

## Email Correspondence

From: Hornby, Neil (Defra)  
Sent: 27 July 2017 18:10  
To: [REDACTED]  
Subject: Re: Iceland visits

Thanks

N.

Sent from my iPhone

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On 27 Jul 2017, at 17:06, [REDACTED]> wrote:  
Bit more info about each company on their websites.

<http://marel.com/>  
<http://www.hbgrandi.com/>  
<http://www.lysi.com/>

[REDACTED]  
EU Exit Team – International Fisheries  
Department for Environment, Food and Rural Affairs

From: [REDACTED]  
Sent: 28 July 2017 07:52  
To: Michael Nevin (Sensitive); [REDACTED]  
Cc: [REDACTED]; Neil Hornby (DEFRA) (Sensitive); [REDACTED]  
Petur.Stefansson@mobile.trade.gov.uk  
Subject: [REDACTED]

[REDACTED]

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From: Hornby, Neil (Defra)  
Sent: 28 July 2017 09:21  
To: 'Andrew Kuyk'  
Subject: RE: Iceland

As well as a range of people from Government we should be seeing several companies - Marel, HB Grandi, Lysi, Fisheries Iceland, Icelandic Seafood International, Samherji, BRIM

N.

-----Original Message-----

From: Andrew Kuyk [mailto:Andrew.Kuyk@provtrade.co.uk]

Sent: 28 July 2017 08:29

To: Hornby, Neil (Defra) <Neil.Hornby@defra.gsi.gov.uk>

Subject: Iceland

Hi Neil - is it possible for you to tell me who you be meeting in Iceland please? Seachill still have strong Icelandic connections and it could be helpful for them to know.

Thanks

Andrew

Sent from my iPhone

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## **Suggested programmes (Two versions)**

### **Version 1**

#### **Secretary of State Fisheries Visit July/August 2017 – Potential Programme**

[REDACTED]

#### **2 August**

AM: Visit in/near Reykjavik

Options:

- Visit to HB Grandi (integrated fisheries company that exports to UK, located at Old Harbour);

[REDACTED]

- and/or Lysi (supplier to UK pharmaceuticals of cod liver and other medicinal products);

[REDACTED]

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### **Version 2**

#### **Secretary of State Fisheries Visit July/August 2017 – Potential Programme**

#### **2 August**

Visit in/near Reykjavik. Options (could fit in 2):

- Visit to HB Grandi (integrated fisheries company that exports to UK, located at Old Harbour. One of the largest companies. A good example of quota system benefits and policy into practice, from catch to high-end products, maximising whole value of the fish through hi-tech means);
- Visit to Lysi (supplier to UK pharmaceuticals of cod liver and other medicinal products. Began life supplying cod liver oil but has expanded into broader healthcare and pharmaceutical supply from marine resources);



## Suggested itineraries (Two versions)

### Version 1

Secretary of State Agriculture and Fisheries Visit July/August 2017 – Denmark, Faroes and Iceland

2 August

Time	Activity
Iceland	
11.00	Visit to HB Grandi (integrated fisheries company that exports to UK, located at Old Harbour. One of the largest companies. Good example of quota system benefits and policy into practice, from catch to high-end products, maximising whole value of the fish through hi-tech means);

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### Version 2

Secretary of State Agriculture and Fisheries Visit July/August 2017 – Denmark, Faroes and Iceland

2 August

Time	Activity
Iceland	
11.00	Visit to HB Grandi (integrated fisheries company that exports to UK, located at Old Harbour. One of the largest companies. Good example of quota system benefits and policy into practice, from catch to high-end products, maximising whole value of the fish through hi-tech means);

## **Final Briefing Pack**

Secretary of State Agriculture and Fisheries Visit: Denmark, Faroes and Iceland

31 July – 2 August 2017

### **CONTENTS**

1. Itinerary
2. Practical details

### **Wednesday 2<sup>nd</sup> August – Iceland**

3. Visit to HB Grandi
4. Lunch at Lysi with Icelandic fishing industry representatives

### **ANNEXES**

- A. Declaration form

## 1. Itinerary

### 2 August

Time	Activity
<b>Iceland</b>	
1045 - 1100	Travel to HB Grandi, for presentation and tour of integrated fisheries company that exports to UK, located at Old Harbour with MD Brynjolfur Eyjolfsson
1150-12.00	<p>Travel to Lysi company for short presentation and view of the command centre for their operations producing marine-based health products, with CEO Katrin Petursdottir.</p> <p>Followed by lunch at Lysi with guests Fisheries Iceland (the fishing vessel owners association) and UK investors Samherji, Iceland Seafood International and BRIM Seafood.</p>

## 2. Practical details

### Accompanying officials

1. [REDACTED]
2. Henry Cook, Special Adviser
3. Lee Cain, Special Adviser
4. Neil Hornby, Marine & Fisheries Director

### Travel details

[REDACTED]

### Accommodation details

[REDACTED]

### Key phone numbers

British Embassy Reykjavík , Laufásvegur 31, 101 Reykjavík  
Tel: +354 550 5100

Name	Position	Contact Details
[REDACTED]	[REDACTED]	[REDACTED]
<b>HMA Michael Nevin (Iceland)</b>	British Ambassador, Reykjavik	<a href="mailto:michael.nevin@fco.gov.uk">michael.nevin@fco.gov.uk</a> [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
<b>Lee Cain</b>	Special Adviser	<a href="mailto:Lee.cain@defra.gsi.gov.uk">Lee.cain@defra.gsi.gov.uk</a> [REDACTED]
<b>Henry Cook</b>	Special Adviser	<a href="mailto:Henry.cook@defra.gsi.gov.uk">Henry.cook@defra.gsi.gov.uk</a> [REDACTED]
<b>Neil Hornby</b>	Director, Marine and Fisheries	<a href="mailto:Neil.hornby@defra.gsi.gov.uk">Neil.hornby@defra.gsi.gov.uk</a> [REDACTED]



## **WEDNESDAY 2<sup>ND</sup> AUGUST**

### **3. Visit to Grandi**

Date: 2 August

Time: TBC

#### **ATTENDEES**

- Michael Gove, Secretary of State for Environment, Food & Rural Affairs
- Defra: Marine & Fisheries Director Neil Hornby, Martin Woolhead, Henry Cook, Lee Cain
- Embassy: HMA Michael Nevin, Petur Stefansson

#### **OBJECTIVES**

- Learn how integrated fishing operations were developed and work in practice
- Understand concerns/interest about EU Exit from a key supplier to the UK

#### **MEDIA**

- [photo opportunity/tweet]

#### **BACKGROUND**

HB Grandi is an integrated fisheries company that exports to the UK, located at Old Harbour. It is one of the largest companies in this industry. They offer a good example of benefits of the quota system and putting Icelandic policy into practice, maximising the whole value of the fish catch through hi-tech means, from catch to high-end products.

## 4. Lunch at Lysi

Date: 2 August

Time: 1200

### ATTENDEES

- Michael Gove, Secretary of State for Environment, Food & Rural Affairs
- Defra: Marine & Fisheries Director Neil Hornby, Martin Woolhead, Henry Cook, Lee Cain
- Embassy: HMA Michael Nevin, Petur Stefansson
- Industry representatives: Fisheries Iceland, Lysi, Icelandic Sea Food International, Samherji and BRIM Seafood

### OBJECTIVES

- To understand views from Icelandic fishing industry representatives on current and future fisheries management and trade with the UK
- Understand concerns/interest about EU Exit from investors in the UK.

### MEDIA

- [photo opportunity/tweet]

### BACKGROUND

Lysi uses the essence of marine resources, mainly fish oils, to research, develop and manufacture health-related products, such as Omega 3+ capsules. It supplies a number of UK brand names. The CCEO recently received Iceland's highest honour – the Order of the Falcon – for her contribution to the Icelandic economy.

Fisheries Iceland is the business owners association representing all the main fishing vessel owners and processors in Iceland and as such are the main industry interlocutors for both the government and the workers' unions.

Icelandic Seafood International works with all fish forms and provides technical and logistic services to the industry. It has factory operations through sister companies in Grimsby and Bradford.

Samherji is a vertically integrated seafood company including a trawler fleet. Overseas operations of the company represent 55% of turnover. It has been in the UK since the 1990s with Ice Fresh Seafood UK based in Grimsby processing and packing seafood for European customers.

Founded in 1998 BRIM has 4 factory trawlers operating in North Atlantic waters and is one of Iceland's largest quota owners.

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## ANNEX A – DECLARATION FORM

Signature:

Date:

## **HB Grandi and Lysi Meeting**

### **Visit to HB Grandi - 2 August**

#### **ATTENDEES**

- Michael Gove, Secretary of State for Environment, Food & Rural Affairs
- Defra: Marine & Fisheries Director Neil Hornby, [REDACTED], Henry Cook, Lee Cain
- Embassy: HMA Michael Nevin, Petur Stefansson
- HB Grandi: MD Brynjolfur Eyjolfsson

#### **OBJECTIVES**

- Learn how integrated fishing operations were developed and work in practice
- Understand concerns/interest about EU Exit from a key supplier to the UK

#### **MEDIA**

- This visit provides a photo opportunity / tweet.
- We anticipate a short broadcast interview around 5 minutes with RÚV (the Icelandic National Broadcasting Service), followed by a short interview with one of Iceland's broadsheets, either Morgunblaðið or Fréttablaðið. Timing TBC.

#### **BACKGROUND**

HB Grandi is an integrated fisheries company that exports to the UK, located at Old Harbour. It is one of the largest companies in this industry. They offer a good example of benefits of the quota system and putting Icelandic policy into practice, maximising the whole value of the fish catch through hi-tech means, from catch to high-end products.

## Lunch at Lysi - 2 August

### **ATTENDEES**

- Michael Gove, Secretary of State for Environment, Food & Rural Affairs
- Defra: Marine & Fisheries Director Neil Hornby, [REDACTED], Henry Cook, Lee Cain
- Embassy: HMA Michael Nevin, Petur Stefansson
- Industry representatives: Fisheries Iceland, Lysi, Icelandic Sea Food International, Samherji and BRIM Seafood

### **OBJECTIVES**

- To understand views from Icelandic fishing industry representatives on current and future fisheries management and trade with the UK
- Understand concerns/interest around EU Exit from investors in the UK.

### **MEDIA**

- No media expected.

### **BACKGROUND**

Lysi uses the essence of marine resources, mainly fish oils, to research, develop and manufacture health-related products, such as Omega 3+ capsules. It supplies a number of UK brand names. The CVEO recently received Iceland's highest honour – the Order of the Falcon – for her contribution to the Icelandic economy.

Fisheries Iceland is the business owners association representing all the main fishing vessel owners and processors in Iceland and as such are the main industry interlocutors for both the government and the workers' unions.

Icelandic Seafood International works with all fish forms and provides technical and logistic services to the industry. It has factory operations through sister companies in Grimsby and Bradford.

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Founded in 1998 BRIM has 4 factory trawlers operating in North Atlantic waters and is one of Iceland's largest quota owners.

## Lysi Meeting Write Up

From: [REDACTED]  
Sent: 02 August 2017 14:43  
To: Rowe, Mike (DEFRA); [REDACTED]  
Church, Sarah (Defra); Lee, Peter (DEFRA); Jeyasingam, Danny (DEFRA);  
Mordan, Tim (Defra); Kennedy, David (DEFRA); Horsington, Guy (DEFRA);  
Render, Tim (Defra); [REDACTED], Miles, Emily (DEFRA); Warren,  
Sally (DEFRA); Joicey, Nick (DEFRA); Phippard, Sonia (Defra); McCambridge,  
Laura (DEFRA); Alexander, Julie (DEFRA); Droogsma, Dagmar (Defra); [REDACTED] Trundle, Shirley  
(DEFRA); Pullen, Richard (Defra); Holmes, Amy  
(Defra); [REDACTED] Hornby, Neil (Defra); Gooding, Nigel A (Defra);  
Freeman, Anne (Defra)  
Cc: Nation, Toby (DEFRA); Cain, Lee (DEFRA); Cook, Henry (DEFRA); PS/George  
Eustice; PS/Therese Coffey; PS/Lord Gardiner; Moriarty, Clare (DEFRA) [REDACTED]  
Michael.Nevin@fco.gsi.gov.uk  
Subject: SoS trip to Scandinavia - Icelandic fisheries roundtable

All,

Last note from this trip, I promise! Please see below my note of the fisheries sector roundtable today in Iceland:

1. Prior to the roundtable, host company Lysi laid out how they use all parts of the fish to increase the yield, maximising value, and therefore prevent discards of fish parts at sea.
2. Lysi reported issues they have encountered with microplastics in fish, due to things like plastic bags in the ocean. As a company dealing in purified fish oils, they had to do a lot of urgent research to work out how to successfully remove them.
3. The fisheries industry representatives highlighted that Iceland's focus is on maximising the value of fisheries as an avenue for growth, as increasing capacity is impossible with a scarce natural resource. Iceland believes their fish management system is the best in the world, pointing to their world-leading high yield and the successful recent increase in fish stocks. The industry is increasingly focused on reacting to the market and planning and investing years in advance. In Iceland, the debate has moved from the merits of the fisheries management system to the fees and taxes that should be paid for access to the nation's resource.
4. In particular, the industry believes that the transferability of quotas has changed the way of thinking in the sector to prioritise value over volume. A secure catch incentivises investment in better handling the fish and using everything, rather than investing in speed and volume. The sector is market-focused, responding to the customer demand for consistent year-round supply and high-quality products.
5. The SoS asked about salaries in the fisheries sector, which can reach six figures for crew members. The industry explained that, in Iceland, fisheries is a high-tech industry that demands highly educated people and highly skilled engineers.
6. The SoS asked about the 'days at sea' system, characterising the quota system as intelligently cultivating a limited land parcel for maximum value in agriculture. The fisheries body highlighted that a 'days at sea' system incentivises vessels to go out only on the 'most ripe' days,

creating spikes and troughs in supply. In addition, by-products are discarded rather than landed to save space. 'Days at sea' is normally an unqualified failure; a quota system better aligns incentives.

7. The SoS asked about how painful the reform of the system had been, and tensions between large and small vessel owners. It was explained that Iceland had two management systems. The system for small fishermen had to be changed a lot, as small fishermen wish to grow into larger fishermen over time.

8. The fisheries industry highlighted the need for international cooperation around shared stocks, with common rules for all players. Iceland feels it runs a rules-based system that can provide a model for others.

9. The industry asked about the future for the UK outside the EU. They don't expect much to change, as the UK and Iceland have a strong relationship. Their key concern is continued free access to the UK market. The industry offered to share their expertise on sustainable fisheries management and utilisation of fish products with the UK. Icelandic fisheries representatives don't expect (or want) things to become any easier, but value the status quo. They hope for an early secure free trade agreement.

10. Finally, the industry also raised the need for harmonised health regulation between the UK and EU, characterising the UK as a gateway to the EU for Icelandic fish-derived products. Any issue with shipping such products from the UK onto Europe would harm a growing area business. As a perishable product, time is a key constraint.

If you have any questions, please don't hesitate to ask Neil.

Thanks, and best wishes,

[REDACTED]