

4<sup>th</sup> August 2023

Deputy Moz Scott  
Chair  
Economic & International Affairs Scrutiny Panel  
Scrutiny Office  
Morier House  
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Dear Deputy Scott

Thank you for your letter of 14<sup>th</sup> July 2023 inviting us to comment on the Supply Chain Resilience Review. We have consulted with various sectors in the agriculture industry and set out our findings below.

***1. In your view what are the key elements of Jersey's supply chain?  
a. Who would you identify as key operators in Jersey's supply chain?***

Being an Island, the key elements of the supply chain are the sea and air links that the Island has with Guernsey, the UK and Continental Europe.

The main sea links being operated by Condor Ferries in the main between Jersey, Guernsey, Portsmouth and St Malo using their two roll on roll off (ro-ro) freight vessels the Commodore Goodwill and the Commodore Clipper.

In addition to the main ro-ro service the lift on lift off (lo-lo) vessels operated by Ferryspeed and Channel Seaways bring bulk cargo that is perhaps less time constrained.

Many freight operators will utilise the Condor Ferries service, the main two being Ferryspeed and Woodside Logistics (owned by Jersey Post) but also Morvan Fils on the St Malo route. There are other small operators taking and bringing back goods to and from France. As well as the border post in St Malo, an additional French customs border post in Granville, accepting all goods, would be beneficial for trade.

Other courier/parcel services such as Jersey Post, DHL and UPS will use these routes too but for smaller packages.

In terms of the agricultural supply chain, bulky goods such as fertiliser and plastic will come to the Island utilising chartered bulk vessels or the existing lo-lo or ro-ro operators. Other inputs such as packaging tend to come on ro-ro routes.

The export crops utilise the Ferryspeed or Woodside Logistics daily services to Portsmouth. Ferryspeed will provide the majority of these services, as they are better set to deal with the onward logistical challenges through their main Portsmouth depot as well as cool chain services for fresh produce.

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Occasionally small parcels are better going through a courier and very occasionally on very time critical occasions, air services can be used using the commercial airlines and companies such as Transfer 2000.

***2. What, in your opinion, are the key opportunities and threats to Jersey's supply chain. For example, how do you believe any of its processes could be improved?***

From a fresh produce perspective, being on an island, the key elements to the supply chain is consistency and frequency of service. The vast bulk of this produce is based around the Jersey Royal potato season when packaging inputs coming southbound and packed potatoes going northbound to Portsmouth need to link into the UK supply chain to hit the depots of the UK main supermarkets. To ensure consistency and reduce costs these potatoes are consolidated with other produce from the south coast of the UK before being taken to the retail depots across the UK.

This consolidation takes place on a daily basis, seven days a week, 24 hours a day and is time critical i.e. each lorry leaves at the same time each day with produce heading to one or two supermarket depots. They have time slots at these depots which **have to be met** otherwise the produce may be rejected. On that basis, any delay in the vessels leaving the Island will cause onward issues in meeting these supply chain demands.

The greatest risks to the supply chain are therefore delays or cancellations to the ferry services and the greatest threat is the lack of any notice to these disruptions. With Jersey's harbour also being tidal, any delay or cancellation often affects the routes that each vessel will take and this often affects shipments for a few days.

Whilst Condor Ferries has a standby vessel that can come into operation should one of the main freight ferries experience a problem, this usually takes days to arrive and is slower than the other two ferries which means that delays become inevitable.

During peak weeks of the Jersey Royal season up to £600,000's worth of product can be shipped out each day. Therefore, service disruption can be costly. A more reliable back up ferry and most importantly, an early notification of disruptions to the logistics and potato marketing companies would be greatly beneficial.

***3. What do you see as the impacts of competition and diversification in the Island's supply chain?***

***a. What threats and benefits do you believe single market operators present?***

Competition is always a good thing providing that the marketplace is large enough to handle competition. In terms of a ferry service to the UK, we doubt that the market is large enough for two rival companies to cope with competition. In this case, it is paramount that any single operator works to a comprehensive service level agreement. At present we do not believe that the current service level agreement is by any means comprehensive enough.

With regards to the logistic operators, there is existing competition from the operators in Jersey which benefits organisations exporting from and importing to the Island.

***4. What are your experiences of supply chain disruptions and how have they impacted upon Jersey's agricultural sector?***

***a. In your view what contingencies are required in order to continue provision of products to businesses and are these needs currently met?***

The vast majority of issues in recent years are as a result of disruption to the ferry services. Whilst weather disruption is understandable, with more accurate weather forecasting this should be foreseeable but there is still have last minute cancellations and rescheduling.

Other impacts seem to be last minute technical issues with the ships which seem to be more frequent, perhaps as a result of an aging fleet.

What is not helpful or acceptable are some of the decisions in altering the schedules around these incidents or the very late notice to customers using these services. Indeed, on many occasions we have better notice of what is happening with these vessels by tracking them through a marine tracker app rather than getting notice from Condor Ferries themselves. In talking to the logistics companies, they also get late notice and often have to request that Condor amend their schedules to suit their customers as Condor often get this wrong.

All those we contacted for comment were disappointed with the customer service that Condor provides with regard to freight. The service is very poor. It has been suggested that there should be a dedicated point of contact for agriculture freight enquiries in Jersey.

***5. Do delays in receiving products, supplies or equipment impact the agricultural sector's ability to operate?***

As detailed under question 2 the agricultural industry requires a resilient link to the UK that is timely. The industry is now very proficient to have goods packed on time to meet the ferry schedules which are set around the Islands tidal conditions and often have to meet early sailings. It is imperative that any disruption to the services are notified to Condors customers as soon as they know and that their customers or logistic companies are consulted prior to changing their service schedules.

With some notice the produce marketing companies can talk to their onward logistic companies and their retail customers to amend collection times or amend the ordering schedule to ensure consistent supply. This cannot be undertaken at very short notice.

Despite having met with Condor Ferries over the years and promised early notification of issues, produce marketing companies either get no notification or have heard "through the grapevine" or seen via the marine tracking apps ahead of any notification that the ships are not in the right positions to meet the schedule.

The industry also has to cope with the fact that the service to mainland UK is only six days a week with no Sunday ferry service. This puts pressure on Saturday out loadings where enough produce has to be shipped out on Saturday evening for Sunday, Monday and Tuesday supermarket depots. Therefore, weekend disruption is even more problematic.

To service the needs of these produce exports, the industry needs frequent, if not daily deliveries of packaging, film, trays and labels.

When the boat is cancelled, priority is given to bringing in food and medicine to the island. This means that machinery spare parts, required to keep the agriculture industry running, are left on the quay in Portsmouth, sometimes for up to a week. Without these spare parts, the machinery ceases to operate which hinders the running of farms.

Brexit has caused additional complications with importing goods from Europe as the Customs clearance is now so complex and the Caesar website is time consuming and badly designed.

***6. What is your experience of the agricultural sector in receiving/storing products, supplies or equipment, for example in a warehouse in Jersey?***

As mentioned previously, ferry disruptions are becoming more and more frequent. With Jersey Royal new potatoes having a short shelf life of approximately 6 days any delays in getting packed product to the retail customer eats into this shelf life. All products are date coded to give the retailer a minimum shelf life which is checked when it arrives at depot. If there is a break at any point in the logistics chain then the risk is that the product will be short date coded when arriving at depot and rejected.

Often the product is packed and sitting on the quay in Jersey or worse still, on the ship heading to Portsmouth running several hours late and unable to meet the logistics and consolidation in Portsmouth. This means that the products will have to be returned to the packhouses to be broken down and repacked with the correct date codes.

With some prior notice the produce marketing companies can ask the retailer to take product in with a short date code but this requires at least 6 to 8 hours' notice. Should they miss the connections, all the cost of returning the good back to Jersey, breaking down the packs and repacking are borne by the produce marketing companies. In addition, any loss of sale on the retailers' shelves are also borne by these companies. Despite Condor being asked on several occasions they always deny any responsibility for financial losses that can amount to hundreds of thousands of pounds annually.

As regards local storage, the bottle neck seems to be the harbour facility where once again the distribution of food is prioritised over other areas. This means that the delivery of machinery and spare parts is often delayed despite these being vitally important to keep the agriculture industry working.

If you would like any further information on any of the points set out above, please feel free to contact us.

Yours sincerely  
*Peter Le Maistre*  
Peter Le Maistre  
**President**