



Environment, Housing and Infrastructure Scrutiny Panel

U.K./E.U. T.E.C.A. Fisheries Review

Witness: Jersey Oyster Company

Thursday, 4th February 2021

Panel:

Connétable M.K. Jackson of St. Brelade (Chair)

Connétable J.E. Le Maistre of Grouville (Vice-Chair)

Deputy G.J. Truscott of St. Brelade

Deputy I. Gardiner of St. Helier

Connétable S.A. Le Sueur-Rennard of St. Saviour

Witness:

Mr. C. Le Masurier, Managing Director, Jersey Oyster Company

[12:02]

Connétable M.K. Jackson of St. Brelade (Chair):

This is a meeting of the Environment, Housing and Infrastructure Scrutiny Panel, which consists of myself, Constable Mike Jackson, Constable John Le Maistre, Deputy Graham Truscott, Deputy Gardiner and the Constable of St. Saviour, Sadie Rennard, joined by Chris Le Masurier of Jersey Oyster. Chris, welcome, and thank you for joining us this morning. The motive of the meeting is just to understand from you what your perception of the T.E.C.A. (Trade and Economic Co-operation Agreement) is. I am going to ask you first, how do you think that Jersey's participation in the T.E.C.A. will impact on the aquaculture industry? Is it likely to impact positively or negatively?

Managing Director, Jersey Oyster Company:

Thank you to the panel for inviting me today. Our initial views on this agreement, we were planning for Brexit on worst-case scenarios of a no deal. It seems that a lot of the implications that have been forced on us, bureaucracy and landing in the French ports, and when I say French ports that is our gateway into Europe, so some of the shellfish goes to Spain, Portugal, Italy, et cetera. But we land it into the French ports. It seems that this deal that has been struck is forcing a lot of the no-deal implications on our industry. We are struggling to get clarity and answers. We are into February and there is information that has been put out in the U.K. (United Kingdom) press even this week that there is an E.U. (European Union) ban on bivalve molluscs being sent to the E.U., which we are still trying to get clarity on. We have been exporting for the last 3 or 4 weeks into France. Just for clarity, we own Jersey Oyster Company. The Jersey Oyster Company also owns Normandy Trader Freight Services, which is our freight vessel, which we use for shipping the shellfish and other cargo over to France. We do not only the producing, the marketing, the merchanting, but we also do the shipping as well. We very much have been in the forefront of all the paperwork issues that have popped up along the way with shipping into France.

The Connétable of St. Brelade:

As a consequence of this, the challenges that you are experiencing must be quite significant. What is the challenge to the expert of oysters at the moment?

Managing Director, Jersey Oyster Company:

At the moment we have pretty much had to put cost of export to one side and keep the link open and keep our customers happy. There are 3 oyster companies in Jersey. We ship the oysters for all 3 of those companies. We also have been taking lobster and crab for the shellfish merchants as well. We generally use the Port of Granville and we have a store on the Port of Granville. Since Brexit, we have been forced to use the Port of St. Malo for landing of any shellfish.

The Connétable of St. Brelade:

Paperwork-wise that has been increased significantly. Are you able to deal with that increased workload or are you having to get extra help to do that at the moment?

Managing Director, Jersey Oyster Company:

We do it ourselves. We have done all the way through. Jersey Customs have been very helpful, although I do not find that they liaise directly enough with their E.U. counterparts. But we have worked through that. One of our main issues that we have come up against is veterinary certificates. Since the change at the beginning of January, we have been liaising with our local Veterinary Department who did not communicate with us at all post-Brexit. The communication was very poor

I feel. Now, the requirement for the physical inspection of all the shellfish that gets exported is being required 5-days' notice. A lot of this is stemming from the lack of resource that the Veterinary Department has. That comes under both Housing and Infrastructure as well. The States vet is not even present on the Island. Everything has been left to the veterinary assistant who has been helpful to my staff, to my office staff, and has been doing his best. I believe he has asked for extra resources and help from the Marine Resources Department and that has been turned down because they are too busy with Brexit-related fisheries issues. That is something that I feel could be improved on, on our own side. It is one thing saying that we have problems when we arrive in the French ports, but if we can get our own stuff in order it would be a help.

Deputy G.J. Truscott of St. Brelade:

Chris, I do not know if you could expand on the reason you were forced to use St. Malo. Just for the public record that would be useful to understand the dynamic of why you were required to go to St. Malo to unload your catch.

Managing Director, Jersey Oyster Company:

It all comes down to St. Malo has a border inspection post, also known as a B.I.P. (border inspection post). In France it is known as *S.I.V.E.P. (Service d'Inspection Vétérinaire et Phytosanitaire aux frontières)*. These border inspection posts are for animal and plant goods deriving from a third country, out of the E.U. St. Malo had one put in place. Granville, a request went in for oysters and mussels, because you can choose what species go through a border inspection post and what it is geared up to handle. So a request went in for Granville. Regionally, it was very well supported. But my understanding of it at the moment, it has all been put on hold by the French Minister of the Sea, who is not happy with the Granville Bay fishing situation. So she has pulled the plug on the request for Granville to have a border inspection post, the request going to the E.U.

Deputy G.J. Truscott:

Has it resulted in additional costs or inconvenience for you going to St. Malo or is that relatively okay from a commercial point of view.

Managing Director, Jersey Oyster Company:

No. To make the Normandy Trader at all viable, we need to have cargo coming back again, coming on the return trip. That covers the cost of the shipping and keeps the cost of the shipping of shellfish to Granville viable. To send the Normandy Trader to St. Malo is in excess of £3,000. It is going to St. Malo purely if it has shellfish on board. So if I have oysters and one of the fish merchants has some lobster and crab, it has to go to St. Malo currently. It is then coming out of St. Malo and having to go to Granville to pick up the return cargo. The cost currently to go to St. Malo is in excess of

£3,000 and we are just having to wear that at the moment. They are forcing us to use dockers in St. Malo. When our boat arrives, even if there is a tonne or 20 tonne of shellfish on board, we have 5 dockers there, so that is €1,000. Whereas we can do a return trip to Granville in a day, 3½ there, unload, reload, 3½ hours back, it is a 2-day saga now. To go to St. Malo, unload that, and then because Granville is a tidal port, have to leave the next day up to Granville to backload, so it is a 2-day trip.

Deputy I. Gardiner of St. Helier:

My question was partially answered by Chris because it was around the cost of exports. Do you have any additional cost for the export apart from ones that you mentioned?

[12:15]

Managing Director, Jersey Oyster Company:

Going back 2 years ago now when we were trying to risk-assess the implications of Brexit and what would happen, back then it was talked about us being required to use the Port of St. Malo. Our landing craft, our export vessel, is an ex-military landing craft and, not going into too much detail, it had jet propulsion units on it, which are very inefficient for doing long sea journeys. Because of the extra distance and the fact that getting from Jersey to St. Malo, the currents run sideways, the boat would have really struggled to get through any weather or to do the St. Malo link. But we were looking at all options and we basically invested £150,000 to change the propulsion units to propellers on the boat. There was talk of potential funding available from Jersey Government for Brexit readiness. We applied a couple of times, mainly because we were supported and told to apply, and the feedback came that there was no money left in that fund because all had been used sending officers to London and to Brexit meetings. That fund was used up so we got nothing. We invested £150,000 to make that vessel ready, which you have seen the weather you have had in January, we would have struggled with the boat equipped how it was before.

Deputy I. Gardiner:

Just a quick follow-up. Thank you for giving us this information. From what I see now that you have invested, you have prepared. Now you are absorbing extra costs to keep your clients happy. How long can you continue to do this before you are putting your prices up? How much resilience do you feel you have left?

Managing Director, Jersey Oyster Company:

We would not be able to put our prices up to the French and to the E.U. market. It is such a big market. One positive thing that has come out of this T.E.C.A. is that there are no tariffs. Because

we were looking at a potential 9 and 10 per cent tariff on oysters, so we would have had to absorb that as well. Because our customers will not pay any higher because there is such a competitive market.

Connétable J.E. Le Maistre of Grouville:

Chris, we understand, certainly anecdotally, some fishing boats have not been able to land their catch, in particular in Granville. They have been told not to turn up. I appreciate there is more bureaucracy that you have to go through. But, if your paperwork is right, have you ever been turned back from a port? Have you ever not been able to make your journey, either because you are worried that when you get there it will be turned back, or it has been turned back and so you have not sent your vessel off?

Managing Director, Jersey Oyster Company:

Yes, that has happened even going to St. Malo in the second week of January. The harbourmaster in St. Malo told us that he did not want us to go down. But that managed to get defused. I would like to commend Aurélie Leroy from the Maison de la Normandie in her assistance on behalf of External Relations. She has been very good. Yes, this has been going on since last year. There has been so much upset and disruption caused by the Granville Bay fishing agreements or non-agreements or whatever that even last year there were threats of: "Do not come down. Do not go to Granville."

The Connétable of St. Brelade:

Chris, what engagement or communication, if any, has there been from Government with regard to the T.E.C.A. and its implications? It seems to me that perhaps communications have not been as up-to-speed as they might have been. What is your perception?

Managing Director, Jersey Oyster Company:

I could show you endless numbers of emails and notes of Fisheries panel meetings where I have said the communication is very poor. Yes, it is very much a personal criticism that I do not feel there is much leadership or guidance getting through the Marine Resources Department and then filtering down to industry. I have offered a number of times, I have very good relations with France, I have been dealing with France for years. I have said before, we really, with these Brexit issues, needed to put our best team forward. But it is very much them and us unfortunately.

The Connétable of St. Brelade:

Clearly communications channels are quite complex in that we are dealing with London, London is dealing with Paris or London deals with Brussels, Brussels deals with Paris, and then it comes down

to the coast. Do you consider that the communication channels between Normandy, Granville and Paris, are as they should be? Should we be trying to come to some more-localised arrangements with our Normandy and Brittany cousins?

Managing Director, Jersey Oyster Company:

I am very supportive of keeping good relations with our Normandy and Brittany cousins. It is a big part of my life, not only work, but the trade relationships that we have built over the years with Normandy and Brittany, and friendships. The Granville Bay Fishing Agreement was a good basis for that. It is a shame that the fishermen did not get around a table together and sort it out prior to Brexit because that I could see being a good-news story instead of what it has turned into of constant bickering. That is because the people that it affected their own lives did not sit around a table and sort it out, thrash it out between themselves.

Deputy I. Gardiner:

Chris, from your understanding, we know that the Minister of the Sea, she has talked of progressing with Granville as a landing port now. But from your contact, from your understanding, if you are going back to Granville to Normandy for your trade contacts, clients, the people that you are in day-to-day touch with, would they openly support and push towards Granville to be a dedicated port of landing?

Managing Director, Jersey Oyster Company:

The Port of Granville and Normandy are extremely supportive of our presence in Granville and they want it to continue. The Port of Granville has changed tack a bit and has lost the use of the aerodrome. It has lost use of the gravel ships that go into the port, et cetera. The infrastructure that they have there, the dockers, we use the dockers when we are there, if we have lorries arriving with goods when we are not there then they are unloaded, they are put in our store. We actively support and financially support the workers of the port and they respect that. They are pushing hard locally for our continuance in Granville.

Deputy G.J. Truscott:

Chair, I have a couple of questions, permission to ask both?

The Connétable of St. Brelade:

Go for it.

Deputy G.J. Truscott:

First of all, can I just reel back a little bit, Chris, back to your veterinary certificates. The whole point of the ban going into Europe from the U.K. is on the quality of the water. You have excellent water down at Grouville. I remember standing on the beach in a planning application and we hit the highest standards. But do we have to reaffirm the quality of the water? Is that possibly part of the issue going on? Do you feel that the veterinary service team is inadequately resourced and that you need more support from that side of things?

Managing Director, Jersey Oyster Company:

Your first question, for shellfish to go for direct human consumption, they either have to come from grade A waters or they have to be purified. Out of the 3 oyster companies in Jersey producing around 2,000 tonnes of oysters a year, 80 per cent of those are sold for relaying or onward processing. Only about 20 per cent are sold purified for human consumption. Water quality in Jersey, 2 things, there is the bathing water quality of which, yes, we have very high standards. The other one is the shellfish production areas. So once a month the Veterinary Department comes down to the shellfish concessions and takes samples, a sample of a kilo of oysters from each of the concessions, and sends them to Cefas Laboratories in the U.K. So it is done by the competent authority, so it is done by the Veterinary Department. From that, they derive if the shellfish waters are grade A, grade B, grade C. Grade A means you can take the shellfish direct off the beach and sell them for consumption. Grade B means they have to be purified or relayed. So all the shellfish concessions in Jersey are grade B.

The Connétable of St. Brelade:

The resources at the Veterinary Department, do you think they are adequate going forward?

Managing Director, Jersey Oyster Company:

Definitely not. The Veterinary Department do the inspection. Going back a number of years, we had access to the produce inspectors when the farming industry was in its heyday. The department had maybe half a dozen produce inspectors at the time. But they do not exist anymore. The issue going back say 10 years ago, the Veterinary Department, we have to have certificates and we have always had export paperwork for the shellfish movements. Because of the lack of resources in that department, we were able to complete our own certification. All it is certifying is the species that is going and that there is no undue mortality in that consignment. Someone like myself with a bit more experience is perfectly capable of certifying our own produce that is going. But, at the moment, the Veterinary Department are insisting on inspecting it themselves. They have one person.

[12:30]

The Connétable of St. Brelade:

Restrictive. If I can ask you, Chris, going back to the additional costs you are facing by having to go to St. Malo, there must be a significant additional fuel cost to all that as well, apart from the extra time involved. Has there been any suggestion of support from Government to help you in that direction?

Managing Director, Jersey Oyster Company:

In the last week, it is being headed up by John Vautier. Previously, any request for funding went to the Rural Initiative Scheme and it was then pushed around: "Does that include aquaculture and fisheries?" We always got side-lined away from it. But I believe at the moment work has started by John Vautier and potentially others to collate these additional costs and to see if any assistance can be given. But you are quite right, Constable. With this change of propulsion units, we made a considerable saving on fuel because the propellers were a lot more efficient than the previous jet units, so it reduced our crossing time and it reduced our fuel considerably. But now we are having to go to 2 ports as opposed to one. We have more than doubled all our consumption and costs.

The Connétable of St. Brelade:

Yes, I can see that. I am going to ask you a bit of a leading question with regard to the Granville Bay Agreement. We have the situation that I perceive at the moment that the French fishermen want to keep the Granville Bay Agreement, the J.F.A. (Jersey Fishermen's Association) is not so keen on keeping it. What is your view from the aquacultural point of view?

Managing Director, Jersey Oyster Company:

I used to be a fisherman as well and I watch and listen very closely to what is going on about the Granville Bay Treaty. If the Jersey fishermen, Normandy and Brittany fishermen, could sit around a table. I was at the Fisheries panel meeting, 3rd December 2019, and I remember quite clearly when the Fishermen's Association, 2 committee members, the chairman and another member, quite openly said that they were not going to attend any more meetings in France because they were not getting their way. It was disheartening. That needs to come back to the table or another agreement.

The Connétable of St. Brelade:

You are dealing a lot with Normandy and Granville, what about Brittany and St. Malo? You are exporting into St. Malo a bit. Do you have business interests down there? What I am trying to establish is whether there is a difference in dealing with Brittany and Normandy.

Managing Director, Jersey Oyster Company:

I very much deal more with Normandy. We are taking our own vessel in there. Although, in a normal year, when Condor is running, I sell a lot of oysters to around the Cancale area. It is customers that would phone up with a day's notice, can we deliver one tonne or 2 tonne, and then it is in a van on the ferry via St. Malo, deliver, back again. But, yes, we use the Port of St. Malo, but it is uneconomical for us to carry on the shellfish as we are through that port.

The Connétable of St. Brelade:

It is more of a transit port than anything else. Do you think there is anything else that Government should be doing to assist the aquacultural industry at the moment?

Managing Director, Jersey Oyster Company:

It is very much an industry that gets on with itself. Although, this situation we have found ourselves in now with the bureaucracy, if we can get back in control of issuing our own veterinary certificates and whatever and not putting that unnecessary burden on Government. Because the veterinary inspector, I know he deals with bees and different things like that. When the ferries are running, the pet travel scheme and all of that. It is an under-resourced department. What they are requesting us to do I feel is an unnecessary burden on that resource. So that would be the biggest help at the moment. Ideally, if we could find some funding to help with what we had to go and fork out for the propulsion units on the vessel, it was supported by Darren Scott. That was the gentleman that we met and he was very supportive that we apply for funding. Because it is industry-wide. That is why we put the application in, because we export all the oysters for the 3 shellfish farms and we export the shellfish for the fish merchants, especially now when there are no ferries.

Deputy G.J. Truscott:

Chris, you said at the beginning you planned for the worst-case scenario. Let us face it, we have had 3 years probably, once Brexit was announced, to get all the ducks in order with regard paperwork, and I am talking about the Government assisting. I have seen you at a number of meetings arranged by the Government to get things put in order. Do you feel, post-Brexit, you are in a place that you had not really envisaged? The whole idea behind T.E.C.A. was that it should leave neither party either worse or better off. Do you think that has been achieved post-Brexit?

Managing Director, Jersey Oyster Company:

No. There is no doubt about it, we are worse off. We are having to go to the Port of St. Malo. There is a lot of uncertainty. Some of the fishing boats can land direct into certain ports. Some of the merchants have to ship via St. Malo. The aquaculturists have to ship via St. Malo. I know External Relations have been trying this recently, having some sort of tie-in with the Granville Bay. The Granville Bay Treaty does not have any mechanism in it to permit landings. It is blatantly obvious,

if you try to tell the French they cannot fish where they have been fishing for the last 20 years, there is no way they are going to let any Jersey boats steam into their port and land those species or those aquaculture products.

The Connétable of St. Brelade:

Do you land through La Criée in Granville when it was operating or is it independent of that?

Managing Director, Jersey Oyster Company:

It is independent. We used to land on La Criée when we had the old Duchess of Normandy, a smaller boat. But now we have the landing craft we go into the commercial basin in the Port of Granville. We do not land at La Criée.

The Connétable of St. Brelade:

In terms of a roundtable meeting, it would be fairly easy to stimulate something in Granville. But to get the bigger picture and the link with Paris, would you agree that we would need to get someone from Paris into the discussions as well?

Managing Director, Jersey Oyster Company:

It would not hurt. At the end of the day it seems like that is the channel; that is the process anyway. Industry and then regional, Paris and then E.U., Brussels.

The Connétable of St. Brelade:

It just seems to me to get the border inspection post in Granville and, if it is being blocked at Paris level, that is where the encouragement needs to be coming from. If that can be stimulated it has to be better for, not only us here in Jersey, but also Granville. It is difficult to understand what is blocking it. It may be being used as a lever of course to retain the Granville Bay Agreement. We will have to see. Is there anything else, Chris, that you would like to comment on or would be useful for the panel to know?

Managing Director, Jersey Oyster Company:

If I could, Mr. Chairman, just mention that I would like to openly offer to your panel and to yourselves, if I can be of any assistance in meetings in France, I have offered a number of times to Government. I am in a very strong position, because of my ties in Normandy. One example, when the Port of Granville lost the larger ships that used to go in there, they closed the customs office in the Port of Granville. They were going to stop us overnight from going there. We managed to come up with an agreement that we would put all the paperwork through the St. Malo, which is our core office. So all the customs declarations are sent via an agent who is based in St. Malo to a different customs

office. But that just shows to me the trust that they have in our operation to be able to do customs paperwork without physical presence in that port. So, when you look at that example, it just seems a bit silly why we have to have the issues we have locally with the veterinary certificates. But to get that over the line in France, I thought that was very well done.

The Connétable of St. Brelade:

Indeed. That was at your company's instigation?

Managing Director, Jersey Oyster Company:

Yes.

The Connétable of St. Brelade:

Have the other panel members got any further questions for Chris?

The Connétable of Grouville:

It has been very useful and I would like to thank Chris for his inputs.

Deputy G.J. Truscott:

Just a general question, Chris. I presume, due to COVID, the market demand is somewhat subdued. I am just asking out of curiosity. At least that gives a little window to get possibly any teething issues sorted out until later in the year when things hopefully pick up. I was just curious as well, what is your French like? I presume after all the years dealing with the French you are quite fluent in the language?

Managing Director, Jersey Oyster Company:

Yes, I am fluent.

Deputy G.J. Truscott:

The market at the moment?

Managing Director, Jersey Oyster Company:

The market, basically in France last year, because most of the French population stayed in France, they had a very good year for shellfish sales because it was consumed locally. Export markets have been up and down. One country picks back up again and another country closes down, et cetera. It is definitely on our radar as well, we want to develop, like I said before, only 20 per cent of Jersey oysters are packaged and marketed as Jersey oysters, mainly into the U.K. So that is something I want to expand on.

[12:45]

We had signed up to a couple of trade shows in the U.K. for exactly that, to try to boost our sales and our awareness. Your question is good because it has just reminded me, when you mentioned about assistance by Government, I have suggested this a few times. Years ago Jersey Government used to have a presence at some of the trade shows. I remember doing a real food festival in Earl's Court and we had Jersey royal potatoes, Jersey oysters, Jersey dairy, La Mare Vineyards, et cetera. It was collated together. It was easy to take one vehicle with our produce over there. It really stood out as a good presence. What is happening now, it is individual companies. So you might have Jersey dairy over in one corner of the exhibition hall and Jersey oysters somewhere else. But to get a Jersey stand could promote our Island a lot better.

Deputy G.J. Truscott:

Jersey milk, for example, had tremendous success in exporting to China. I do not know how that could be identified from your point of view, getting stuff out there. But that would be a huge market, would it not?

Managing Director, Jersey Oyster Company:

It would. It is something that we have looked at. Unfortunately, with this COVID and the travel restrictions, et cetera, but then you are into export health certificates again. It is definitely something, our business plan is to look at new markets and not be so reliant on the French market. But, realistically, that is where the big tonnage can go.

Deputy G.J. Truscott:

Sure. Thank you very much.

Managing Director, Jersey Oyster Company:

Our team, the Normandy Trader, the boat team, the office staff, everyone pulled together very well last December and we were doing daily trips to Granville with shellfish for the 3 oyster companies and the other shellfish. Daily trips through December.

The Connétable of St. Brelade:

In terms of risk, Chris, if you send the vessel down loaded and it were to get turned back through lack of paperwork or whatever, is that whole consignment lost or spoiled? Or are you able to get it back in or keep it in any shape or form?

Managing Director, Jersey Oyster Company:

It would not be for the oysters because we are careful with them and they are prepared for being relayed in France. So with transport there are one or 2-days' margin there. So the stuff could come back and be put straight back on the beach. The issue would be the lobster and crab, if we are carrying that. Once they are out of the water they have a limited time they need to be. Basically the Vivier lorries are waiting on the port and the lobsters and crabs are put straight into the Vivier lorries.

The Connétable of St. Brelade:

In terms of importing seed, have you had any issues with that?

Managing Director, Jersey Oyster Company:

We have not brought any in this year yet, but that would be the same. It would have to go through a border inspection post.

The Connétable of St. Brelade:

Are they coming from an E.U. country?

Managing Director, Jersey Oyster Company:

Yes, they would be coming from France.

The Connétable of St. Brelade:

That would be the same situation in reverse.

Managing Director, Jersey Oyster Company:

I bring in mussel seed from Southern Ireland in August/September time.

The Connétable of St. Brelade:

So that will be exactly the same coming from Éire. Chris, thank you very much for your input today. It has really been useful. We will be producing a report fairly soon and we are trying to get a bit of a feel of what effects the T.E.C.A. is having on all aspects of the industry. So much appreciated.

Managing Director, Jersey Oyster Company:

Thank you for your time, all of you, thank you.

Deputy I. Gardiner:

Thank you.

[12:50]