

Rùnaire a' Chaibineit airson Cùisean Dùthchail agus na h-Àrainneachd
Cabinet Secretary for Rural Affairs and the Environment
Ridseard Lochhead BPA
Richard Lochhead MSP

F/T: 0845 774 1741
E: scottish.ministers@scotland.gsi.gov.uk



Rob Gibson MSP
Convenor
Rural Affairs, Climate Change and Environment Committee
The Scottish Parliament
Edinburgh
EH99 1SP



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Dear Rob

CONSULTATION ON SCOTTISH FISH QUOTAS

I wanted to write to you to let you and members of the Committee know that the Scottish Government commenced, on 28 January 2014, necessary preparatory steps towards a public consultation on the allocation and management of Scotland's fish quotas.

Members of the Committee will know that the fishing industry is of considerable importance to many of Scotland's coastal communities, and plays an important part in the food sector of the Scottish economy. Since 2007, the real term value of all landings by Scottish vessels has increased by 7 per cent from £433 million (in 2012 prices) to £466 million in 2012. Over 4,700 fishermen are employed on fishing vessels and their endeavours support many more jobs onshore.

Fish quotas for catching are the lifeblood of the fishing industry, and getting access to them is critical for all fishermen. The Government has been aware for some time however of growing concerns among fishermen and others with an interest about the system of allocating fish quotas, which was first established by the then UK Government in 1999.

The existing system assigns allocation units ("Fixed Quota Allocation" units – FQAs) to individual fishing licences, and the number of units assigned to each licence in the UK was based in the first place on the catches of vessels in the years 1994-1996.

Since then there has been significant change in the fishing industry. In last decade there were two significant whitefish vessel decommissioning exercises, during and after which FQA units were widely traded. There has also been a general increase in the trading of quota and some information suggests that it is becoming concentrated in fewer hands, with increased holdings for example on the part of fishing companies. Fishermen complain that these developments have significantly increased leasing costs for those that actually go to sea. And there is a widespread view that the high cost of accessing quota makes it very difficult for new fishermen to get started at all. Last year I and my officials conducted a series of quayside meetings with fishermen, and quota allocation and leasing costs were one of the biggest concerns.

Taigh Naomh Anndrais, Rathad Regent, Dùn Èideann EH1 3DG
St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.scotland.gov.uk

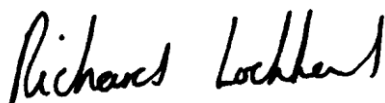


I have been concerned about this developing position for some time. It is a matter of the highest priority for the Government that Scotland's fishing quotas are managed in the national interest and that we safeguard access to them for active fishermen, both now and in the future.

The Government therefore thinks the time is right now to review how fish quotas are allocated so that they can be in the hands of fishermen in Scotland. Last year, I commissioned and expect to publish shortly an independent research report about options for the future. I now plan to begin a process of consultation with fishermen and all those with an interest in the future of the fishing industry and the communities that it helps to support. I plan to write personally to fishermen and to ask for their views on how the present system has worked, whether they consider its effects overall have been positive or negative and how they consider the position might be improved. Based in part on responses to this letter the Government will then publish in the course of this year a public consultation document, which will include options for change.

As part of the preparations for this consultation, the Government announced, on 28 January, a temporary halt on the transfer of FQA units from Scottish to non-Scottish fishing licences. The purpose of this measure, which is being implemented within the terms of the 2012 UK Fisheries Concordat, is to provide for stability during the consultation exercise and to ensure in particular that there are the same number of allocation on Scottish fishing licences before and after the consultation. It is important to emphasise that this temporary halt on allocation transfers has no effect on day to day business. The transfer of fish quota, for catching, will be able to carry on as normal throughout the UK.

I will of course make sure that the Committee receives updates on developments and the Government's considerations as the consultation develops.



RICHARD LOCHHEAD