear problem exists and that legislation is the only effective route to address it.

In a previous role, I sat on the Regulatory Review Group which developed the Business and Regulatory Impact Assessment (BRIA) process. It was designed to better measure the costs and benefits of legislation and demonstrate that legislative intervention was necessary. It is noted that there is only a partially-completed BRIA on the Bill thus far and the requirement to speak to individual companies to assess the impact has not been done. This makes an assessment on the compliance of the Bill with the principles of better regulation extremely difficult to undertake.

Given the concerns expressed to Scotland Food & Drink by its member companies and the representative bodies within the salmon industry on both the additional regulatory burden and the costs involved with this Bill, we will consider referring this Bill to that group for review.

At a time when the market for Scottish salmon is growing, it is critical that we protect and develop our capacity to produce. Therefore, as the industry leadership group for food and drink, we take seriously any measures which may undermine that capacity. Given the concerns expressed on that very subject, we would urge the Scottish Government to re-evaluate its approach with this Bill and re-examine if the right balance has been struck between regulatory protection and industry competitiveness.

Yours sincerely



James Withers
Chief Executive