What is this consultation event about?

Kaly Group Ltd (Kaly) are looking at options for new seaweed farms within Loch Snizort and Loch Bracadale in NW Skye.

Whilst we previously agreed Lease Option Agreement Areas (LOAs) with Crown Estate Scotland, these have now been withdrawn. These LOAs were based on early / preliminary information only and we felt there was a need to revisit alternative options through further dialogue with local communities and consultees. We would secure LOAs for sites we intend to take forward to a marine licence application in due course informed by this consultation stage.

Kaly are committed to sustainable development and stewardship. To inform site options, we commissioned an independent environmental risk assessment to look at opportunities and constraints within each loch. Coupled with consultation with local communities, this approach seeks to identify optimal locations which minimise environmental, social and economic impacts whilst maximising the quality of seaweed harvested.

We are keen to share the information we have collected to date and seek your feedback on possible locations and local knowledge and information that would assist in optimal site selection. We wish to make a positive contribution to existing communities.

We are happy to answer your questions and receive your feedback at this consultation event. Please see the banner with further information on how to make comment.

Scottish Enterprise

TRICAPITAL

Who are Kaly Group?

KALY are a group of entrepreneurs, seafarers and nature-lovers on a journey of discovery. Kaly Group Ltd were founded in January 2022, are management owned and operated by a multidisciplinary team bringing together a range of skills and experience. Kaly are advised by a Science Board and are supported by investment from TriCapital Investors and Scottish Enterprise.

KALY believe seaweed farming can be introduced throughout the west coast of Scotland. An **incremental approach** will build knowledge, confidence and momentum towards our vision. The journey will test best practices in seaweed farming, community empowerment and scientifically measure the environmental benefits we bring to the Scottish marine environment.

Commercial viability is at the core of our vision. To be a **sustainable industry**, many strands of the production and processing chain must come together. Companies making useful products from seaweed require a continuous supply of stabilised, high-quality biomass throughout the year. KALY can flourish by providing this **continuous supply**, supporting an integrated value chain from growing to end-market products.

We think fishing and seaweed farming are complementary. They require similar skills and knowledge of the sea to be successful. Both are cyclical but peak at different times of the year. Kelp farming and creel fishing provide an anchor for many other marine benefits. When combined with other loch users a potential framework for **loch stewardship** must be possible.

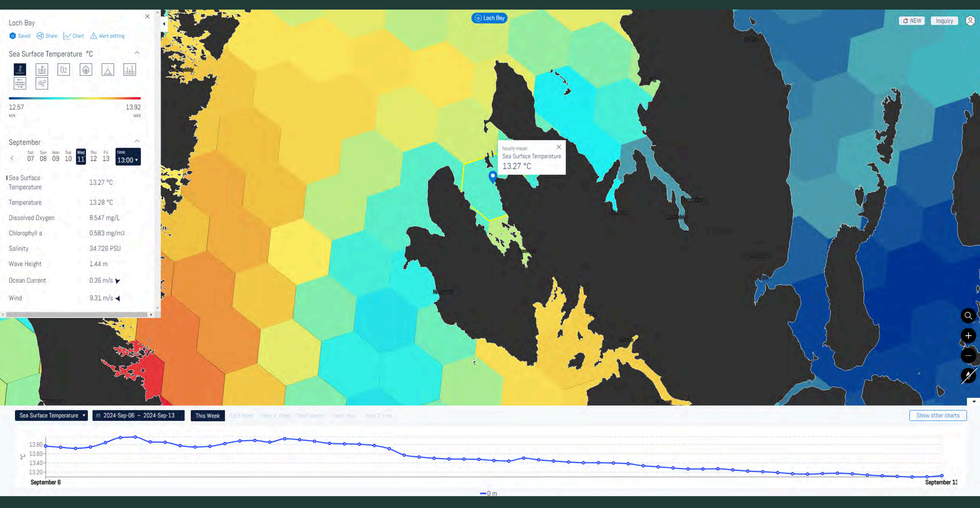
Our vision is simple: *Grow seaweed, involve local communities, improve our marine environment*.

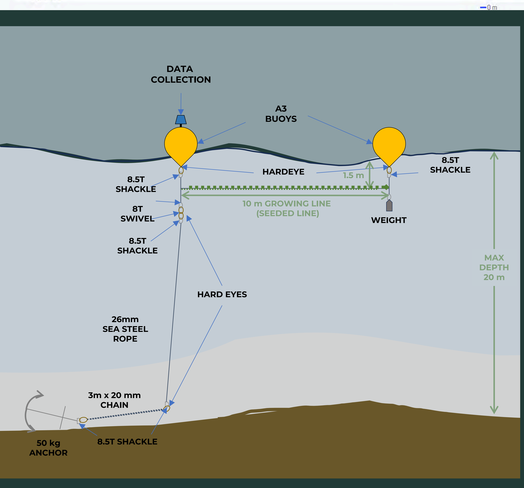
Testing and Trialling - Innovative Approach

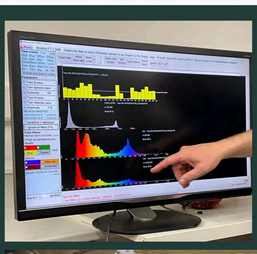
Kaly Group is committed to innovation through a programme of scientific testing and trialling that will inform future site selection. Like any crop, seaweed growth is linked to a range of variables.

Careful analysis of data gathered will hopefully provide valuable insights into seaweed growth rates and drivers as well as changes in chemical composition throughout the season.

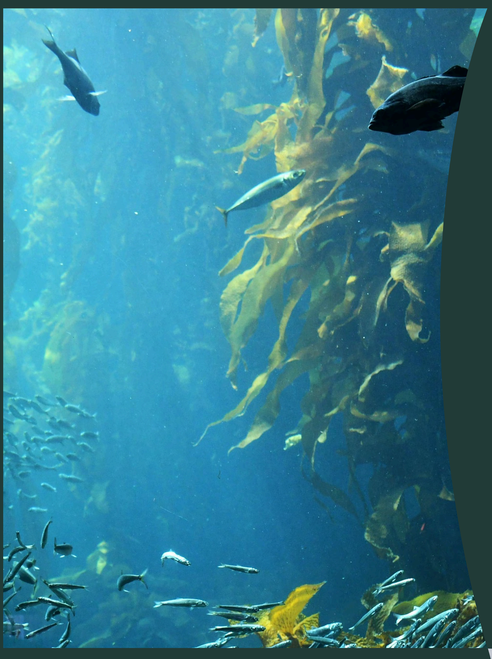
At Loch Bay, Kaly has partnered with UMITRON in the usage of satellite data, providing us daily data on 8 variables (sea surface temperature, temperature, dissolved oxygen, chlorophyll A levels, salinity, wave heights, ocean currents and wind). In subsequent phases we hope to link satellite data with actual local data buoys, further enhancing data quality. Ongoing biodiversity study at Loch Bay using state of the art underwater camera real time monitoring and eDNA data collection.







Benefits of Kelp Farming?



Environmental

- Sustainable natural resource - no need to wild harvest kelp
- Requires water and sunlight – nothing added in the process
- Absorbs nitrates and phosphates
- Supports marine biodiversity including habitat for juvenile fish

Social

- Opportunity to engage with all Marine interests
- Science led - Hortimare/Stirling University/James Hutton Institute
- Loch Bay - Educational Program
- Seaweed Protocol – Scottish Creel Fishing Federation (SCFF)
- Farming Partnership Model
- Opportunity for R&D and scientific research
- Marine Conservation Initiatives and Citizen Science

Economic

- Local economic benefits - direct and indirect including local supply chain
- Local job creation
- Training and new career routes
- Supplementary income through Partnership Model
- Community Marine Projects
- Local Supply Chain

Kelp Partnership Model

Local creel fishers and other interested parties including local communities will be invited to enter into commercial agreements with KALY to jointly undertake training programmes, develop farm design techniques, farm deployment, the seeding of growing lines, farm and environmental monitoring, and the eventual harvest of cultivated kelp.

Our unique **Kelp Partnership Model** will involve partnership with local fishermen whose livelihoods and identity are linked to the sea. This provides a guaranteed Annual Management Fee for a range of activities including seeding, data collection and monitoring.

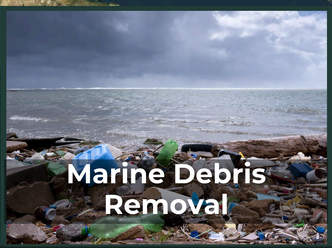
Community Marine Fund

KALY will use the Loch Bay site to establish a format for community engagement and we will work with the local communities to identify other potential environmental projects which protect and restore coastal lochs.

There may be wider community projects that would benefit from funding and partnership.

KALY also intend to develop a processing hub to connect sites at sea with a facility on land that serves as a collection point for the kelp harvest. Its function is to undertake pre-processing of kelp including washing, chopping, freezing and/or drying to stabilise the biomass. The hub will contain R&D and training facilities, equipment storage, a kelp seeding lab and a data and water quality monitoring centre. No decision has been made on a hub location although there is a preference to have this on Skye.

The Community Marine Fund is estimated at £360,000 each year from 2028 from a NW Skye cluster.



Vertically Integrated Business

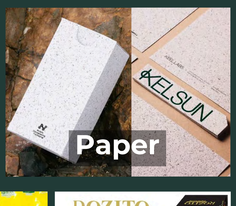
Kelp Farming - Economic Impact

Scale of Operations	Full-time Jobs	Part-time Jobs	Indirect Jobs	Income	Direct Annual GVA
Kelp Farm	2	4	0.5	£30k	£0.12m
Skye Cluster	12	18	4	£300k	£2.3m

Kelp Industry - Economic Impact

From 2028	Skye Cluster Farming	Processing	Supply Chain	TOTAL
Turnover (£m)	£5.4	£46.7	-	**£52.1**
Direct GVA (£m)	£2.3	£19.5	£21.0	**£42.8**
Employment (FTE)	18	91	85	**194**

End-products



Our Approach to Future Site Selection / Option Appraisal

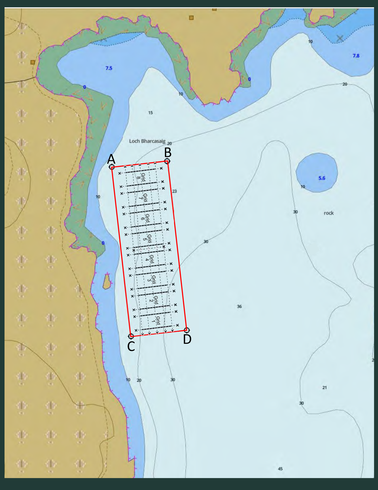
We commissioned independent environmental consultants to undertake an environmental risk assessment covering a whole range of topics looking at Loch Snizort and Loch Bracadale:

- Planning Policy – Scottish Government and Marine Scotland Directorate and Highland Council
- Local Context – review of local settlements, tourism, local businesses etc
- Water Environment – water quality and classification
- Seascape and Visual Impacts – key viewpoints and sensitivities
- Habitats and Protected Species – Priority Marine Features, Designated Sites, baseline surveys
- Seabed Conditions, benthic information and shoreline features – identifying sensitive features
- Cultural Heritage – wrecks and other features recorded
- Marine and Terrestrial Transport – existing activities, possible landing points and road access
- Marine User Impacts – Designated areas, marine tourism and fishing and aquaculture
- Cumulative Impacts – interactions with other consented or planned development including fish farms and other activities.

This exercise, plus consultation to date has allowed a level of ‘testing’ of sites and highlighting those with potential constraints and where further consultation and more detailed assessment is required ahead of site selection.

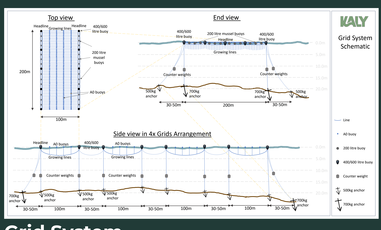
The Proposed Development

Site Location



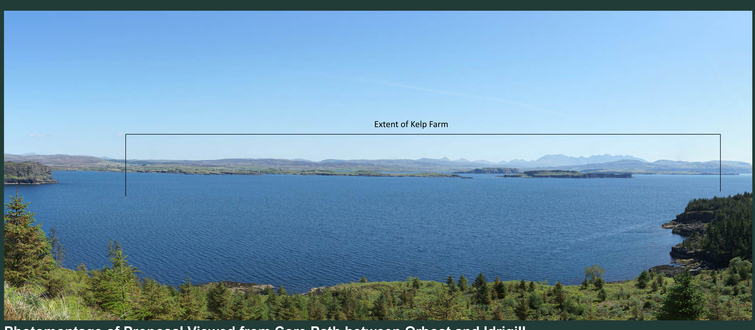
Marker Buoy

Mussel Floats



Grid System

Landscape & Visual Impact



Photomontage of Proposal Viewed from Core Path between Orbost and Idrigill

Photomontage of Proposal Viewed from Minor Road and Core Path near Orbost

Photomontage of Proposal Viewed from Field near Meall Greepa

Project Timeline

Sites Screening
- High-Level Consultation
- Internal Assessments

Pre-App Engagement
- Community Councils
- Public Bodies/Trusts

Public Consultations
- Local Communities
- Local Marine Users

Marine Scotland Applications
- Community Consultation
- License Application

Seaweed Farm Consent
- Marine Scotland Directorate
- Crown Estate Scotland Lease
- Farm Partnership Agreement

Deployment
- Year 1 – Test lines
- Year 2 – 4 Grids
- Year 3 – 8 Grids

How to Comment

We would welcome feedback on the information presented at this pre-application consultation event. There are feedback forms which can be filled out and placed in a comment box or alternatively, comments can be submitted electronically using the QR code provided.

Postal comments can be sent to Kaly Consultation c/o Ironside Farrar, 111 McDonald Road, Edinburgh, EH7 4NW.

Following the event, Kaly will provide FAQ's and responses and a summary of how comments have been taken into account as part of site selection.

Update on the Marine Licence

Kaly are now progressing with a range of assessments and surveys with a view to production of the following which will be submitted with the Marine Licence Application (date TBC but end July / August anticipated):

- Marine Scotland Directorate Licence Application Form
- Additional Coordinates Forms
- Clear Supporting Plans and Charts
- Planning Statement - Scotland's National Marine Plan Policies
- The Proposed Development - Method Statement with Biosecurity Plan
- Pre-Application Consultation (PAC) Report
- Navigational Risk Assessment and Marine Emergency Action Card
- Vessel Management Plan
- Environmental Report / Responsibilities
- Seascape and Visual Report and Photomontages
- Habitats Regulation Appraisal with Ecology / Ornithology Report

Questions from Previous Event

Summary of Verbal Feedback	Actions?
What does the seaweed grid look like in the water and from key viewpoints? What about cumulative effects?	We have included an underwater profile diagram and landscape and visual photomontages for proposed 8 grid farm. We have considered cumulative impacts as part of the options appraisal and this will be covered in the marine licence application too.
What is the size / area of the seaweed farm?	The farm proposed is an 8 grid farm which is 1,200m by 200m and area of 24ha.
Where will the biomass be landed? Concerns over impacts on local jetties and infrastructure.	Kaly are looking at options for a processing facility in Kyle of Lochalsh where biomass would be landed. This would be subject to a separate consent.
How many anchors will there be and what are they made of?	There are 80 anchors in total and they are steel.
How is risk of potential entanglement (whales, dolphins, seals) addressed?	The seaweed farm is installed as a grid with growing lines. These are designed to be taught to minimise curvature / entanglement risk. The seaweed farm is monitored daily by the farm manager with weekly inspections of infrastructure and there will be an agreed emergency response plan / contact would be immediately made with British Divers and Marine Life Rescue – Skye & Lochalsh for support in case of an entanglement.
What about other ecological interest?	We have and are undertaking ecological surveys for protected species including White-tailed eagle, Golden Eagle and otter. We have sought to avoid sensitive benthic habitats such as priority marine features.
How have you considered impacts on fishing interests	This is an important consideration and one Kaly have taken seriously in their approach to date. Kaly have held discussions with local fishers, sought to engage and to request feedback on a range of possible options presented at previous March drop in events as well as one-to-ones and meetings with organisations who represent local fishers. Through this options appraisal review Kaly have sought to address concerns.
Is the potential impact commensurate with the benefits?	Kaly are working closely with specialists on the testing of seaweed grown at Loch Bay to look at chemical composition and to identify optimal and high value markets. Kaly's model seeks to scale to allow processing within the local area / capture local economic benefits.
Concern around marine pollution / plastic waste / ropes – will Kaly ensure their gear is identifiable?	Kaly are happy to mark all equipment to ensure it does not contribute to marine pollution / can be collected and returned - monitoring will ensure infrastructure is well maintained and the site would be fully decommissioned (covered by insurance as a safeguard) should the operation cease at the end of a lease period.
Concerns around night-time impacts	The site is intended to be marked with 2 Special Markers which include the required flashing light at night-time for navigational safety.
Access over the seaweed farms	The seaweed farms sit an approximate depth 1.5m below the water surface, so marine users can still kayak / take small boats over the surface of the farm, depending on how low the boat sits within the water.
What's next for Kaly?	Kaly are focussed on sustainable growth. In order to make a viable business, Kaly will need five seaweed farms surrounding Skye. These will form an integrated cluster of seaweed farms to deliver on a commercial scale. Kaly have focussed their initial efforts on Snizort and Bracadale, they are exploring options for further seaweed farms surrounding the whole of the Isle of Skye.