



Date; 9th February 2017.

Ms. Deirdre Morgan
Secretary to the Independent Review Group
Department of Agriculture, Food and the Marine
National Seafood Centre
Clonakilty
Co. Cork
aquaculturereview@agriculture.gov.ie

Dear Deirdre,

Submission to the Independent Aquaculture Licence Review Group

I refer to your email dated 11th January and our subsequent telecon.

Irish Seafood Producers Group ("ISPG") welcomes the establishment by Minister Michael Creed TD of the independent review group on licencing.

Background to ISPG

ISPG was set up by a small group of artisan farmers producing a relatively small quantity of Irish salmon in the early 1980's. ISPG is an indigenous company responsible for the sales and marketing of Irish farmed organic salmon. It is only 1 of 5 EU Producers Groups in Ireland and the only Aquaculture Producer Group in the EU. ISPG's shareholders are also its Producers and directors. It is a truly Irish company/Producer Group serving its Producers with a very important route to markets for their Irish organic salmon. The company's head office is located in the remote village of Cill Chiaran, in the Connemara Gaeltacht. ISPG's Producers' marine sites are located along the coast from Killary Harbour down to South Connemara.

Cill Chiarain Eisc Teo ("CCET") is subsidiary of ISPG. The company currently processes all of ISPG's farmed organic salmon for its Producers. The company's factory is located in Cill Chiarain, Connemara. The processing factory operates under approved HACCP procedures. It is also BRC, organic and ISO 9001 accredited. The company has invested in excess of €1.0m in the last 5 years to create a centre of excellence in the processing of organic salmon. CCET value added plant is experienced in providing customised value added products to the global market place.

Employment

The continued development of the aquaculture sector, specifically organic salmon farming has a valuable role to play in the development of a positive socio-economic and creates sustained employment opportunities in remote, coastal areas on the Western seaboard. Aquaculture activities in coastal areas can provide alternative employment and breathe new life into rural communities.

It is unfortunate but a fact that the only sustainable employment in these remote coastal areas can only be derived from the fishing, aquaculture and seaweed sectors. The employment story in the salmon farming sector is particularly good, with fulltime jobs in the Connemara region overall growing by 60% in the last three years. The success of the industry is reflected in the success of the communities it helps to sustain.

Liam Roche (Chairman)

~~Warren O'Connell~~, Gerard O'Donohue, ~~Joe Dee~~, ~~Donal Mac Giolla Bhríde~~,
~~Michael McNamara~~ (Managing Director), Michael Muhr (Germany).

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This ongoing wealth creation in some of the most remote areas of Ireland demonstrates the enduring economic sustainability, which the Irish Government seeks from all sectors of the food industry.

Export

Irish farmed organic salmon is much sought after in the market place with in excess of 90% of our projected company's annual turnover of €25M for 2017 exported to our key markets in Switzerland, France, Germany, US and Canada. Within these markets the potential to increase sales of Irish organic salmon is immense not withstanding that real opportunities exist to develop links in territories such as ASIA and Dubai. Our Producers provide the environment to rear quality Irish organic salmon in a sustainable and responsible manner which is reflected in the demand for the product by high-end retailers and smokers in the global market place.

Communities

It is important to recognise the contribution made our companies to the communities in which they operate. The industry has invested considerable resources in its communities. Regular contributions, both in cash and in kind are made in the local area. Many of the companies shared their physical facilities with local groups and organisations. It is no surprise, therefore, to note that there is significant loyalty to this industry from within its own communities

Please see Appendix 1 attached; Socio Economic impact of salmon farming in Connemara.

Issues in regard to Licenses

The demand for Irish organic salmon continues to grow at a rapid pace. As a Producer Group ISPG works hand in hand with its Producers. The Producers suppling ISPG with salmon are also the directors in ISPG. ISPG and CCET are totally dependent on the Producers supplying it with salmon. Therefore any issues the Producers have in regard to production capabilities on their sites directly impacts ISPG, CCET and its employees. Therefore ISPG and CCET are key stakeholders in this process.

From my direct discussions with our Producers they clearly exists a high level of frustration and worry within the salmon farming sector in regard to how the license system is operated presently.

The keys area that our Producers would like the Aquaculture Licensing Review to focus on is;

1. Legislation

- Avoid a complete overhaul of the Licensing system.
- Modify the existing licensing Acts through regulation and Statutory Instruments.
- Note EU directives for clarifying any interpretation of the current licenses
- Existing Foreshore licenses should incorporate associated activities such as the laying of temporary pipe on the foreshore to for the purposes of treating fish with freshwater.

2. Administration of the Licensing system with the Department of Agriculture, Food and the Marine

- Separate the compliance role with an independent Office within DAFM that will have responsibility for license applications and EIS.
- In regard to renewals/new Applications; timeframes on critical steps and overall process similar to planning on land.
- ALAB brief to consider the integrity of the process and science that is provided in any appeal.

- Other government Agencies should and adopt and adhere to government policy. Is it correct that the government should be funding IFI who are undermining government policy on aquaculture?
- Currently Producers must hold an up to date aquaculture licence and a foreshore licence (as required) that are in compliance with the Habitats and Birds Directives and be fully compliant with the terms and conditions of those licenses to qualify for grant aid. Most of our Producers have applied for license renewals in 2012 and are still awaiting clarity from DAFM in regard to such renewals and therefore are unfairly denied access to vital grant aid.

3. The License

- Simply conditions relating to production. Base license on maximum biomass on site rather than harvested tonnage or number of smolts put to sea.
- Tenure of license should be for minimum of 20 years as long as the Producer is compliant on all aspects of the license.
- Renewal of licenses should not require a full license application. Renewals should be based on historic compliance.
- No requirement for a full EIS/NIS on renewal applications.

4. Compliance

- Inspectorate to oversee issues in regard to environment, fish health and stocking.
- Marine Institute's role properly defined in respect of ecology and biology
- Engineering role should only be responsible for compliance in the area of engineering. It should not be involved in any biological issues.
- Officials dealing with compliance needs to have a better understanding/knowledge of fish farming.

In summary, the lack of progress in putting a workable system which has the confidence of all parties and stakeholders has discouraged investment and put a huge shadow over the confidence of the industry and the reputation of Ireland to deliver quality seafood. Our company and many others we know would invest in rural and coastal companies involved in the aquaculture sector and would welcome the opportunities to expand our business based on a strong primary production industry.

Finally, I believe Minister Creed has taken a great initiative in setting up a Aquaculture License review. I wish you and your colleagues the very best of luck in your determinations.

Please do not hesitate to call me at any time during the process if you require any clarity or more information on our company's submission.

Yours sincerely



Liam Roche

Chairman and Director

Appendix 1; Socio Economic Impact – Organic Salmon farming and Processing in Connemara

- 154 people directly employed in organic salmon farming activities in Connemara
- ISPG and its organic salmon farming Producers are now one of the largest employers in Connemara
- Safeguarding of employment and businesses in remote coastal locations on the western seaboard is critical to its economic survival
- The continued development of the aquaculture sector has a valuable role to play in the development of a positive socio-economic and creates sustained employment opportunities in remote, coastal areas on the Western seaboard.
- Aquaculture activities in coastal areas can provide alternative employment and breathe new life into rural communities.
- The only sustainable employment in these remote coastal areas can only be derived from the fishing, aquaculture and seaweed sectors.

Annex 1.

Number of people directly and indirectly employed by fish farming in Connemara through the Irish Seafood Producers Group (ISPG) system:						
	<u>No. of employees</u>		<u>Wage costs</u>	<u>Ancillary services (Estimated)</u>		
	<u>Direct</u>	<u>Indirect</u>	<u>Direct</u>	<u>Indirect</u>	<u>TOTAL</u>	
			€	€	€	
ISPG, Cill Chiaran *	6		350,000	0	350,000	
Cill Chiaran – Processing Plant	40		680,000	0	680,000	
Mannin Sea Farms, Clifden	20		540,000	0	540,000	
Killary Salmon Company	12	4	330,000	100,000	430,000	
Bradán Beo Salmon Farms, Leitermore	24		620,000	0	620,000	
Sea Spray Limited	30		480,000		480,000	
Bifand Limited , Carna	5		170,000	0	170,000	
Derrylea Smolts Limited Reccs	5		160,000	0	160,000	
O Toole Transport, Moycullen	4	4	120,000	75,000	195,000	
Net Manufacturing/Repairs Leitermore	2		65,000	0	65,000	
Other Service Providers	6	10	220,000	220,000	440,000	
Total	154	18	3,735,000	395,000	4,130,000	