



Producer Subsidy Questionnaire

Transition review of countervailing measures

Case TS0002: Rainbow trout originating in Turkey

Case reference number:	TS0002
Period of Investigation (POI):	1 January 2019 – 31 December 2019
Injury period:	1 January 2016 – 31 December 2019
Deadline for response:	24/08/2020
Contact details:	Vincent Gibson TS0002@traderemedies.gov.uk
Completed on behalf of:	<i>Selcoth Fisheries Ltd</i>

When you have completed this form, indicate the **confidentiality** of this document by placing an X in the relevant box below:

Confidential

Non-Confidential – will be made publicly available

Your completed response must comprise of this questionnaire document and the corresponding annex. Please note that you will have to provide **two copies of your response**: both the questionnaire document and the annex must be provided in (1) a **Confidential** and (2) a **Non-Confidential version**. All four files should be returned to TRID using the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 22/05/2020.



Table of Contents

The scope of this review.....	1
Goods subject to review	1
Like goods.....	1
Product Control Numbers	2
Instructions	4
Introduction.....	4
Preparing confidential and non-confidential copies.....	5
Providing information from subsidiaries or associated parties.....	6
What happens next.....	6
Verifying the information you supply	6
How to complete this questionnaire.....	8
SECTION A: Company structure and operations.....	10
A1 – Identity and contact details	10
A2 – About your company	10
A3 – Organisational structure	11
A4 – Board members and principal shareholders	12
A5 – Operational links with other companies or persons.....	13
A6 – Accounting practices	13
SECTION B: About your goods.....	18
B1 – Understanding your like goods	18
B2 – Understanding the UK market	19
SECTION C: Costs and production.....	21
C1 – Cost to make and sell.....	21
C2 – Cost reconciliation.....	23
C3 – Production process	24
C4 – Joint products and by-products	25
C5 – Raw material and input purchases	26
SECTION D: Sales	28
D1 – Domestic Sales	28
D2 – Export Sales.....	29
D3 – Sales Reconciliation.....	29
D4 – Distribution channels and price setting.....	30
D5 – Captive use.....	32
SECTION E: Injury to your company	34
SECTION F: Supplementary questions	42
F1 – Subsidy	42
F2 – Adjustments	43
F3 – Economic interest.....	43
SECTION G: Next steps and declaration	49
Next steps	49
Declaration	50
SECTION H: Checklist and appendices.....	51



Acronyms

Term	Explanation
CIF	Customs, Insurance and Freight
FIE	Foreign Invested Enterprises
FOB	Free on board
POI	Period of Investigation
SIE	State Invested Enterprises
TRID	Trade Remedies Investigations Directorate
VAT	Value Added Tax
TRY	Turkish Lira
GBP	Pound Sterling
CIF	Cost, Insurance, Freight
DDP	Delivered Duty Paid
HS	Harmonised System



The scope of this review

Goods subject to review

This review covers rainbow trout (*Oncorhynchus mykiss*) originating from Turkey, described as:

- live weighing 1.2 kg or less each, or — fresh, chilled, frozen and/or smoked:
- in the form of whole fish (with heads on), whether or not gilled, whether or not gutted, weighing 1.2 kg or less each, or
- with heads off, whether or not gilled, whether or not gutted, weighing 1 kg or less each, or
- in the form of fillets weighing 400 g or less each.

The goods are currently classifiable within the following commodity code(s) (given only for information):

- 0301 91 90 11,
- 0302 11 80 11,
- 0303 14 90 11,
- 0304 42 90 10,
- 0304 82 90 10,
- 0305 43 00 11.

In this questionnaire, these goods will be referred to as **‘the goods subject to review’**. Any reference to ‘goods subject to review’ in this questionnaire refers to the goods description above, regardless of the commodity code under which they are exported.

Like goods

This questionnaire also asks for information about your company’s production and sales of goods which are **like** the goods subject to review. Any reference to **‘like goods’** in this questionnaire refers to goods produced in the UK or imported to the UK from a country other than Turkey which are like the goods subject to review in all respects, or with characteristics closely resembling them.

Please follow the instructions for each question to provide the appropriate information regarding the like goods or goods subject to review.



Product Control Numbers

TRID uses Product Control Numbers (PCNs) to define and distinguish the different types of products that fall under the goods description above.

PCNs, which come in the form of an **alphanumeric code**, help to create a categorisation system so that comparisons can be made between goods produced in the domestic UK market and those produced in foreign markets.

Characteristic	Explanation	Code
Product Quality	Non-Organic	N
	Organic	O
Pigmentation	Pink	P
	White	W
Type	Live	L
	Fresh/Chilled	C
	Frozen	F
	Smoked	S
Presentation	Whole Fish, weighing 1.2kg or less	1
	Gutted Fish, with head and gills on, weighing 1.2kg or less each	2
	Gutted Fish, with head and gills off weighing 1kg or less each	3
	Fillets (fresh/chilled/frozen) weighing 400g or less each	4
	Fillets (smoked) weighing 400g or less each	5

In this questionnaire and the corresponding annex, you will be asked to construct PCNs representing the different types of products you produce. When stating your PCNs, please do not use any spaces, dashes or other means of separation, and ensure you follow the order of characteristics outlined in the table above. Please use this PCN structure consistently throughout your questionnaire response, including the corresponding spreadsheet annex.



Comments on Product Control Number structure:

Please review the PCN structure shown in the table above and include any comments on the PCN structure in the box provided.

The pigmentation codes might be more accurate if they were 'FP = Fully Pigmented, PP = Paritally Pigmented' or 'NP = Not Pigmented' or similar. It would also be helpful if there was a presentation category for large trout (2.5kg plus) which is a growing market.



Department for
International Trade

Trade Remedies Investigations Directorate

Confidential_

Non-Confidential



Instructions

Introduction

The Trade Remedies Investigations Directorate (TRID) of the UK's Department for International Trade will be carrying out a transition review of each trade remedy measure active under the EU system that the United Kingdom (UK) has decided to transition after EU exit. This transition review will consider whether the countervailing measure for the goods subject to review is necessary or sufficient to offset relevant subsidies and whether there would be injury to the UK industry if these measures no longer applied.

A subsidy exists if there is:

- a financial contribution by a foreign authority which confers a benefit on the recipient (usually an industry or business manufacturing goods); or
- a form of income or price support.

Not all subsidies are countervailable (meaning they can be offset through trade remedies). A subsidy is countervailable if it is specific to certain companies or industries (rather than general) and is granted either directly or indirectly for the manufacture, production, export or transport of goods.

We are seeking your cooperation as a domestic producer of the like goods to inform our review of whether the current countervailing measure should be maintained, varied or discontinued. The information your company provides will help us determine a fair and appropriate response.

Please provide all the information requested by 22/05/2020. If you are unable to complete the questionnaire and the corresponding annex within the required time, please contact the Case Team ahead of the deadline using the contact details on the cover of this questionnaire. You should outline the length of extension required and the reasons why. We will notify you of our decision. If we are able to accommodate an extension, a note to explain this will be placed on the public file.

We may need to issue a deficiency notice if we determine that the information supplied in the questionnaire is incomplete or inadequate. We may also send a notice requesting clarification or supplementary information if necessary.

Each time you provide confidential information in the confidential version of your questionnaire, please provide a corresponding non-confidential summary (or a statement of reasons why you cannot provide this) in the non-confidential version of your questionnaire. If you do not submit a corresponding non-confidential summary or a statement of reasons where applicable, we may disregard the information you give us. The following section provides further information on what you need to do.



If you do not complete this questionnaire, you could be found to be non-cooperative. For more details on how this may affect you, please consult our operational guidance on non-cooperation: <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#non-cooperation>.

Please contact the Case Team if you have any questions about your response or if you have any difficulties in completing the questionnaire. For general information about trade remedies processes, please visit the following website: <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process>.

TRID investigates cases under the provisions of the Taxation (Cross-border Trade) Act 2018 and the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 as Amended by the Trade Remedies (Amendment) (EU Exit) Regulations 2019.

Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annex by the due date.

Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header. It is your responsibility to ensure that the non-confidential version does not contain any confidential information.

Please visit <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#handling-confidential-information> for further information on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

All information provided to TRID in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019) and securely stored. The non-confidential version of your submission will be placed on the public file, which is available on www.trade-remedies.service.gov.uk/public/cases.

Providing information from subsidiaries or associated parties

Section A of this questionnaire includes detailed questions about your company structure. Although this questionnaire is intended for your company, our investigation also covers all subsidiaries and any other associated companies, inside and outside



the UK, which are involved in the production, sale, research and development (R&D), distribution and/or supply of the like good and/or goods subject to review.

Please note, both natural persons (individuals) and legal persons (e.g. companies) are considered to be associated where they meet the definition of 'Related Persons' in [Regulation 128 of the Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#).

If any of your subsidiaries or associated companies is also a UK producer of the like goods, they should complete a separate questionnaire.

Where your subsidiaries or associated companies are not producers but are involved in the trade of the like goods and/or goods subject to review, your questionnaire response should include information from those companies.

If you have any queries about this part of the process, please contact the Case Team using the details provided on the cover of this questionnaire.

What happens next

Once you have completed your questionnaire responses and non-confidential versions of documents, you must upload these through our Trade Remedies Service at www.trade-remedies.service.gov.uk. Following this:

- you will receive an email confirming the documents have been uploaded successfully;
- the Case Team will contact you if further information is required;
- the non-confidential responses will be placed on the public file; and
- the Case Team may contact you to arrange a visit to verify the information contained in your responses.

Verifying the information you supply

TRID will verify, as far as possible, the information provided to it. As part of our verification process, we may conduct verification visits. Visits can last several days, during which we will want to speak to management and staff to help establish the completeness, relevance and accuracy of the information provided. Within your response to this questionnaire, please provide all formulas and steps used in your calculations.

To assist the verification of the information you provide, please ensure a record is kept of all material and documentation (including accounting and management records) used to support the completion of this questionnaire and the annex.

If we need to verify information that you provide by visiting your premises, the Case Team will contact you. A verification visits can take several days.



After the verification visit, TRID will prepare a report and share a draft with you. TRID will then ask you to prepare a non-confidential copy of the report for the public record and provide reasons for why any information should be kept confidential.



Department for
International Trade

Trade Remedies Investigations Directorate

Confidential_

Non-Confidential



How to complete this questionnaire

Please read and follow all the instructions carefully. Your company is required to substantiate all claims with relevant data and information. You may be asked to attach supporting documents in appendices to supplement your responses. To assist with verification, please retain all such documents, your completed Excel annex and any calculations made when developing your responses.

Please also note the following points:

- Please refer to the case reference number, TS0002, in any correspondence with TRID.
- Do not leave any questions blank. If the question is not relevant to your organisation, please explain why.
- Please do not add or delete any sheets or remove any rows or columns from the spreadsheet annex.
- If the answer to a question is “zero”, “no”, “none” or “not applicable”, please write this rather than leaving the answer blank.
- Please note that both this document and the corresponding spreadsheet annex must be filled in. Annex are named to correspond to the relevant sections of this questionnaire and must be completed with reference to the instructions provided. If you cannot present the information as requested, please contact your Case Team.
- If we ask for copies of additional documentation, please submit this information as appendices. Please ensure that these appendices are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- Any documents not in English or Welsh should be accompanied by an English or Welsh translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).
- Identify all units of measurement and currencies used in tables, calculations and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g. do not use kg and metric tonnes interchangeably).
- Please ensure that all numbers which represent costs are reported as positive figures (e.g. for costs of £1,300.00 please enter £1,300.00 and not - £1,300.00)
- Please limit all sales/currency/income figures to two decimal places and apply a full point as a decimal separator (decimal point). Use the appropriate currency symbol or abbreviation (e.g. £1,300.00, GBP 1,300.00).
- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, please indicate this in the relevant answer, and explain the variance from actual costs, if any.
- For any exchange rate you may list in the annex(es), please submit an appendix proving the date and source for this rate.
- All figures should be reported net of tax unless otherwise stated.



SECTION A: Company structure and operations

A1 – Identity and contact details

1. Please complete the table below, ensuring that the point of contact given has the authority to provide this information:

Legal name of company:	Selcoth Fisheries Ltd
Legal structure (e.g. limited company, sole trader, partnership etc):	Limited company
Year of establishment:	1979
Other operating names:	None
Company registration number:	SC68723
Place of registration:	Scotland
Name (point of contact):	Shara Routledge
Position:	Director
Address:	Selcoth Farm, Moffat DG10 9LG
Telephone No:	REDACTED – Personal contact details
Email:	REDACTED – Personal contact details
Website:	www.selcothfisheries.com

A2 – About your company

1. Please describe the role of your company in the UK market for the like goods and/or goods subject to review (e.g. producer, producer/exporter, producer/importer or producer/distributor).

- | |
|---|
| <p>1) Primary producer of live rainbow trout fingerlings (100g – 500g) to other UK trout producers for on-growing in the UK.</p> <p>2) Primary producer of harvested (dead & chilled) portion rainbow trout (~450g) to UK trout producer/ processor for processing.</p> |
|---|

Appendix reference:

2. Please provide details of any changes in the legal form of your business over the past five financial years, for example, mergers, acquisitions and/or sales.

Date	Legal form	Explanation of change
------	------------	-----------------------



		There have been no changes to the legal form of our business within the last 5 years.

+Add additional rows as required.

3. List and explain all authorisations your company has been required to obtain to produce, sell, or trade the goods subject to review or like goods. These may include licences, permits, or permissions. Indicate if your company is subject to any direct or indirect, quantitative or other, restrictions on any of these activities.

SEPA (Scottish Environmental Protection Agency) abstraction & discharge licences for the abstraction and discharge of river water. Abstraction volume limits and discharge water quality levels apply.

Marine Scotland business registration and fish farm site registration with water level and water quality monitoring as well as fish movement reporting and health indicator inspections such as mortality levels and notifiable diseases. An example of a Marine Scotland Fish Health Site Inspection Report is provided in Appendix 13, though for 2018 as access to the production office is limited because of COVID-19 and we do not have a more recent inspection report available electronically.

Veterinary Medicine Department authorisation for the mixing of medicated feed.

Multiple 3rd party independent production accreditation schemes such as the RSPCA Farm Assured Scheme, Quality Trout UK, Global Gap and Integra. Copies of these standards, demonstrating the degree of quality control that we are forced to adhere to, are attached as Appendices 14 – 17.

Appendix reference: *Appendices 01-06, Appendix 13, Appendix 14 – RSPCA, Appendix 15 – QTUK, Appendix 16 – Global Gap, Appendix 17a, 17b, 17c, 17d, 17e*

4. State whether your company is a member of any representative organisations (e.g. trade bodies/associations/Chamber of Commerce). If so, provide a copy of the relevant documentation.

BTA (British Trout Association) and via the BTA there is an associated membership of FEAP (Federation of European Aquaculture Production). The BTA will be submitting a generic submission in support of TS0002 and this will include the relevant documentation.

Appendix reference:

5. If applicable to your company, please attach the latest copy of the following documents:



- articles of association and all related documents;
- business licence; and
- proof of registration of the company with the competent authorities.

Please describe what you are submitting and provide appendix references for your attachments in the box below. Earlier copies from the date of establishment of the company until the present should be available upon request during any verification visit.

Articles of Association: We have been incorporated since 1979. We do not currently have access to the articles of association as they are stored in hard copy in our production office, which I do not currently have easy access to due to COVID-19. I have searched Companies House but they do not provide copies on line, and prior to COVID-19 I did not anticipate the need to have soft copies scanned and available electronically. If these are still required please confirm and I will arrange to access them.

Our SIC Code for Companies House is SIC(07) 03220 Freshwater aquaculture.

We are approved and licenced by Marine Scotland (part of Scottish Government) but are not issued with a paper licence. Our Marine Scotland Business Number is FB0067 and our two separate site licence numbers are FS0102 and FS0680. We maintain a movement book showing authorised fish movements which is attached (Appendix 01 MMS Movement Book). We are also licenced by SEPA (Scottish Environmental Protection Agency, part of Scottish Government), please see attached appendices 02 – 06 for our fresh water abstraction and discharge licences for our three water areas (hatchery, Moffat Water and New Farm).

Appendix reference: *Appendix 01 MS Movement Book*
Appendices 02-06 SEPA Abstraction and Discharge Licences
Appendix 12 Certificate of Incorporation

A3 – Organisational structure

Please answer the questions below about the internal structure of your company and any associations with other companies. Both natural persons (individuals) or legal persons (e.g. companies) are associated where they meet the definition of ‘related persons’ in [regulation 128 of the Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#).

1. Please demonstrate in a diagram and explain the legal structure of your company showing the internal hierarchical and organisational structure, all sites/locations and departments involved in the production, sales, research and development (R&D), supply and distribution of the like goods or goods subject to review. Clearly indicate the different production stages carried out by your company.

We are a single limited company without any associations with other companies. We operate in a single location which is the registered address of the business and is the location of the fish farm office and the fish farm tanks and ponds where the fish are grown. The rearing,



management and growing of fish from ova to the point of sale is the only activity conducted by the business.

The internal structure of the business is reflected in our Employee Organisational Chart. We have two full time owner/directors which are myself and my husband. We employ 3 full time fish operatives and 1 part-time office support employee.

Appendix reference: *Appendix 26 SF Ltd Org Chart*

2. Please complete **Annex 1 – Associated companies.**

There are no associated companies or subsidiaries and we are not the subsidiary of another company.

- Include your company's worldwide corporate structure and affiliations, including parent companies, subsidiaries and/or other associated companies.
- If your company is the subsidiary of another company, please give the name of this company, as well as that of your company's ultimate controlling entity, their registration number(s) and place(s) of registration.
- Please provide the name, address, email address and telephone number for an appropriate representative from the company.
- Please list the activities carried out by the company (e.g. manufacturing, administration, sales).
- Indicate the shareholdings you have in the associated company and the shareholdings that the associated company has in your company.

A4 – Board members and principal shareholders

1. Please complete **Annex 2 – Shareholdings**, providing a list of all your company's shareholders that owned more than 5% of its shares during the POI. Where known, provide details of their activities. Also include:

- the composition of the Board of Directors and/or shareholders, including their roles and rights; and
- your company's registered capital for the last five financial years.

There are 2 shareholders, these are myself (Shara Routledge) and my husband Oliver Routledge. We each own 50% of the company. There are no predecessor legal entities.

Please provide this information for your company and for all its predecessor legal entities.

2. Explain your procedure for appointing the members of the Board of Directors.

We have not appointed any new members to the Board of Directors since purchasing the business in 2010. We currently have no plans or intentions to appoint any new Directors and therefore we do not have a procedure for this.

Appendix reference:n/a



A5 – Operational links with other companies or persons

1. In the table below, please list any agreements you held with any company/companies located in the UK, Turkey or third countries during the POI. The list should contain all agreements relating to the production, trade, sale, R&D, supply and/or distribution of the like goods and/or goods subject to review or any services related to these; this could include:

- licencing agreements;
- technical patents;
- compensatory agreements,
- sub-contractor agreements; or
- tolling agreements.

Please provide:

- the name and address of the company with which you held these agreements;
- an explanation of the nature of the agreement;
- whether the company is associated to you;
- the company registration number and place of registration; and
- a copy of the agreement.

Company name and address	Nature of agreement	Associated company (Y/N)?	Company registration number	Place of registration
We do not have any operational links with any companies.				
				Appendix reference:

+Add additional rows as required

A6 – Accounting practices

1. Please give the address where your company's accounting records are kept. If records are maintained in different locations, please indicate which records are kept at which location.

Records address	What records are held?
Selcoth Fisheries Ltd, Selcoth Farm, Moffat DG10 9LG	All records (production, financial, sales, HR etc) are held at the company's registered office address.

+Add additional rows as required



2. Please give the financial year convention your company uses for its accounts (e.g. 1 January – 31 December). If any changes have occurred with respect to this period or in your accounting practices over the last five financial years, please describe these changes with reference to any restatements in your financial accounts, including dates and reasons for them.

1 January – 31 December

Appendix reference:

3. Please describe your cost accounting system, including cost centres, standard costs, variances, setting of standards, etc.

We use Sage for all financial transactions and use the Sage nominal codes for the organisation and categorisation of our costs and income. We do not have separate cost centres within the business. All procurement is approved of by one of the two directors.

Appendix reference:

4. Explain any standard costs that have been provided in this questionnaire. Please state how frequently standard costs are revised and how variances are allocated.

We do not use standard costs as an accounting or management convention. The costs provided in the annex are based entirely on our year end accounts for 2019. These are prepared in accordance with the provisions of Part 15 of the Companies House Act 2006 relating to small companies.

Appendix reference:

5. For your company and any associated parties, inside and outside the UK, involved in the production, sale, R&D, distribution and/or supply of your like goods, please attach a copy of your audited accounts, including the audited consolidated package if applicable, covering the injury period.

If these audited accounts do not cover the injury period, please submit additional accounts. This may include a statement of financial position; income statement and other comprehensive income; statement of changes in equity; cash-flow statement; notes to the accounts and all reports; and auditor's opinion on these documents.

Please find attached our annual accounts for 2019. I have also attached our annual accounts for the previous 3 years (2018, 2017 and 2016) in order to assist with some of the areas within the annex that I was unable to complete.



Appendix reference: [Appendix 07 SF Ltd Final Full Accounts 2019.pdf](#)
Also attached:
[Appendix 08 - 10 SF Ltd Final Full Accounts 2016 - 2018](#)

6. If your accounts are unaudited, please attach a copy of your unaudited financial statements for the injury period.

[Please find attached our annual accounts for 2019.](#)

Appendix reference: [Appendix 07 SF Ltd Final Full Accounts 2019.pdf](#)

7. Please attach copies of your statement of financial position reflecting the accounts at the start and at the end of the POI. Also, provide the income statement for the duration of the POI.

[Included within the annual accounts for 2019. I am unsure as to what the income statement is if it is not either included within the accounts, or within Section 8 of the Annex. If a full list of all sales income is required then this can be provided upon request.](#)

Appendix reference: [Annex – Section 8 and Workings – Sales List.](#)

8. Please attach a copy of your company's trial balance (in spreadsheet form) covering the injury period.

[Included within the annual accounts for 2019.](#)

Appendix reference: [Appendix 07 SF Ltd Final Full Accounts 2019.pdf](#)

9. For your company and any associated parties involved in the production, marketing or sales of the like goods or goods subject to review, please attach copies of relevant management accounts or internal management reports (e.g. profit and loss statement) for the profit centre(s) that includes these goods. Please provide these reports for the injury period

[We do not management accounts above and beyond our year end accounts. We do use Sage Accounts for managing all of our financial transactions so additional information can be requested, but we would need specific advice and guidance on what information was required to be extracted over and beyond that which has already been provided either in the year end accounts or the annex.](#)



	Appendix reference: <i>Appendix 07 SF Ltd Final Full Accounts 2019.pdf</i>
--	--

10. If your company is part of a group of companies, please also attach a copy of the consolidated accounts of the group for your most recently completed financial year.

Selcoth Fisheries Ltd is not part of a group of companies.	
	Appendix reference:

11. Please provide a detailed description of your management information system (i.e. the accounting system, the costing system, the payroll system, material management system, warehouse management system) and a brief description of your financial accounting system, and attach:

- your company's chart of accounts;
- a chart showing the main components of your management information system and their links.

We have a very simple management information system. All financial transactions are recorded in Sage. Payroll information is recorded in a single excel spreadsheet which is submitted to a 3 rd party payroll bureau on a monthly basis for the payroll processing and preparation. Material management is conducted manually by physical stock takes with the exception of medicines and vaccines which are recorded in a single excel spreadsheet for batch number and stock management requirements which is an important part of the quality control process for fish treatments. We do not have a chart of accounts. We do not have a management information system beyond that described above.	
	Appendix reference:

12. With reference to the chart provided in the question above, please provide the names of the system(s) you use for financial accounting, sales and production. If you use more than one system, please explain how the systems interact (including whether electronic or manual).

We use Sage Accounts for financial transactions and Microsoft Excel for payroll and materials management.	
	Appendix reference:

13. Describe your accounting methodology, where applicable, for:

- the recognition and/or timing of income and the impact of discounts and rebates, sales returns, warranty claims and intercompany transfers;



- the depreciation and amortisation method, and the periods used by your company for each class of asset such as intellectual property, plants, buildings, machinery and equipment (including average useful life and the methods for calculating this);
- provisions for bad or doubtful debts;
- the accounting treatment of general expenses and the extent to which these are allocated to the cost of goods;
- the accounting treatment of finance costs and how these are allocated to the cost of goods;
- costing methods (for example, by tonnes, units, revenue, activity, direct costs, standard costing etc.) and allocation of costs shared with other goods or processes;
- your inventory valuation methods for raw material, work-in-process, and finished goods, for example First In First Out (FIFO) or weighted average cost;
- aging/obsolete inventories, your write-off and/or write-down process(es);
- valuation methods for scrap, by-products or joint products;
- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation and revaluation of fixed assets, and the subsequent treatment of excess depreciation/amortisation;
- treatment of any subsidies or grants;
- treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items;
- restructuring costs, costs of plant closure, expenses for equipment not in current use and/or plant shut-downs;
- losses arising from transactions and from the translation of balance sheet items; and
- restructuring costs, costs of plant closure, expenses for equipment not in current use and/or plant shutdowns.

Our income is easily identifiable as we have a small number of customers and only sell rainbow trout. We sell rainbow trout by the kg or the number of fish and this is detailed on all our invoices. Prices are set following verbal or written negotiation with the customer and are confirmed in writing prior to the sale. Discounts are only provided following agreement by both parties as an exception to the norm following an unexpected problem with quality or quantity.

Asset depreciation is agreed in consultation with our accountants.

We do not have bad debts and do not intend to do so in the future. If we encounter bad debts we would seek advice on how best to manage and provision for them.

We do not have the concept of general expenses as all expenses are identified and attributed to the appropriate Sage nominal, including finance costs.

We do not have a formal process for inventory valuation or weighted average cost other than our own internal analysis for strategy and planning purposes, and at the year end when we conduct a stock take for the year end accounts.

We do not hold aging inventory or equipment not in use.

Appendix reference:



14. If the accounting practices used by your company have changed over the POI, please explain the changes, including dates and reasons for them.

Accounting practices have not changed during the POI.

Appendix reference:



SECTION B: About your goods

B1 – Understanding your like goods

The definition for '[goods subject to review](#)' can be found above in the sub-section by the same name.

We use PCNs to help us compare the goods subject to review and the domestically produced like goods. When you are completing this section, you must apply the PCN system set out in the [Product Control Numbers](#) section above to describe your goods consistently throughout your responses. If you don't use the PCN table correctly, this could limit TRID's ability to use the information you provide.

1. Please complete **Annex 3 – PCN comparison**, describing to what degree all your like goods are comparable to each PCN of the goods subject to review.

In the annex, please detail the goods that you manufacture in the UK which are like the goods subject to review and elaborate on the degree of likeness. As part of this, please provide details of your like goods and the goods subject to review regarding the following characteristics:

- physical likeness, including their production processes, feed used, degree of product differentiation, tariff classification;
- commercial likeness, including the channels of distribution and sale, pricing; and
- other relevant characteristics.

If your company manufactures a range of like goods, list this information for each individual product in the range.

Attach any evidence you have that is relevant. This could take the form of sales brochures, input costs, research papers or any other relevant documentation.

We produce and rear rainbow trout in fresh water using compound feed supplied by an international fish feed supplier, medicines and treatments supplied by international pharmaceutical suppliers and equipment from a range of domestic, European and international suppliers. In this regard our production is directly comparable to that of all other fresh water rainbow trout producers be they based in the UK, Europe or further afield.

Appendix reference: [Annex Section 3](#)

2. If you have identified differences in **Annex 3 – PCN comparison** between the goods subject to review and the like goods you produce, please estimate the difference in cost to make and sell, and sales price difference between each PCN and internal control number in the annex and explain those differences and the effect they have in the text box below. Where applicable, this should be on a per



unit basis. Describe how you established your estimations and substantiate with evidence where possible.

Unlike the goods subject to review, we have additional costs across all of our production inputs including but not limited to the following. As an individual producer rather than a trade body or government agency we do not have access to the specific input costs of Turkish production but we can emphatically state that since they are not regulated by the European Union which drives much of our regulatory requirements, their statutory quality control regulations and subsequent costs will be significantly lower.

The below is only a snap shot of the range of different quality control points and regulatory requirements:

- Water access and Site Licences: Scottish fresh water rainbow trout producers must pay annual fees for the abstraction and discharge of water for non-consumptive (i.e. we return it to the river system rather than other industry users such as agriculture who are consumptive). For Selcoth Fisheries these amount to *[amount redacted because of commercial implications of sharing water usage quantities]* per annum as per the SEPA licence costs in Annex Section 4.
- Quality fish feed: UK trout producers are not allowed to use fish feed containing LAPS (Land Animal Proteins) which are an affordable alternative to the more expensive marine ingredients for the provision of the essential Omega-3 within our fish food. Turkish trout producers are allowed, and take advantage of, the cheaper LAPS ingredients within their fish food. Fish feed with a marine reliance costs £85/tonne more than that containing LAPS. For Selcoth Fisheries Limited this equates to an additional *[amount redacted because of commercial implications of sharing production costs]* on fish food alone.
- Pigmented fish feed: UK rainbow trout quality control standards stipulate a minimum pigmentation level which attributes to an additional cost of £40/tonne of fish feed as compared to the unpigmented fish food used in Turkey. While the resulting product may be perceived differently and may not be a route that UK trout producers wish to go down, this is still a financial burden that is imposed upon UK producers and not on Turkish producers. This would be particularly relevant in terms of an unfair advantage for processed and added value products where the pigmented colour of the end product is less obvious.
- Lower stocking densities: UK rainbow trout welfare standards have adopted a maximum stocking density of 60kg/m³. This threshold is not a standard regulation in Turkey which operates stocking densities closer to 80kg/m³ (as was traditional within the UK portion industry prior to the regulatory requirements). As such the Turkish trout producers are able to produce 33% more tonnage for the same overheads in comparison to UK trout producers. Taking 2019 costs of production, this would enable Selcoth Fisheries Limited to split our production overhead costs of ** across ** tonnes rather than ** tonnes, reducing the overhead cost per kg from ** to **, clearly significant. *[**Amounts redacted because of commercial implications of sharing costs of production.]*
- Higher labour costs: Scottish rainbow trout producers are subject not only to the minimum living wage requirements but a further set of mandatory employee regulations as set out by the Scottish Agricultural Wages Board. These stipulate far reaching employer expenses which are not shared by other industries outside of



agriculture. However, unlike traditional agriculture, Scottish aquaculture is not supported via any form of production subsidy.

- Environmental regulations: UK trout producers are subject to stringent environmental regulations restricting the use of cheap and effective fish treatments and waste management practises still widely used within Turkish trout production. Further details will be provided on this within the generic submission to be provided by the BTA (British Trout Association).

Appendix reference: *Annex Section 4*

3. In the text box below, explain the internal coding system your company uses to classify your range of like goods. If your company uses multiple internal reference codes across departments, cross-reference each one with the codes used in the production department, the sales department and the invoice code in the annex. Also, cross-reference your internal coding system with any sales (invoice codes) made via associated companies.

Technical documentation (such as sales catalogues, safety standards, technical data, etc.) should be attached for each product where available.

We do not have an internal coding system or internal reference codes across products. For traceability purposes we have origin codes attached to different input batches of fish and these accompany the harvested fish when sold via delivery notes and Harvest Assessment Sheets (please see attached Appendix 18), but this is more for traceability and food safety purposes rather than product coding and categorisation. Each harvest has an average fish size in terms of mean weight which is also detailed on the Harvest Assessment Sheet. There will be further product coding following processing, but this is conducted by our customer Dawnfresh Seafoods Limited.

Appendix reference: *Appendix 18 HAS-H069-200820*

B2 – Understanding the UK market

1. Please explain the end use of the goods subject to review and the like goods. If there are multiple uses for the like goods, list them and, where possible, estimate what proportion of your sales goes to each end use.

The goods subject to review are the imported portion trout from Turkey which, in the absence of countervailing duties, would be destined for widescale processing in Europe followed by sale for human consumption to the UK public.

The like goods are portion trout produced in the UK by UK producers, processed in the UK and sold for human consumption to the UK public.



Imported portion trout from Turkey would originate as rainbow trout grown in freshwater. These may be sold as whole trout with guts in, gutted and gilled trout, filleted trout or added value trout products.

All of these products are directly comparable to the same range of end products resulting from our own freshwater portion trout which may be processed as whole rainbow trout, gutted and gilled, filleted or added value for a range of retailers both wet counter sales and packaged product shelf sales.

It is difficult for us to estimate what proportion of our portion trout go to which sectors of the UK market because we do not sell directly to the retailers (we sell all of our portion trout directly to Dawnfresh Seafoods Limited who in turn process and sell onto the retailers) however, our impression is the bulk of our portion sales are sold to the UK consumers via the multiples as portion trout fillets or added value fillet based products.

Appendix reference:

2. Provide a general description of the UK market for the goods subject to review and the like goods, including the nature and conditions of competition within the overall market. In your answer please refer to all of the following points:
 - the nature of competition within the overall market;
 - the degree of price sensitivity;
 - the trends and drivers of demand, including causes of demand fluctuations and any factors contributing to overall market growth or decline;
 - distribution and marketing;
 - general users/consumers/customers;
 - the degree of competition between the goods subject to review and the like goods;
 - market segmentation;
 - government regulation or tax;
 - developments in technology affecting the characteristics, demand or the production process of the goods;
 - other commercially significant goods that could be substituted for your like goods and the like goods or goods subject to review imported into the UK; or
 - any other factors that influence the market (e.g. seasonality).

As stated above, we are primary producers supplying the processor who in turn supplies the retailers. As such we have neither the knowledge nor the experience to answer this question with any certainty, but our understanding is that UK consumers are slower to differentiate between domestic and imported fish than they are to do so for vegetable, meat and dairy products.

This is partly because of the relative youth of the fish farming industry compared to traditional arable and livestock farming industries, and also because fish by their very



nature are less visible and tangible to the public; they are not visible from roads and footpaths and cannot be petted and appreciated in the same way.

As a result, the provenance of a fish product is a less commercially valuable asset, making fish far more susceptible to unfair competition from lower priced and lower quality imports.

Salmon, which is the nearest product equivalent to rainbow trout, has an advantage that it has long had an association with Scotland as the King of the Wild River, so Scottish salmon holds a stronger position than Scottish or British trout.

Unfortunately, consumer surveys and journalistic investigations demonstrate that the British public are almost entirely unaware of the higher production, regulatory and quality requirements that domestic trout production must adhere to compared with other products, implying that the provenance of our UK product may not be as high up in the decision-making factors as we would like it to be. Instead, it appears that the primary decision-factor for rainbow trout is price, making our UK trout product vulnerable to lower priced imports.

Appendix reference:



SECTION C: Costs and production

C1 – Cost to make and sell

1. Please complete **Annex 4 – Cost to make and sell**.
 - Report your total cost to make and sell the like goods domestically.
 - Please clearly separate your costs of production (direct manufacturing costs and indirect costs), from your administrative, selling and general expenses (AS&G).
 - All values entered in the table should be totals for the POI by PCN.
 - Please note that headings of each row (e.g. raw materials, energy, etc) should be adapted to suit the naming conventions of your own cost accounting system.
 - When stating labour costs, please ensure you include all labour costs, directly or indirectly incurred by any activity related to the like goods.
 - All figures should be reported net of tax.

Note that headings of each row (e.g. raw materials, energy) can be adapted to suit the naming conventions of your own cost accounting system.

2. Please state the cost allocation and apportionment method used for each PCN for the POI, including an explanation of the allocation and apportionment method for each type of cost. If you have applied a method different from your standard allocation or apportionment, please explain the reasons.

As stated above we have two products – portion trout and live fingerlings – and a small team of employees dedicated to rearing rainbow trout to the best possible welfare and quality levels achievable, and certainly well above the regulatory standards, while minimising costs wherever possible. We have a small number of consistent repetitive and largely unchanging inputs and fixed prices with our small number of customers.

We are already overwhelmed by regulatory paperwork requirements and do not have the luxury of sophisticated cost systems or management accounts that allow us to analyse and understand the exact costs at each stage of our production processes. We use the same inputs and production techniques for all our rainbow trout regardless of whether they are destined to be portion trout or live fingerlings.

Therefore, to provide the information required in this section as accurately as possible, I have taken our year end accounts costs and split these according to the proportion of our overall tonnage for portion sales and live fingerling sales. Because the portion sales are ~450g and the live fingerling sales are also ~450g this exercise is representative and accurate. Losses from both product types are also indistinguishable and can therefore be split in the same way. I have included my workings and cost category mappings in the 'Workings – Costs of Production' worksheet included between sections 3 and 4 within the annex.



Appendix reference: *Annex Section 4 & Workings – Costs of Production*

3. Please list, and explain, your labour, manufacturing overheads and AS&G costs for domestically sold like goods. Describe the individual components of these costs and provide detail on how these costs are paid. Please ensure you include the following costs if applicable and report them in a separate row:
- Delivery costs; and/or
 - Regulatory compliance costs.

Please see the breakdown, workings and cost category mappings for these in the annex section 4 and Workings – Costs of Production.

We are a primary production business and do not have any costs associated with anything beyond production. Our all trout are collected by our customers from site and because it is such a small industry and we only have 2 key customers we have no marketing or sales functions, processes, requirements or costs. As such all of our costs are association with production either as direct costs or production overheads (included within the manufacturing overheads part of the annex section 4).

Our costs are 5 FTEs and 1 PTE. Any indirect labour (contractor) costs have been included within site maintenance. Additional direct costs of production that have been added are SEPA licence costs (directly attributable to production) and fish waste costs (directly attributable to production).

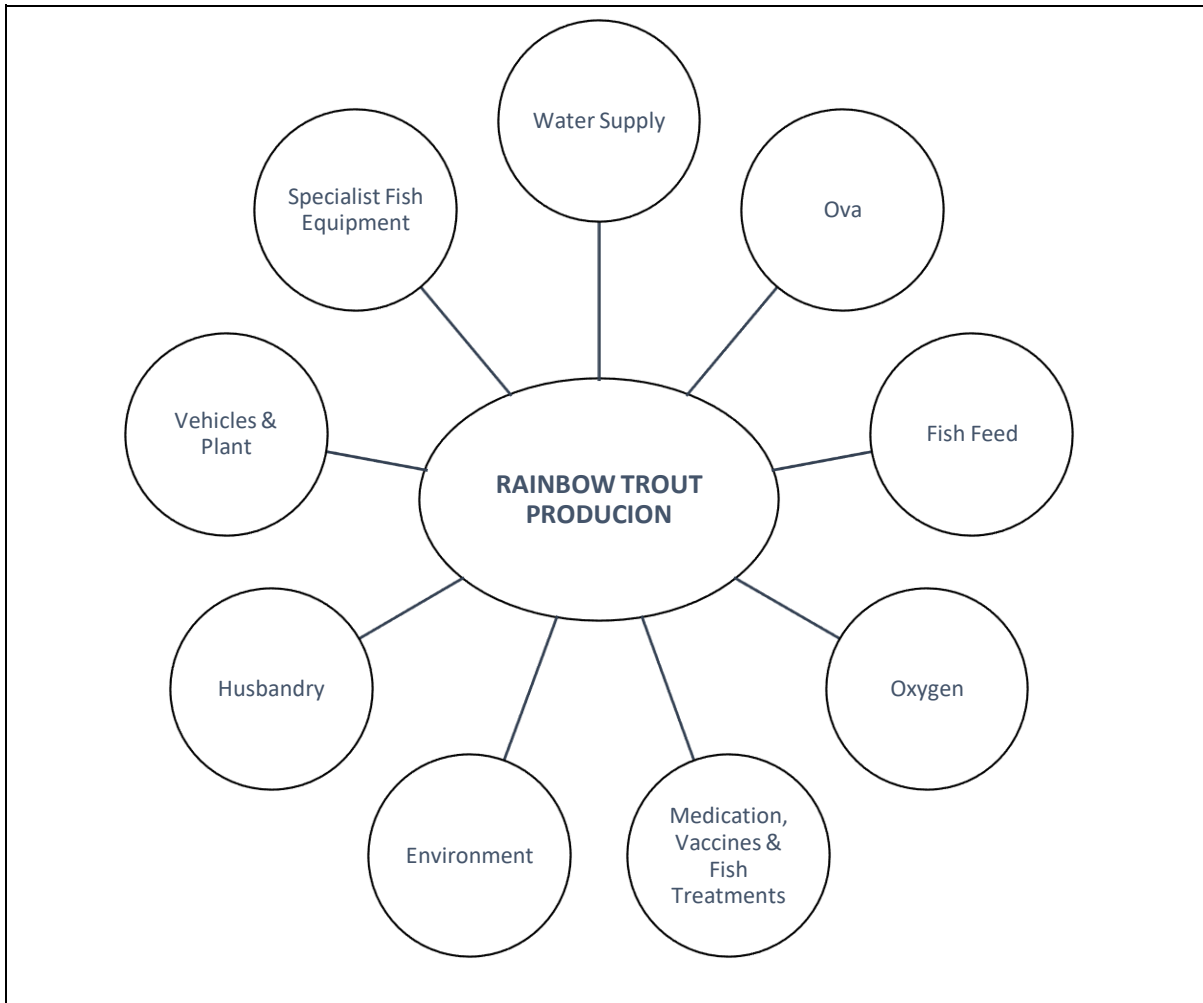
Appendix reference: *Annex 4 & Workings*

4. Please list all inputs (e.g. raw materials, energy, labour, etc.) for the production of the like goods including their HS subheadings, where possible. Indicate the source of your inputs and whether they are imported or domestically sourced.

Please see below a diagrammatic illustration of the inputs to our rainbow trout production as defined within our HACCP (Hazard Analysis and Critical Control Point Plan).

These are further detailed, explained and risk assessed within Appendix 19 Master Risk Assessment, Appendix 20 VHWP (Veterinary Health and Welfare Plan) and Appendix 11 Master Standard Operating Procedures.

Please also refer to the explanatory notes on the inputs and associated suppliers within the Workings spreadsheet within the annex.



Appendix reference: [Appendix 19 Master Risk Assessment & Management Plan](#), [Appendix 20 VWHP](#), [Appendix 21 Master Standard Operating Procedures - LIVE](#)

5. If your company is vertically integrated or some of the inputs (e.g. raw materials, energy) used in the production of your like goods are produced by an associated party, provide details of this arrangement and attach documentation demonstrating any agreements you have.

[There is no vertical integration or associated parties involved in any inputs.](#)

Appendix reference:

6. If your company incurred any extraordinary costs (such as start-up or ramp up costs) during the POI, please provide details of these costs, explaining why they were extraordinary and how they have been included and amortised/depreciated in your accounts. Please sufficiently detail their nature and effect on the cost of production.



There were no extraordinary costs during the POI.

Appendix reference:

7. Please provide the depreciation expense, and accumulated depreciation for the POI, in relation to the company overall, and specifically the like goods, as per your financial statements.

Ensure you keep a record of how you calculated the depreciation figure and reconcile the amount to your financial statements.

Please see annex section 4 for depreciation costs as per the 2019 year end accounts. Please also refer to the year end accounts for 2019 and previous years for further depreciation information as required. Please confirm if an additional breakdown of these costs is required as these can be requested from our accountants.

Appendix reference: *Annex Section 4. Appendices 07 – 10 SF Ltd Final Full Accounts 2016 - 2019*

8. Please explain how you finance your production of like goods, your sources of finance, whether there is any cost of finance associated with the production of like goods, and how you have reported these in **Annex 4 – Cost to make and sell** and your company's accounts.

All finance costs are included within Annex C manufacturing overheads.

Appendix reference: Annex C

C2 – Cost reconciliation

The information you provide in this section will help us reconcile the values provided in section C1. Please only fill in white cells and update the formulae as required. If you use any additional formulae to complete the table, please include these. Insert additional columns or rows if needed.

1. Please complete the Cost reconciliation table in **Annex 5 – Cost reconciliation** starting from the bottom of the table:

Cost of production and quantity of like goods during POI:

- For your like goods, enter the cost of production and the quantity produced during the POI as reported in Annex 4. Please provide this information for like goods produced for the domestic market and for the export market.

Cost of production and quantity of all goods during POI:

- If you produce goods other than the like goods, please provide the costs of production and quantity produced for each of these goods during the POI.



Please note, that the headings (e.g. “Cost of production/quantity of good A during the POI”, “Cost of production/quantity of good B during the POI”, etc.) should be adapted to suit the names of your goods which are not the like goods.

Total cost of production and total quantity of all goods during POI:

- Please provide the total cost of production and total quantity of all your goods produced during the POI as shown on your management accounts.

If this figure does not reconcile with the totals of the cost of production and quantity data provided for the previous bullet points, the table will show a variance. Please use the text box below to provide an explanation for the shown variance.

Please see annex section 5. The figures used have been taken from the year end accounts. The terminology in this section is unfamiliar to us and therefore we have attempted to map the figures from our year end accounts to the costs reconciliation as accurately as possible, and provided notes on our process, but please refer to the year end accounts for further verification.

If further information is required for this section, please request this and we will request additional assistance from our accountants.

Appendix reference: *Annex section 5, Appendix 07 SF Ltd Final Full Accounts 2019*

Change in finished goods inventory:

- Please provide the change in finished goods inventory for all your goods over the POI by comparing the value of your finished goods inventory at the beginning of the POI with the value of your finished goods inventory at the end of the POI.

Total cost of all goods sold during the POI:

- Please provide your total cost of all goods sold during the POI, as shown on your management accounts.
- If this figure does not reconcile with the sum of the total cost of production of all goods during the POI and the change in finished goods inventory, the table will show a variance. Please use the text box below to provide and explanation for the shown variance.

Please refer to the notes provided within annex section 5. Please refer to the year end accounts if the information provided is not sufficient or seems to be incorrect. Please confirm if further information is required and we will request assistance from our accountants.

Appendix reference: *Annex section 5, Appendix 07 SF Ltd Final Full Accounts 2019*



Difference in total cost of all goods sold between POI and accounting periods:

- If the POI and your accounting period are different, please enter the difference between total cost of all goods sold during the POI and the total cost of all goods sold during the accounting period.

Total cost of all goods sold as shown on your Income Statement:

- Please provide the total cost of all goods sold as shown on your Income Statement of the most recent financial year.
- If this figure does not reconcile with the sum of the total sales revenue of all goods during the POI and the difference in sales revenue of all goods between the POI and the accounting period, the table will show a variance. Please use the text box below to provide an explanation for the shown variance.

Please refer to the notes provided within annex section 5. Please refer to the year end accounts if the information provided is not sufficient or seems to be incorrect. Please confirm if further information is required and we will request assistance from our accountants.

Appendix reference: *Annex section 5, Appendix 07 SF Ltd Final Full Accounts 2019*

2. Please use the text box below to reference any source documentation for the data.

Sage Accounts and inbound / outbound invoices and receipts.

Appendix reference:

C3 – Production process

1. Please provide a written summary and a diagram/flow chart of your production process for the like goods that you produce in the UK.

The production process can be summarised as follows:

- Receive rainbow trout ova from specialist ova suppliers
- Hatch rainbow trout ova in water (comp hatches with pumped oxygenated water)
- Move (in water by tray) hatched rainbow trout alevins to hatchery tanks for first feeding
- Grow rainbow trout alevins to ~3g rainbow trout fry
- Dip vaccinate and move (in water by pump) 3g rainbow trout fry to outside ponds
- Grow, grade and jab vaccinate 3g rainbow trout fry to ~450g rainbow trout fingerlings
- Harvest and dispatch portion rainbow trout / Live dispatch rainbow trout fingerlings

The standard operating procedures for the above processes are included within the attached Appendix 12 Master Standard Operating Procedures, with diagrams where appropriate.



Appendix reference: [Appendix 21 Master Standard Operating Procedures - LIVE](#)

2. Identify what parts of your production process take place in the UK and explain at what stage the most value is added to your like goods in the production process. Please describe the manufacturing process of the like goods, its level of complexity and the investment of capital involved. If a production process is performed outside the UK, please explain the nature of the activity and where this process step takes place.

The entire production process takes place at the registered address of Selcoth Fisheries Limited, being Selcoth Farm, Moffat DG10 9LG. The key value add point is the point of hatch with an associated high input cost of ova purchase and husbandry, followed by a smooth value-add curve of fish food input and fish growth output. This is directly related to the product value (costed in £/kg) at a ratio of ~ 1:1 i.e. 1g of fish feed = 1g of fish growth. Juvenile or fry feed is more expensive than fingerling feed, but the feed rate and therefore growth rate is also faster at the juvenile stage therefore the cost of growth and associated value add curve is smooth.

Appendix reference:

3. If you use the same production equipment and machinery for the production of goods other than the like goods, please list these and explain your allocation method.

As detailed above we produce two products, portion rainbow trout and live fingerling portion trout. Both use the same production processes, personnel, husbandry techniques, equipment, machinery and input raw materials. The allocation is purely according to the number or biomass of the rainbow trout.

Appendix reference:

4. Please provide the physical addresses (including town/city and county) of all your company's UK sites/facilities involved in the production of the like goods.

Company name	Physical address
Selcoth Fisheries Limited	Selcoth Farm, Moffat DG10 9LG

Appendix reference:

+Add additional rows as required

C4 – Joint products and by-products

1. Please indicate the average waste/scrap ratio resulting from the production process of the like goods.



Average success rate from ova to final product is [redacted because commercially sensitive production data]%. This varies depending on the quality of the ova batch, the time of year and other unpredictable and uncontrollable environmental factors such as water quality, volume and temperature and the parasitical and bacterial load endemic within the borehole and river water.

Appendix reference:

2. Please explain any waste, scrap or by-products related to the production of the like goods. Please explain:
- how you differentiate your waste, scrap and by products;
 - what you do with your waste, scrap and by-products;
 - how any income or cost from waste, scrap or by-products is recorded.

We have a Waste Management Policy and Waste Management Procedure which defines how we manage and dispose of our waste products. The main waste product from our production process is rainbow trout mortalities which we incinerate in an approved and registered on-site incinerator. Other waste products include feed bags and veterinary and medicine containers which are recycled. Fish waste management costs are attributed to Fish Waste Disposal in our accounts, and other waste management (recycling uplift) to Haulage.

Appendix reference:

3. Please explain whether your costs of production (per unit) differ between the like goods and its joint products, if any. Comment on the reason for this difference and explain your method(s) of calculation.

As detailed above we produce two products, portion rainbow trout and live fingerling portion trout. Both use the same production processes, personnel, husbandry techniques, equipment, machinery and input raw materials. The allocation is purely according to the number or biomass of the rainbow trout.

Appendix reference:

C5 – Raw material and input purchases

1. Please complete **Annex 6 – Raw materials and inputs**, detailing the principal purchases used in the production of the like goods during the POI by your company.
- Please provide a complete breakdown for any inputs that account for more than 5% of the cost to make and sell your like goods. Please include all purchases of these materials used during the POI.
 - For each reported purchase transaction, describe the direct raw material and its characteristics (e.g. grade, purity).
 - If your energy costs constitute more than 5% of your production costs, please also include energy purchases in the annex.



- All figures should be reported net of tax.
2. Please provide an invoice and any supporting documents for two of your purchases stated within **Annex 6 – Raw materials and inputs**. Use the box below to give an overview of any supporting documents provided.

As demonstrated within Annex 6 we have 4 key inputs and these are fish (ova), food (compound fish food), vet & med (veterinary and medicine services and products) and oxygen.

We purchase quality triploid rainbow trout ova from **.

We purchase quality compound fish food from **.

We purchase a range of veterinary and medicine services and products from ** and a range of other specialist suppliers within the UK.

We purchase oxygen from **.

*[**Input supplier names redacted for information protection purposes].*

Our fish husbandry is provided by our dedicated team of specialist fish farm employees. Further details including the full year of supplier expenditure was provided within the Suppliers – annual spend 2019 spreadsheet provided in July. This is reattached as Appendix 22.

Appendix reference: [Annex Section 6, Appendix 22 Suppliers - annual spend 2019](#)

3. If some inputs (e.g. raw materials, energy) used in production of your like goods are produced by your company or an associated party, or your production process is otherwise vertically integrated, please indicate this Annex 6 in the column 'Source'. Provide details of this arrangement in the text box below and attach documentation demonstrating any agreements you have.

During the POI no inputs, raw materials or energy used in the production of our like goods were purchased by our own company or an associated party.

Appendix reference:

4. Please complete **Annex 7 – Purchases of Like goods**, detailing any purchases of the like goods during the injury period by your company.



SECTION D: Sales

D1 – Domestic Sales

1. Please complete **Annex 8 – Transaction by transaction (T by T) domestic sales.**
 - Please report each goods sale on a given invoice with a different PCN or invoice line as a separate transaction
 - These should include all your domestic sales and returns of the like goods and/or goods subject to review for the POI. Include the like goods you have produced and/or goods subject to review goods that you have purchased and resold.
 - All information in a row should refer to the individual PCN displayed in the first column of that row.
 - Please report returns or after invoice discounts as negative (-) sales figures.
 - Please ensure that you correctly categorise each sale by PCN.
 - For transactions or invoices that consist of multiple PCNs, the same invoice number should be referenced.
 - All figures should be reported net of tax.

Please contact the Case Team if you can't provide the relevant information in sufficient detail.

2. Attach sales contracts for the top five customers by volume in Annex 8 – T by T domestic sales that you have sold like goods to in the POI.

Please see attached an example HAS (Harvest Assessment Sheet) which references the agreed price of £[amount redacted because of commercial implications of sharing price data] of portion trout sold by Selcoth Fisheries Limited to Dawnfresh Seafoods Limited. Dawnfresh are our only customer for portion trout and this is the agreed price until the next annual price negotiation and adjustment.

Appendix reference: [Appendix 18 HAS-H069-200820](#)

3. Select examples of domestic sales of like goods to two different customers included in Annex 8 – T by T domestic sales. Attach as an appendix a complete set of documentation for these sales. Where possible, include purchase orders, commercial invoices, order acceptances, discounts or rebates, credit and debit notes, contracts of sale, freight and insurance details, bank documentation and all other relevant documents.

Please see attached the Harvest Assessment Sheet and subsequent sales invoices for two separate sales of harvested portion rainbow trout to Dawnfresh Seafoods Ltd.



Appendix reference:

D2 – Export Sales

1. Please complete **Annex 9 – Export sales**.

- These should include all your export sales of like goods for the POI.
- Please ensure that you correctly report your total volume and total value for your export sales per PCN.
- All figures should be reported net of tax.

D3 – Sales Reconciliation

The information you provide in this section will help us reconcile the values provided in sections D1 Domestic sales and D2 Export sales. Please only fill in white cells and update the formulae as required. If you use any additional formulae to complete the table, please include these. Insert additional columns or rows if needed.

1. Please complete **Annex 10 – Sales reconciliation** starting from the bottom of the table.

Sales revenue and quantity of like goods during the POI:

- For your like goods, enter the sales revenue and quantity for domestic and export sales during the POI as reported in Annex 8 and Annex 9.

Sales revenue and quantity of all goods during the POI:

- If you produce goods other than the like goods, please provide the sales revenue and quantity of each of these goods during the POI. Please note, that the headings (e.g. Sales revenue/quantity of good A during the POI, Sales revenue/quantity of good B during the POI, etc.) should be adapted to suit the names of your goods which are not the like goods.

Total sales revenue/quantity of all goods during the POI as stated in your management accounts:

- Please provide the total sales revenue and total quantity of all your goods during the POI as shown on your management accounts.
- If this figure does not reconcile with the totals of the sales revenue and quantity data you provided for the previous bullet points, the table will show a variance. Please use the text box below to provide an explanation for the difference.

Please see annex section 5. The figures used have been taken from the year end accounts.

The variance is the difference between total production (both portion trout and live fingerling trout) and the production of the like goods (portion trout).

However, as with the costs reconciliation, the terminology in this section is unfamiliar to us and therefore we have attempted to map the figures from our year end accounts



as accurately as possible, and provided notes on our process, but please refer to the year end accounts for further verification.
If further information is required for this section, please request this and we will request additional assistance from our accountants.

Appendix reference: *Annex section 5, Appendix 07 SF Ltd Final Full Accounts 2019*

Difference in total sales revenue of all goods between POI and accounting periods:

- If the POI and your accounting period are different, please enter the difference between the total sales revenue of all goods during the POI and the total sales revenue of all goods during the accounting period.

Total sales revenue of all goods as per Income Statement

- Please provide the total company sales revenue of all goods as shown on your Income Statement of the most recent accounting period/accounting period that covers the majority of the POI.
- If this figure does not reconcile with the sum of the total sales revenue of all goods during the POI and the difference in sales revenue of all goods between the POI and the accounting period, the table will show a variance. Please use the text box below to provide an explanation for the shown variance.

The POI and our accounting period are the same.

Appendix reference:

2. Please use the text box below to reference any source documentation for the data.

Sage Accounts and outbound invoices. Please request further exports from Sage Accounts and/or copies of actual invoices as necessary.

Appendix reference:

3. Additionally, in **Annex 10**, please provide quantitative estimates (e.g. projections or forecasts) for the sales revenue and quantity of like goods as well as all other goods you produce on the UK market for the next five financial years.

D4 – Distribution channels and price setting

1. Please describe the sales procedure from when the order is received to the delivery to the first independent customer, for both, sales made directly and through associated companies.



Selcoth Fisheries Limited provide Dawnfresh Seafoods Limited with a rolling annual production plan showing production capacity for the following year on a monthly or bi-monthly basis according to need. This is sent from Selcoth to Dawnfresh by email and where necessary discussed further on the telephone with any subsequent adjustments provided in writing.

Based on this and their own customer demand, Dawnfresh Seafoods Limited publish a detailed harvest plan on a weekly basis. This is sent from Dawnfresh to Selcoth by email and where necessary discussed further on the telephone with any subsequent adjustments provided in writing.

This prompts a production planning meeting within the Selcoth production team and an agreed grading plan for moving the required fish from their holding pond to the harvest dispatch pond in advance of the harvest. This is also translated into transport and haulage plan by further email and telephone correspondence between Selcoth and Dawnfresh haulage.

The fish grade and move is carried out as planned following which the fish are ready to be harvested.

Upon the day of harvest the harvest takes place as planned by *[name redacted for data protection purposes]*.

The harvest details are recorded by Selcoth within the Harvest Assessment Sheets and sent from Selcoth to Dawnfresh.

Upon processing the portion trout the same Harvest Assessment Sheet is further completed by Dawnfresh and returned to Selcoth. The Harvest Assessment Sheet now includes factory processing information and any reject details.

Selcoth use this information to raise an invoice which is emailed from Selcoth to Dawnfresh. The invoice confirms the final invoice value and payment terms.

Payment is made according to payment terms.

Appendix reference: *Appendix 18 HAS-H069-200820*

2. Please describe each step in the sales negotiation process, from the first contact with the customer up to and including any after-sale price adjustments (commissions, discounts, rebates and allowances). Include a description of how the process varies for different customer categories.)

The price negotiation takes place directly between Selcoth Fisheries Limited, and Dawnfresh Seafoods Limited on an annual basis. It reflects the quality and availability of the product, the costs of production/ processing for both businesses and the sales and revenue



opportunities for Dawnfresh. The resulting price is a commercial compromise between two companies who have worked together as partners within a small industry for over ten years.

There are only narrow margins available in the sale of portion rainbow trout for both companies and this is recognised and accommodated for during the commercial negotiations.

Appendix reference:

4. Please provide a list of associated customers who purchase the like goods. Explain the nature of the association and any effect it has on the terms of sale to that customer.

There are no associated customer who purchase the like goods.

Appendix reference:

5. Attach copies of distributor or agency agreements that you have relating to the sale of like goods.

We have no distributor or agency agreements.

Appendix reference:

6. Provide copies of price lists for the like goods for POI.

We do not have a price list. We have one agreed price per kg for portion trout sales to Dawnfresh Seafoods Limited as per the Harvest Assessment Sheets.

Appendix reference: *Appendix 18 HAS-H069-200820*

7. If any price reductions have been applied to any of your sales of like goods over the POI, please provide a description. This includes discounts, rebates, credit terms, allowances and commissions.

- Explain the terms and conditions that must be met for any price reduction.
- Indicate any price reduction not included in an invoice price. Explain how the invoice price and the price reduction have been calculated.
- If you have issued any credit notes that are not reflected in invoice prices, provide details of the criteria for issuing such notes and the impact that they have on prices (both past and future).

Price reductions are frequently made due to rejections at the processing stage. These are specified and detailed within the Harvest Assessment Sheet. These have not been detailed as discounts or such in the annex because they are controlled by the customer rather than ourselves, and we do not have detailed knowledge of the accounting processes used. Instead we have a deemed and agreed price which is the starting point and full transparency of factory



rejections including rejection category, quantity and where appropriate photographic evidence.

Appendix reference: *Appendix 18 HAS-H069-200820*

8. Please provide details of your distribution network for like goods, if you have one. Do your sales usually include delivery? Explain how you calculate delivery costs and how they vary between customers.

We do not have a distribution network for our like goods. Our portion rainbow trout are collected by our customer Dawnfresh Seafoods Limited at the point of harvest.

Appendix reference:

D5 – Captive use

- Complete **Annex 11 – Captive Use**. This should include transaction-by-transaction information for the POI detailing your company’s individual transfers of the finished like good for internal use, e.g. further processing, transformation, or assembly, by your company (captive use) or by an associated company (captive sales).
 - Please use the PCN table in the section [Product Control Numbers](#) to categorise each of these transfers by PCN.
 - In the destination column, indicate if the transaction was destined for captive use (internal use on your manufacturing site) or captive sales (internal use of your company’s product by an associated party).
 - If the like good was used internally by an associated company, please state its name in the appropriate column. Otherwise, please write not applicable N/A.
 - In the ‘use’ column, specify how the like goods were used by yourself or the associated party.
 - In the ‘value’ column please assign a market value to the like goods transferred.
- Please comment on whether your captive use of the like goods has changed over time and what has caused any changes. Please attach evidence to support your answer where required.

We do not have any captive use for our products. All of our products are grown to sales order and are sold according to these sales order.

Appendix reference:



3. Please comment on whether your captive use of the like goods would be affected if the existing countervailing measure on the goods subject to review were to no longer apply? Please attach evidence to support your answer where possible.

Not applicable as we do not have a captive use for our products. If the existing countervailing measures on imported Turkish portion trout were to no longer apply it is likely that we would not be able to sustain the production volumes that we require to meet our overheads and we would be forced to close or sell the business.

Appendix reference:



SECTION E: Injury to your company

1. Is your company suffering material injury? If so, please describe the nature and degree of the material injury. This can relate to the prices, volumes or profits associated with your production and sale of the like goods, or to wider aspects of your business.

Please specify and substantiate your claims with evidence. Please estimate the date when the injury began to affect your business. Explain how it has developed since this date.

We are not currently suffering injury resulting from the import of unfairly subsidised cheap imported Turkish trout because the countervailing duties are currently in place and serving their purpose in rebalancing the appropriate costs of production between Turkish imports of portion rainbow trout and UK produced portion rainbow trout.

This enables the UK multiples and retailers to make fair choices between which produce to source. Due to the clear and ongoing quality differential between the products (as evidenced in section B1 Q2) with UK produce being of high quality and Turkish produce of poor quality, the UK retailers are favouring UK produce over Turkish produce.

The countervailing measures were deliberately put in place in 2013 following extensive investigations by the European Commission into the claims of EU trout producers that the Turkish government were providing their domestic Turkish trout producers with a production subsidy that enabled those producers to produce portion rainbow trout well below the normal cost of production.

The Commission have recently re-examined this situation (see Appendix 11 Turkey IR regulation 2020) and have once again established that the Turkish government subsidies are in place. This is clearly stated in paragraph 22 on page 7 of 54 (as stated at the top of the document which is itself an extract of a larger 54 page document).

If the countervailing duties are removed, the production subsidy that the Turkish producers are receiving, will allow them to export portion trout at prices significantly below those of the current competitive and fair market for portion trout within the UK.

Appendix reference: *Appendix 11 Turkey IR regulation 2020*

2. Would your company suffer material injury if the existing countervailing measures on the goods subject to review no longer applied? If so, please describe the nature and degree of the material injury. This can relate to the prices, volumes or profits associated with your production and sale of the like goods, or to wider aspects of your business. Please specify and substantiate your claims with evidence.



If the countervailing duties were to be removed the Turkish imported portion trout would have such a clear price advantage (as shown in the workings below) that this would displace the quality differential and result in the discount retailers choosing Turkish imports over UK produce. With UK portion rainbow trout already vulnerable to price sensitivity and without the benefits of the economies of scale or selling power afforded by large scale production as in the case of the salmon industry, this would have a severely negative impact upon the British portion trout industry which it would be unlikely to sustain in the long term.

Economics of the existing Turkish government production subsidy:

Paragraph 22 on page 7 of 54 of the Commission's regulation (see Appendix 11) states the original subsidy of 0.65 Turkish Lira to every KG of rainbow trout produced up to a cap of 250,000 KG. This was raised to 0.75 Turkish Lira in 2018 which taking today's (24/08/2020) published exchange rate of Turkish Lira to the British pound equates to £0.078 per KG of production.

For our own business, taking our 2019 annual production of *[production volume breakdowns redacted as commercially sensitive]* this would provide us with a production subsidy of *[production volume breakdowns redacted as commercially sensitive]*. This is clearly and blatantly in breach of the level playing field that is meant to ensure like for like production of like goods, before even going into the detail of the additional more subtle governmental support schemes available in the form of low interest loans and other schemes, as well as the clear variances in the statutory requirements for the quality control of the production inputs.

Appendix reference: *Appendix 11 Turkey IR regulation 2020*

3. Would your costs to make and sell change in the next five financial years if the existing countervailing measures on the goods subject to review no longer applied? Please describe the nature and degree of the change and provide supporting evidence. If possible, please provide annual cost of production estimates (e.g. projections or forecasts) for the next five financial years and use the text box below to explain the methods used to calculate these estimates.

In order to compete on price against the Turkish imports, the UK portion trout industry would therefore need to substantially reduce the quality and standard of its product which in turn would substantially devalue the UK trout farming industry.

This devaluation may not even be possible with the current fish welfare, employee welfare, food safety, food quality and environmental impact regulation, in which case the UK produced portion trout would be displaced and UK trout producer would go out of business.

Appendix reference:

4. Please complete **Annex 12 – Injury**. This should be completed in reference to your UK production of the like goods for the injury period. For the following injury factors listed in the annex, please explain how you:
 - calculated and apportioned your average net operating profit after tax (NOPAT) for the like goods;



- calculated and apportioned your interest expense incurred for the like goods;
- estimated your percentage of market share for the like goods;
- calculated and apportioned your finance costs (e.g. interest incurred for the like goods);
- assess your stock levels (if your stock levels were abnormally high during the injury period, please explain why);
- calculated your production capacity and capacity utilisation for the like goods, and the cause of any significant variations;
- set your wages, and the causes of any significant variations; and,
- split your total number of employees involved in the UK manufacture of like goods across different sites /locations.

We are not currently suffering injury resulting from the import of unfairly subsidised cheap imported Turkish trout because the countervailing duties are currently in place and serving their purpose in rebalancing the appropriate costs of production between Turkish imports of portion rainbow trout and UK produced portion rainbow trout.

Appendix reference:

5. Please explain whether any of the indicators listed in **Annex 12 – Injury** would be affected if the existing countervailing measure on the goods subject to review no longer applied. Please substantiate your claims with evidence. Where possible, please add additional rows in **Annex 12 - Injury** to provide estimates for the next five financial years (e.g. projections or forecasts). Please use the text box below to explain the methods used to calculate your estimates.

Annex 12 Injury has not been populated because there is currently no injury because the countervailing duties are currently in place and serving their purpose. Please see our response above and below for our concerns as to what the impact would be in these were removed, however.

Appendix reference:

6. For your like goods only, please state what level of profit, before tax and as a percentage of turnover, your company would expect to achieve in the absence of injury and explain how you arrived at this figure.

This is not applicable because there is currently no injury because the countervailing duties are currently in place and serving their purpose, therefore the situation in the absence of injury is the current situation as detailed in the annex and year end accounts.

Appendix reference:

7. Would your level of profit, before tax, as a percentage of turnover for the like goods be affected if the existing countervailing measures on the goods subject to



review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

The margins for UK portion rainbow trout are sufficiently narrow that any reduction in the price paid to us for our portion trout without a proportionate reduction in input costs would make portion trout unviable. This would almost certainly be the case for all UK portion trout producers.

Appendix reference:

8. Explain if your current sales prices for your like goods are the same as your target sales prices. If not, please explain the reasons for this.

Yes, with the countervailing measures in place we are able to agree a price with Dawnfresh and this is the price that we are being paid.

Appendix reference:

9. Would your sales price for your like goods be affected if the existing countervailing measures on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

The removal of the countervailing measures would lead to a sudden influx of cheaper Turkish portion trout available which would undoubtedly reduce the overall price of portion trout in the UK.

Further analysis of and evidence for this is being compiled for submission by the BTA (British Trout Association).

Appendix reference:

10. Please complete **Annex 13 – Investments**.

- Please include information relating to all company-wide investments, which includes investments that relate to the like goods.
- In this context, ‘investment’ refers to capital expenditure or similar, rather than investment in external financial instruments.
- For each investment category, indicate the amount of investment (apportioned, where applicable) and explain what the investment is for.
- Where possible, add additional rows in **Annex 13 – Investments** to provide estimates (e.g. projections or forecasts) for the next five financial years assuming the measure is retained.

Please provide details of your typical source(s) of finance (e.g. loans, debt, share issues, bond issues etc.) for each category of investment relating to your company-wide investments in the text box below.



Please refer to Appendix 25 Investment summary for a breakdown of recent investments, mainly investments in specialist fish farming equipment predominantly to improve fish welfare.

The degree of investment shows the level of commitment of Selcoth Fisheries Limited to continually improving the quality and performance of its rainbow trout farming operations.

If further details of any particular investments are required these can be made available. Apologies for not providing the investment detail in the format requested but without access to the financial paperwork in the production office it was difficult to obtain accurate investment papers, and we felt it was better to attach an approximate summary rather than provide inaccurate information within the annex.

Appendix reference: *Appendix 25
Investment Summary*

11. Please complete **Annex 14 – Return on fixed assets**

- Indirectly related assets are used in the upstream process for the production of the like goods. For these assets, please explain in the text box below how you apportion the corresponding values to the production of the like good.
- If you are unable to provide information for indirectly related assets, explain the reasons for that. Please describe the effects this has on the level and trend of return.

Please accept our apologies for not being able to complete this section.

We do not have sophisticated management accounts nor in-house accountancy expertise.

My husband and I are both full time fish farmers with full time responsibilities in fish husbandry and production paperwork. I have dedicated hours and hours of my very limited time when I'm not either caring for our livestock or my two young children to try to complete this questionnaire and annex and I am afraid I cannot work out what numbers from our year end accounts to put into these sections.

Instead we have attached the last 4 years of our year end accounts which should hopefully provide some of the information that is being requested.

We are not trying to hide anything; we simply do not have the expertise to know what numbers to put where and I would rather disclose that than provide false information.

Appendix reference:

12. Please describe any changes in your company's level and trends of returns on investment over the injury period. Please explain the nature and cause of these and substantiate with supporting evidence e.g. funding proposals, loan approvals or other relevant financial documents.



There has not been an injury period due to the countervailing measures still being in place.

Appendix reference:

13. Use the text box below to explain what has affected your company’s ability to make investments and to raise capital in the injury period. Please describe the nature and cause of this change and substantiate with supporting evidence e.g. funding proposals, loan approvals or other relevant financial documents.

There has not been an injury period due to the countervailing measures still being in place.

Appendix reference:

14. Please also explain whether your company’s ability to make investments and ability to raise capital would be affected in the next five financial years if the existing countervailing measures on the goods subject to review no longer applied. Please substantiate your claims with evidence (e.g. company, investment plans, etc.) and if you have provided estimates explain how you calculated them.

The removal of the countervailing measures would lead to a sudden influx of cheaper Turkish portion trout available which would undoubtedly reduce the overall price of portion trout in the UK.

Given the already narrow margins in portion trout this would need to be matched by a drop in input costs which would not be possible due to UK regulation.

Therefore there would be neither the ability nor the desire to make further investments or raise capital for the purposes of investing in portion trout production.

Appendix reference:

15. Please complete **Annex 15 – Cash flow** for the like goods.

- Ensure the depreciation you state for the POI in this annex matches the figure stated in Annex 5 – Cost to make and sell.
- The figures for inventory should relate to the numbers in the section on stocks in Annex 12 – Injury.

For the injury period, attach any cash flow calculation for the like goods you consider relevant and explain the methods used to calculate these figures.

Please accept our apologies for not being able to complete this section.

Appendix reference:



16. Explain any differences between your actual and forecasted budgets over the injury period with reference to your cash flow statements.

There has not been an injury period due to the countervailing measures still being in place.

Appendix reference:

17. Would your actual and forecasted budgets be affected if the existing countervailing measures on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

The removal of the countervailing measures would lead to a sudden influx of cheaper Turkish portion trout available which would undoubtedly reduce the overall price of portion trout in the UK. This would dramatically reduce both actual and forecast sales and consequently actual and forecast budgets.

Appendix reference:

18. Please complete **Annex 16 – Forward sales contracts**. Describe and attach copies of all forward contracts/ongoing supply agreements for like goods. Comment on these forward contracts for like goods you listed in the annex – are they a usual way of doing business in your industry? Has there been any variation in the volume and value of forward contracts over time? If so, what has caused this variation?

We have in place a rolling sales contract with Dawnfresh Seafoods Limited based on a blend of portion trout availability and portion trout requirements but with a weekly average as per annex section 16.

Appendix reference: *Annex section 16*

19. Would your forward sales contracts be affected if the existing countervailing measure on the goods subject to review were to no longer apply? Please describe the nature of any change and substantiate your claims with evidence.

The removal of the countervailing measures would lead to a sudden influx of cheaper Turkish portion trout available which would undoubtedly reduce the overall price of portion trout in the UK.

Given the already narrow margins in portion trout this would need to be matched by a drop in input costs which would not be possible due to UK regulation.

It would therefore no longer be viable for *[names redacted for data protection]* to continue producing portion trout and there would be no future sales contracts.



Appendix reference:

20. If your business is suffering from material injury, please explain and indicate the degree to which this has been caused by the subsidisation of the goods subject to review. Please also explain and indicate the degree to which any other factors might have caused the material injury, for example:

- volume and prices of imports that have not benefitted from a subsidy;
- contraction in demand or changes in patterns of consumption;
- restrictive trade practices of, and competition between, third country and UK producers;
- developments in technology; and
- export performance and the productivity of the UK industry.

Please substantiate your claim(s) with evidence.

There has not been any material injury due to the countervailing measures still being in place.

Appendix reference:

21. Would the cause(s) or degree of injury change if the existing countervailing measure on the goods subject to review no longer applied? Please describe the nature of any change and substantiate your claims with evidence.

There has not been any material injury due to the countervailing measures still being in place.

Appendix reference:

22. Is your business under threat of injury? If so, please describe the threat, its cause and how the injury is clearly foreseen and imminent.

Yes as detailed above we are under extreme threat of injury if the countervailing duties were to be removed.
The fact of Turkish government subsidies have been established by the European Commission. The narrow price margins available are evidenced by our own year end accounts. Any substantial price reduction to portion trout in the UK would not be sustainable and Selcoth Fisheries and the rest of the UK portion trout producers would be at risk of closing down.

Appendix reference:

23. Would injury be likely to reoccur if the existing countervailing measure on the goods subject to review were to no longer apply? Please describe the nature and immanency of any threat and substantiate your claims with evidence.



There has not been any material injury due to the countervailing measures still being in place and there should not be any material injury going forward if the countervailing measures are able to remain in place.

Appendix reference:

24. Would there be any other effects on your industry and/or business if the existing countervailing measure on the goods subject to review were to no longer apply? Please substantiate your claims with evidence.

As described and demonstrated above the entire future of the portion rainbow trout industry would be under threat if the countervailing measures were to no longer apply. The only route to survival would be to substantially downgrade, potentially in breach of regulations, the quality of the product. This would have associated risks to product quality and food safety as well as livestock and employee welfare and environmental impact.

Appendix reference:



SECTION F: Supplementary questions

F1 – Subsidy

The programmes being considered by this transition review are listed in the table below. Please use this section of the questionnaire to provide any information you have on the programmes listed. You can also provide information on any other subsidy programmes that you believe relate to the production and/or sale of the goods subject to review.

No.	Subsidy name	Subsidy type
1	Direct subsidies to producers of trout (<i>Decree No. 2019/1691</i>)	Grant
2	Direct subsidies to organic producers of trout	Grant
3	Specific support for juveniles' scheme	Grant
4	Subsidised discarding fishing vessels scheme (<i>Article 4 paragraph (9) of the Decree No. 2012/36</i>)	Grant
5	Subsidised insurance scheme	Grant
6	Subsidised consultancy scheme	Grant
7	Subsidised Loans scheme	Loan
8	Subsidised fuel scheme (<i>General Communique on Special Consumption Tax Serial No.6 of 31 December 2003</i>)	Tax exemption
9	Investment incentive certificate: – Tax related incentives scheme	Tax exemption
10	Investment incentive certificate: – Social Security Premium Support (SSP) programme	Grant
11	Investment incentive certificate: – Interest support for interest rates paid credit	Loan guarantee
12	Investment incentive certificate: – Land allocation scheme	Provision of goods and services

1. Please provide information on any of the subsidy programmes listed in the table above, or any other subsidy programmes that you believe relate to the production and/or sale of the goods subject to review.



There are numerous questions and responses within this questionnaire relating to the evidence for lower costs of production and evidence of production subsidy for the goods subject to review.

The clear and direct evidence for this is the European Commission's completed and existing investigations into the requirement to continue the countervailing duties imposed by the EU upon Turkish trout entering the EU.

The regulation attached as Appendix 11 is a regulation for a completed investigation into the appropriate level of the countervailing duties for one individual Turkish trout producer. This regulation clearly shows that the Commission are aware of the government subsidies that are granted to Turkish freshwater trout producers. This is because the Turkish government have disclosed information about these subsidies to the European Commission.

It would be interesting to understand whether in light of the current situation and approaching end of the Brexit transition period, the European Commission are able to share this information with the UK Department of International Trade.

Either way, the conclusion of the attached closed regulation was to retain countervailing measures in place as a corrective force against the Turkish government production subsidies, albeit at a reduced level in recognition of the depreciation of the Turkish Lira against the Euro and the subsequent reduction in the actual value of the subsidy.

The attached regulation is for a closed investigation that pertained to a single Turkish producer and concluded. There is a further open investigation into the overall level of Turkish government subsidies for all Turkish trout producers, and the subsequent appropriate level at which the countervailing measures should be set.

This investigation is ongoing. It is our belief, and that of our colleagues within the BTA (British Trout Association) and FEAP (Federation of European Aquaculture Producers) that the European Commission are best placed to provide a thorough, balanced and fair investigation. It is therefore our hope that our own government will take a lead from the European Commission and will retain the countervailing duties as they currently are until such a time as the European Commission has concluded its secondary investigations.

Appendix reference: *Appendix 11
Turkey_IR_regulation_2020*

F2 – Adjustments

1. If you are aware of any factors, other than the provision of subsidies, that could mean costs or profits of the goods subject to review are not substantially



determined by market forces, please provide details and any supporting evidence.

Please refer to the details provided in response to section B1 Q2, and copied below for ease. The BTA (British Trout Association) will provide additional material within its own generic submission.

Unlike the goods subject to review, we have additional costs across all of our production inputs including but not limited to the following. As an individual producer rather than a trade body or government agency we do not have access to the specific input costs of Turkish production but we can emphatically state that since they are not regulated by the European Union which drives much of our regulatory requirements, their statutory quality control regulations and subsequent costs will be significantly lower.

The below is only a snap shot of the range of different quality control points and regulatory requirements:

- Water access and Site Licences: Scottish fresh water rainbow trout producers must pay annual fees for the abstraction and discharge of water for non-consumptive (i.e. we return it to the river system rather than other industry users such as agriculture who are consumptive). For Selcoth Fisheries these amount to *[input production costs redacted as commercially sensitive]* per annum as per the SEPA licence costs in Annex Section 4.

- Quality fish feed: UK trout producers are not allowed to use fish feed containing LAPS (Land Animal Proteins) which are an affordable alternative to the more expensive marine ingredients for the provision of the essential Omega-3 within our fish food. Turkish trout producers are allowed, and take advantage of, the cheaper LAPS ingredients within their fish food. Fish feed with a marine reliance costs £85/tonne more than that containing LAPS. For Selcoth Fisheries Limited this equates to an additional *[input production costs redacted as commercially sensitive]* on fish food alone.

- Pigmented fish feed: UK rainbow trout quality control standards stipulate a minimum pigmentation level which attributes to an additional cost of £40/tonne of fish feed as compared to the unpigmented fish food used in Turkey. While the resulting product may be perceived differently and may not be a route that UK trout producers wish to go down, this is still a financial burden that is imposed upon UK producers and not on Turkish producers. This would be particularly relevant in terms of an unfair advantage for processed and added value products where the pigmented colour of the end product is less obvious.

- Lower stocking densities: UK rainbow trout welfare standards have adopted a maximum stocking density of 60kg/m³. This threshold is not a standard regulation in Turkey which operates stocking densities closer to 80kg/m³ (as was traditional within the UK portion industry prior to the regulatory requirements). As such the Turkish trout producers are able to produce 33% more tonnage for the same overheads in comparison to UK trout producers. Taking 2019 costs of production, this would enable Selcoth Fisheries Limited to split our production overhead costs of *[input production costs redacted as commercially sensitive]* across *[production data redacted as commercially sensitive]* tonnes rather than *[production data redacted as commercially sensitive]* tonnes, reducing the overhead cost per kg from *[input production costs redacted as commercially sensitive]* to *[input production costs redacted as commercially sensitive]*, clearly significant.

- Higher labour costs: Scottish rainbow trout producers are subject not only to the minimum living wage requirements but a further set of mandatory employee regulations as set out by the Scottish Agricultural Wages Board. These stipulate far reaching employer



expenses which are not shared by other industries outside of agriculture. However, unlike traditional agriculture, Scottish aquaculture is not supported via any form of production subsidy.

- Environmental regulations: UK trout producers are subject to stringent environmental regulations restricting the use of cheap and effective fish treatments and waste management practises still widely used within Turkish trout production. Further details will be provided on this within the generic submission to be provided by the BTA (British Trout Association).

Appendix reference:

F3 – Economic interest

The economic interest test helps TRID assess the economic impact of a measure compared to what would happen if the existing countervailing measure no longer applied. TRID must consider the following six factors as part of the assessment:

- a) The injury caused to UK industry by the importation of the subsidised goods and the benefits to that industry in removing the injury;
- b) The economic significance of affected industries and consumers in the UK;
- c) The likely impact on affected industries and consumers in the UK;
- d) The likely impact on particular geographic areas, or particular groups, in the UK;
- e) The likely consequences for the competitive environment and for the structure of markets for goods in the UK; and
- f) Other matters that TRID consider relevant.

The questions in this section will contribute to this assessment. Please provide the information requested in this section where relevant and possible for your company.

1. Please provide the names, addresses and telephone numbers of all major known domestic companies that produce the like goods and/or that are involved in the importation, distribution or sale of the goods subject to review.

[Names redacted for data protection purposes]

Appendix reference:

2. Please provide an overview of the supply chain for your like goods, from raw materials through to final customers. Where possible, please describe the number, location and size of UK producers at each stage.

Please refer to Appendix 22 Suppliers - annual spend 2019

Appendix reference: [Appendix 22 Suppliers - annual spend 2019](#)



- Please provide total annual employment figures in FTE (full-time equivalents) for the injury period for all your company's business activities relating to production of the like goods. Where possible, provide locations for each of your company's sites or facilities and the corresponding employment subtotals.

Please indicate how these employment figures would be affected, both in terms of the total number and across the locations indicated Section E, Question 4, if the existing countervailing measures no longer applied? Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for the next five financial years and explain the method used to calculate them.

5 FTEs and 1 PTE all employed on site at Selcoth Fisheries Limited, Selcoth Farm. The removal of existing countervailing measures would threaten all 6 roles as the business and ongoing production itself would be threatened.

Appendix reference:

- Please provide total annual median wage figures for all your company's sites involved in the production of the like goods during the injury period. If you are unable to provide median wages, please provide mean wages.

How would these wages be affected if the existing countervailing measure on the goods subject to review no longer applied? Please substantiate your claims with evidence. Where possible, please provide estimates for the next five financial years (e.g. projections or forecasts) and explain the assumptions made.

Please refer to the answer for question 3 above and the wages costs provided in the annex section 4.

Appendix reference: *Annex section 4*

- Please state your domestic market share of the like goods and goods subject to review. Indicate how this share would be affected if the existing countervailing measures were no longer applied? Please substantiate your claims with evidence. Where possible, please provide estimates (e.g. projections or forecasts) for the next five financial years and explain the method used to calculate them.

It is difficult for us to estimate what proportion of our portion trout go to which sectors of the UK market because we do not sell directly to the retailers (we sell all of our portion trout directly to Dawnfresh Seafoods Limited who in turn process and sell onto the retailers) however, our impression is the bulk of our portion sales are sold to the UK consumers via the multiples as portion trout fillets or added value fillet based



products. These products would be at risk of being entirely displaced by cheap imported portion trout from Turkey should the countervailing measures.

Please refer to the forthcoming submission from the BTA (British Trout Association) for further details and evidence.

Appendix reference:

6. Please comment on how significant production of the like goods is in relation to your company's entire UK production. Within your response, please state the share of total production value represented by the like goods during the POI.

Portion trout production makes up *[production data redacted as commercially sensitive]* of our total production. Given our high overheads and borrowing costs we would be very unlikely to be able to sustain production or the continuation of the business without portion production.

Appendix reference:

7. For the like goods please state (by value) the proportion of your total sales that is exported. Please provide these figures for the POI.

We do not export any products: £0 exported.

Appendix reference:

8. Please indicate who the consumers of the like goods are, which industry and level of trade they relate to and whether they are companies or private individuals. Are the like goods considered to be an intermediate and/or final good?

We sell all of our like goods to Dawnfresh Seafoods Limited.

Appendix reference:

9. Would any other industries, markets or products be affected if the existing countervailing measures on the goods subject to review no longer applied? These could include industry or markets for substitute or complementary products.

The UK trout industry has far reaching economic impact in terms of the supply chain as per the list of suppliers previously submitted. UK trout production has an especially large impact on local economies because of the rural location and position of the production sites.



Appendix reference: *Appendix 22
Suppliers - annual spend 2019.*

10. Please describe how you would expect the following to be affected if the existing countervailing measures on the goods subject to review no longer applied:

- market price of the like goods in the UK;
- total UK output of the like goods;
- total imports of the goods subject to review to the UK; and
- total exports from the UK.

Where possible, please provide estimates for the next five financial years (e.g. projections or forecasts) to support your claims.

We would expect the volume of imported Turkish portion trout to suddenly and dramatically increase via sales to the discount retailers.

In turn this would almost certainly cause the UK market price of the like goods to decrease by an amount proportionate to the level of price reduction afforded by the removal of countervailing duties.

This price reduction would be impossible for UK trout producers to absorb with an eventual impact of reducing overall output of UK portion trout, and subsequently UK large trout as fixed overheads would need to be spread across too narrow a cost base to be viable in the long term.

Appendix reference:

11. Do you know of any related industries that would be affected if the existing countervailing measure on the goods subject to review no longer applied?

Please consider in particular:

- upstream industries – those who produce inputs needed for the like goods;
- downstream industries – those who purchase the like goods or goods subject to review.

There is a wide range of upstream and downstream industries that would be affected by this including input suppliers and associated service suppliers such as fish haulage, fish equipment suppliers, rainbow trout processing and packaging suppliers, fish feed suppliers to name but a few.

A snapshot of the supply chain for Selcoth in isolation can be seen from Appendix 22 Suppliers, and the impact of a depression of the entire UK trout industry would be on a huge scale in comparisons.

Appendix reference: *Appendix 22
Suppliers - annual spend 2019*



3. Please describe any impacts on consumers you would expect if the existing countervailing measures on the goods subject to review no longer applied. To what extent would you expect any increase in prices for the like goods or goods subject to review to be passed onto final consumers?

There would be a significant reduction in the overall quality of portion rainbow trout and a reduction in the availability of UK produced portion trout. Given the growing emphasis on food safety, environmental and welfare concerns and consumer confidence this would represent a major set back.

Appendix reference:

12. Please explain any effects on your plans for future investment or expansion in the UK if the existing countervailing measures no longer applied. Please state how this would affect different sites/locations of your company and support your claims with evidence.

Selcoth Fisheries Limited would immediately cancel any planned investment or infrastructure projects and would concentrate on damage limitation for the resulting impact on price and demand following a removal of existing countervailing measures.

Appendix reference:

13. The *Equality Act 2010* protects the characteristics listed below. Do you have any evidence to suggest that any of these groups could be disproportionately affected if the existing countervailing measures no longer applied? Please provide evidence to support your answer.

- Age,
- Disability,
- Gender reassignment,
- Marriage or civil partnership,
- Pregnancy and maternity,
- Race,
- Religion or belief,
- Sex, and
- Sexual orientation

No. It is expected that the countervailing measures would affect the entire industry proportionately.

Appendix reference:



14. In terms of the competitive environment and structure of markets for goods in the UK, please answer the following questions in relation to how the continuation of a trade remedy measure could impact:

- the range of suppliers of the rainbow trout,
- the ability of suppliers of the rainbow trout to compete,
- the incentives for suppliers of the rainbow trout to compete vigorously,
- the choices and information available to consumers?

Please provide evidence to support your answer

The UK portion trout market is already a mixed market with a range of suppliers competing fairly and vigorously against each other and against a wide range of alternative products. The current choice of fish products available to consumers is fantastic and should continue to be so, with UK produced trout as part of this mix rather than being displaced by low quality and anti-competitively subsidised imports.

Appendix reference:

15. Please describe the nature and degree of any regional impacts that you would expect if the existing countervailing measure on the goods subject to review no longer applied.

As mentioned above the negative financial impact upon rural areas caused by a removal of the countervailing measures and subsequent contraction of the UK trout industry would be disproportionately felt across the rural areas in which UK trout production takes place.

Selcoth Fisheries Limited is a small business but is a large contributor to the small rural economy of Moffat and is by far the largest and most significant business and employer within the Moffat Water Valley.

Appendix reference:

16. If there are any additional economic factors that you consider relevant for the economic interest test in this review, please provide details here and any supporting evidence.

The nature of fish farming is attractive to a range of individuals including those that might otherwise be unfairly discriminated against in a more formal office and paper based environment.

Fish farming provides a return to the more traditional outdoor role that is less available in today's services dominated economy. Working outdoors in rural areas with livestock and running water provides a therapeutic environment that is of great value to a significant sector of the population.



Freshwater rainbow trout farms such as Selcoth are also useful training grounds for young employees prior to their moving onto the more challenging marine environment of large trout and salmon farming, one of Scotland's fastest growing sectors and an acknowledged Scottish government priority sector.

Appendix reference:



SECTION G: Next steps and declaration

Next steps

Once you have completed all parts of the questionnaire the declaration on the following page should be signed by an authorised official.

The questionnaire, spreadsheet annex and any appendices should be submitted through the Trade Remedies Service (www.trade-remedies.service.gov.uk) by 22/05/2020. The checklist in Section H of this questionnaire may help ensure your submission is complete.

A confidential and non-confidential version of the questionnaire and the spreadsheet annex must be submitted. You can find guidance on how to complete confidential and non-confidential versions by going to <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#non-cooperation>



Declaration

By signing this declaration, you agree that all information supplied in this questionnaire is complete and correct to the best of your knowledge and belief and understand that the information submitted may be subject to verification by TRID.

Company registration number: [Registered in Scotland No. 68723](#)

Company name: [Selcoth Fisheries Limited](#)

24/08/2020

[signature redacted]

Date

Signature of authorised official



Company Stamp

[Shara Routledge, Director](#)

Name and title of authorised official



SECTION H: Checklist and appendices

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – Company structure and operations	Y
Section B – About your goods	Y
Section C – Costs and production	Y
Section D - Sales	Y
Section E – Injury to your company	Y
Section F – Supplementary questions	Y with additional material to be forthcoming from BTA
Section G – Next steps and declaration	Y

+Add additional rows as required

Please list any appendices that you have referenced in your responses and are attaching with this questionnaire.

Appendix reference	Document title
Appendix 01	MS workbook
Appendix 02	SEPA Abstraction Consent Hatchery
Appendix 03	SEPA Abstraction Consent Moffat Water
Appendix 04	SEPA Abstraction Consent New Farm
Appendix 05	SEPA Discharge Consent Moffat Water
Appendix 06	SEPA Discharge Consent New Farm
Appendix 07	SF Ltd Final Full Accounts 2019
Appendix 08	SF Ltd Final Full Accounts 2018
Appendix 09	SF Ltd Final Full Accounts 2017
Appendix 10	SF Ltd Final Full Accounts 2016
Appendix 11	Turkey IR regulation 2020
Appendix 12	Certificate of Incorporation SF Ltd 1979
Appendix 13	Marine Scotland Inspection Report
Appendix 14	RSPCA Assured Fifth draft Trout standards
Appendix 15	QTUK Combined Hatchery Farm Standard Version 5.1
Appendix 16	GG_QTUK Checklist SF Ltd Internal Audit 26 Apr2019
Appendix 17 a-e	TESCO Aquaculture Requirements for Suppliers (a-e)
Appendix 18	HAS ** 200820
Appendix 19	Master Risk Assessment & Management Plan
Appendix 20	VHWP



Appendix 21	Master Standard Operating Procedures
Appendix 22	Suppliers – annual spend 2019
Appendix 23	Invoice SFLtd DF156
Appendix 24	Invoice SFLtd DF157
Appendix 25	Investment Summary
Appendix 26	SF Ltd 2020 Org chart

+Add additional rows as required