

# MARKET ADVISORY COUNCIL

## Work Programme Year 4

1 October 2019 - 30 September 2020.



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## Introduction

The Market Advisory Council (MAC) is a stakeholder-led organisation created in 2016 under the legal form of a non-profit organisation based in Brussels and co-funded by the European Commission.

The MAC is made up of 55 European and national organisations from 11 Member States representing the whole value chain. Members include organisations from the catching and aquaculture sector, processors, trade unions and environmental organisations among others.

The MAC provides evidence-based advice to the European Commission and the Member States in relation to various issues regarding the markets of fishery and aquaculture products. Its main goal is to achieve a better understanding of the markets for aquaculture and fishery products facilitating a better implementation of the Common Fisheries Policy and common organisation of the market.

The MAC is unique among Advisory Councils in that it is a horizontal body, covering activities across the entire supply chain, from primary production (of both capture and farmed fish) through processing, marketing and trading, to retail and consumption, including food safety, consumer information and other relevant regulatory issues. Its membership reflects this broad spectrum of interests, including those of non-industry stakeholders.

In its fourth year of operation, which runs from 1 October 2019 to 30 September 2020, the MAC wishes to apply for grant-aid from the EU Commission, in accordance with the relevant provisions in force.

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## Vision

Over the past 50 years, annual global consumption of seafood products per capita has more than doubled, from almost 10 kg in 1960 to over 20 kg in 2014. Seafood protein represents an essential nutritional component in many countries, especially where total protein intake levels are low. In 2013, seafood provided more than 3.1 billion people with at least 20 % of their intake of animal protein (source: FAO, The State of World Fisheries and Aquaculture 2016. Contributing to food security and nutrition for all. FAO, Rome. 200 pp.). Thus, capture fisheries, aquaculture and related industries make vital contributions to food security as a direct source of protein, micronutrients and indispensable fatty acids, but also indirectly via employment.

Responsibly and sustainably managed seafood can contribute to food security. Seafood is unique among food sources. It is inherently renewable, if properly managed, low impact and can generally speaking be considered to be good for the human health.

## Objectives

The value of the MAC is having the opportunity to have full, frank, open and respectful discussions among all the industries and stakeholders concerned – from the sea to the consumers' plate. This can lead to a better understanding of markets and facilitate the implementation of the Common Fisheries Policy.

The specific objectives of the MAC include from upgrading market incentives to support sustainable production practices to supporting better governance, reduction of administrative burden and simplification of the legal framework, passing by enhancing the market potential of EU products and ensuring a level playing field for operators.

### Main objectives

- 1. Ensuring the collective voice of all stakeholders in the value chain is heard with regards to market issues both by responding to Commission's request for advice and by identifying new other areas that members of the MAC consider necessary to address**

The principal aim of the Market Advisory Council for Fishery and Aquaculture Products is to bring together European stakeholders (including primary producers - catch sector and aquaculture - traders, exporters, importers to/from third countries, processors, wholesalers, distributors, retailers, environmental or development non-governmental organisations, consumer organisations and any other interest group affected by the CFP) in order to allow for a transparent and representative dialogue in submitting recommendations and suggestions to the Commission and to the Member States in market-related issues. The cross-sectorial nature of the MAC provides a unique platform for stakeholders to share views and expertise to inform evidence-based policy making.

- 2. Facilitating the implementation of the CFP**

Ultimately, the advice produced by the MAC will be directed by the objectives of the Common Fisheries Policy and in particular its provisions relating to the Common Market Organisation. But this should not preclude the possibility of issuing recommendations on the basis of any other legal instruments that touch upon market-related issues. The MAC will assist the Commission and policy-makers to effectively implement the CFP and the CMO by issuing recommendations and opinions in respect of the non-exhaustive list of topics described in detail below.

## Specific objectives

The specific objectives of the MAC are, among others, to provide advice on:

- The up-to-date market developments and position of EU production as well as a level playing field conditions for products marketed in the Union;
- Improved management and governance of the EU fisheries and aquaculture sector, reduction of administrative burden and simplification of the (existing) legal framework.
- Which market incentives and sustainable production practices may be conducive to economic, socio-economic and environmental sustainability in the fisheries and aquaculture sector;
- The EU production, EU structural market changes and short term fluctuations;
- The market potential of EU products vis-à-vis existing and planned legislation;
- How more precise and reliable information can be communicated to consumers;
- Providing healthy food products to consumers in the EU and beyond;
- Ensuring the long-term viability of fishery and aquaculture production in the EU in the face of regional and global challenges, including but not limited to the effects of climate change and pollution

The MAC would look at all these issues at medium-term, so that it is able to provide timely advice in the context of the review of the Common Markets Organisation review, at the same time of the reform of the Common Fisheries Policy.

## **MAC priorities and deliverables for Year 4**

### **Future Funding Priorities for EMFF**

The EMFF programme is the principal means of providing publicly funded financial support for the industry as a whole. During its Year 1 work, the MAC has made several observations relating to problems in accessing existing measures and to the need for greater coherence and consistency in their application, while recognising that this is in part due to decisions by individual Member States within the frameworks laid down. In this regard, the MAC forwarded the Commission its advice in March 2018. The MAC will keep following up on this critical matter actively engaging in discussions with a view to providing advice to the Commission and Member States during the upcoming Inter-institutional negotiations.

Timeline: As soon as tangible outcomes from inter-institutional negotiations become available, after careful analysis, advice to the European Commission is to be produced on the impact of the agreed funding priorities during year 4.

### **Revision of Control Regulation**

The Control Regulation impacts across the market procurement chain as a whole. The MAC supports Commission's broad review objectives of simplification and increased effectiveness, and the mitigation of differential levels of implementation between Member States. This is of particular concern in relation to market control and traceability. The MAC will keep examining ways in which existing arrangements might be improved, in particular in relation to the inter-action between the Control Regulation, the operation of the CMO and food law and labelling in the Food Information for Consumers Regulation. As it happens with the EMFF, the MAC will follow up on the Control Regulation and will aim at providing any support or advice to the Commission and Member States during the inter-Institutional negotiations, keeping in mind the importance of simplification and easy implementation by stakeholders, and easy / effective control by the authorities.

Timeline: As soon as tangible outcomes from inter-institutional negotiations become available, after careful analysis, advice to the European Commission is to be produced on the impact of the revision of the Control Regulation during year 4.

### **Certification schemes**

The MAC is aware that the role of third party certification schemes is a continuing subject of interest in many fora. Although no formal proposals are currently in prospect, following consideration of the report prepared by the Commission in pursuance of Art. 36 of Regulation

1379/2013, the MAC is open to further discussion of the impact of existing schemes, both in business to business transactions and in relation to final consumers. A first discussion took place in May 2018. The Commission kindly provided documents and studies to facilitate discussions. A workshop in early 2020 is to provide the adequate expert and balanced input to analyse the status quo of how certification schemes are situated in the EU market, that is the role of their sustainability claims in relation to other market actors, consumers and thus their function in and impact on the market.

Timeline (estimation): advice, most likely in the form of a workshop report containing outcomes, follow-ups and recommendations to the European Commission on the potential need to update current legislation in respect of certification schemes in February 2020 – April 2020.

### **Trade Agreements**

The EU market is heavily dependent on imported supplies to meet consumer demand. As part of its work to improve understanding of consumption trends and price developments, the MAC will continue to monitor and offer advice on both offensive and defensive opportunities in relation to the various ongoing EU negotiations with third countries on possible new free trade deals. Understanding the interest other ACs have in providing input in this regard, representatives of other ACs (namely the Long Distance AC) will be invited to actively participate in MAC meetings.

Timeline: contributions to public consultations to be submitted as these are launched by the European Commission, plus advices to be produced on an *ad hoc* basis when relevant developments in EU's trade negotiations become publicly known throughout the whole year 4.

### **Level Playing Field**

The MAC is currently exploring possible standards, rules or practices that may distort the level playing field, both at EU level (with a special emphasis on aquaculture) and with regard to products imported from third countries. The MAC intends to provide an overview of the different regulations applicable to the European fisheries sector, European aquaculture sector and third country imports, which will be accompanied by several case studies. The aim of the overview will be to develop a factual basis to assess the need for further advices to the European Commission on how to achieve a level playing field in the European market.

Timeline (estimation): February 2020 – April 2020.

### **IUU Regulation**

The MAC has already issued advice in Year 1 (jointly with the LDAC and MEDAC) on the need for modernisation and improvement of the IUU Regulation, in particular in relation to the development of an electronic catch certification system. There is clearly a potential link between

this and the possible development of a fully digitalised traceability system for fishery products in general. The MAC will therefore consider the need for further advice taking account of the review of the Control Regulation (still under revision) and progress with the implementation of the landing obligation which also has implications for catch recording and traceability.

Timeline: advice to be produced in the second half of Year 4.

## **Plastics**

Understanding the urgent need to tackle the environmental problems that today cast a long shadow over the production, use and consumption of plastics, the MAC will organise a full-day event on Plastics under Working Group 3 to explore ways in which it can contribute to finding solutions. The work done under the Working Group is aimed at producing an advice, in light of the Plastic Waste Strategy of the European Commission, taking into account the different sectors along the supply chain affected by the presence of plastics.

Timeline: advice to be produced in the second half of Year 4.

## **Brexit and implications for the market**

When the United Kingdom joined the EU in 1973, there was general agreement that the new legal framework for fisheries should reflect the historical practice and principles, such as mutual access to fishing grounds and joint stocks management. In turn, the United Kingdom seafood production relies heavily on export (80%) and on average 75% of its export is destined for the EU 27 market. In this context, the United Kingdom has enjoyed free and unrestricted access to the European market. This has worked well, both for the UK and for the EU. Brexit will disrupt this status quo.

The MAC would analyse the various scenarios of Brexit, its repercussions as well as the negotiations on the future trade relationship between the EU and the UK.

Timeline: advice to the European Commission regarding the implications of the separation of the UK from the EU, particularly for the EU market for fisheries but also aquaculture products and possible mitigation measures following Brexit to be produced in the second half of Year 4.

## **Landing obligation and implications for the market**

There are aspects of the landing obligation which is of the MAC's interest. For example, producer organisations have among their tasks the duty to help their members find adequate outlets for catches of undersized fish, without promoting the creation of a market for undersized fish. On the other hand, Member States also have the obligation to assist fishermen by facilitating storage of undersize fish and finding possible outlets.



The MAC would reflect on how to convey the right message to the market, to buyers and the public about the unwanted catches. Possibilities in the market are very few: there are not a lot of buyers for unwanted catches, so there are no incentives (essentially economic) for fishers.

Timeline: advice to be produced in the second half of Year 4.

### **Collaboration with STECF**

The MAC will aim to increase its collaboration with the Scientific, Technical and Economic Committee for Fisheries (STECF).

This collaboration will focus particularly on the STECF's Annual Report on Economic Performance of the EU Fish Processing Industry & Aquaculture Sector and the Annual Economic Report on the EU Fishing Fleet.

Timeline: during the whole year 4

### **Other Work**

In addition to the above, each of the 3 Working Groups will keep under review the specific areas of interest for which it is responsible, responding as appropriate to ad hoc Commission requests for advice.

## **Operational structure**

Many of the issues the MAC needs to address have an horizontal nature, impacting more than one part of the chain and involving several different players. Experience of operation in previous years has shown the need for a flexible and responsive structure to meet the challenges involved. It has been decided that the best way of achieving this is through a tripartite Working Group structure reporting to an Executive Committee which is responsible for the delivery of formal advice reflecting Working Group recommendations. The flexibility in the organisation of the work under the MAC has allowed the organisation of joint Working Groups to tackle those issues under the remit of several Working Groups. In order to facilitate the drafting of advices and have a tangible product to present to the Working Groups, the MAC has also constituted several Focus Groups entrusted with the preparation of papers.

The MAC normally covers expenditure related to the organisation of meetings. As the MAC is established in Brussels, meetings normally take place in Brussels. This is the most convenient location for the majority of the stakeholders and for the Secretariat in liaising with meeting venues, interpreters, catering and logistics related to events.

The operational hierarchy of the MAC is organised in the following structure:

### 1. General Assembly

All members are invited to participate in the General Assembly, which takes place at least once a year. The General Assembly is updated by the Chairs of the MAC and Working Groups on the decisions taken and advices adopted and are entrusted with the adoption of the budgets, work programme, election of chairs of the MAC and Working Groups, among other tasks reflected in the Statutes.

### 2. Executive Committee

All decisions relating to the MAC are made by an Executive Committee with a maximum of 25 members (i.e. 15 fishing industry, and 10 other interest groups) reflecting the 60/40 balance required. Year 2 welcomed EJF as part of the Executive Committee, which now consists of 15 members of the industry and 7 NGOs and other interest groups, leaving 3 seats in the 40% vacant.

Meetings of the Executive Committee take place at least twice a year. The Executive Committee addresses policy issues, which are particularly aimed at further improving the functioning of the MAC, it debates the input from Working Groups, proposes the budget and annual programme of the AC and the annual report and any other task entrusted by the Statutes.

### 3. Management group

The management group is comprised of the Chairs and Vice-Chairs of the MAC, Chairs of the Working Groups and rapporteurs of Working Groups. They meet whenever is needed to discuss informally the functioning of the MAC, to prepare Working Group meetings and to exchange views on the implementation of the work programme.

### 4. Working Groups

The Working Groups implement the work programme within the limits of their competencies, established annually by the Executive Committee. Additional Working Groups may be created as required in the future. Working Groups adopt proposals of opinions, advices and papers to be endorsed by the Executive Committee.

Working Groups are held over a period of normally 2 days in order to ensure an efficient use of the budgetary resources. Meetings of the Working Groups take place at least 3 times a year.

The following is an indicative allocation of responsibilities between the 3 Working Groups. The list of items is merely indicative of the scope of the three Working Groups constituted, a graphic representation of the matters that are addressed or may be addressed in each Working Group. The non-exhaustive list of items is intended as a guide to the organisation of work, rather than itself constituting a formal programme of activity for the year ahead.

#### Working Group 1: EU Production

- Common Market Organisation: producers & interbranch organizations, marketing and planning, stabilisation of markets
- European Maritime and Fisheries Fund (2014-2020) and future funding priorities for the next period
- Economic viability of the fleet – collaboration with STECF
- Evaluation and revision of Marketing Standards on sizes and freshness (Council Regulation (EC) No 2406/96)
- Implications of the EU Control Regulation on EU Production

#### Working Group 2: EU Market

- Supply (annual status and trends)
- Trade with third countries: Community Custom Code, General System of Preferences (GSP), Free Trade Agreements, Economic Partnership Agreements, World Trade Organisation
- Monitoring of community imports and tariff situation; tariff suspensions and tariff quotas for fishery and aquaculture products with the aim of providing advice or input if necessary
- Monitoring and assessment of unfair/disloyal practices in 3rd countries

- Price developments 'from sea to table' (from the fisherman / aquaculture producer to the consumer) with the aim of providing advice or input as necessary
- Understanding the dynamics and drivers of the market throughout the whole chain
  - Analysing market trends and consumer behaviours, with the aim of providing evidence to inform policy development and the work of others in relation to: responsible sourcing and processing
  - open and useful / efficient consumer information
  - explaining and justifying the health benefits of eating seafood, including benefit / risk analyses when appropriate
  - improving standards across supply chains
- Implications of IUU fishing in EU market
- Implications of the Control Regulation in EU market
- Annual Report on Economic Performance of the EU Fish Processing Industry Sector & EU Aquaculture sector - collaboration with STECF

### Working Group 3: EU control and sanitary issues, consumer rules

- Consumer information
- Proper functioning of article 35-38 about consumer information of regulation 1379/2013 on the common organization of the markets in fishery and aquaculture products in all member States
- Labelling of fishery and aquaculture products
- Voluntary information on fish and aquaculture products
- Traceability in seafood products
- Implementation of IUU Regulation-issues other than tackled by WG2

- Plastic in the oceans : from macro plastic to micro plastics – European plastic strategy
- Certification schemes

## 5. Focus Groups

The MAC has decided to establish small groups to prepare drafts on different topics. The items included in those drafts reflect discussions held in first instance in the relevant Working Group without the possibility of going beyond. These are in charge of reflecting and addressing all points of view. The drafts prepared within a Focus Group are put forward for adoption in the corresponding Working Group.

The Focus Groups that have been established during Year 3 and will continue to do the necessary to get their drafts adopted are:

### A. Focus Group on Marketing Standards

The draft prepared under this FG was adopted. The WG will remain inactive, unless there are any proposals or requests for advice from the European Commission.

### B. Focus Group on Level Playing Field

This FG, created upon initiative of the MAC, will continue the work started in Year 2.

### C. Focus Group on Consumer Information

At the February 2019 WG meeting, a FG was established under WG3 on consumer information. The advice to be produced in this FG aims to:

- a) highlight the relevant legislation,
- b) give an overview over consumer behaviour and how information on fishery and aquaculture products is perceived,
- c) review the current legislation of labelling for consumers,
- d) discuss differences in labelling as regards fresh and processed products,
- e) give examples and address interoperability questions and
- f) make recommendations to the Commission.

Additionally, two workshops will be organised during the first half of year 4 to deal with plastics and certification schemes.

Other FGs may be created during Year 4 if needed.

An indicative schedule of meetings can be found in **Annex I**.

## Other matters

- The MAC will continue its work with regards to the discussions opened by the NWWAC in 2017 with regards to the role, composition and functioning of the ACs, which refer specifically to the Brexit scenario. The MAC was present in the first meeting in this regard, held in Dublin in 2017, and in one organised by the PELAC in April 2018 in The Hague. A representation of the MAC, comprised of the Chair of the council and the Secretariat, will attend the next meeting scheduled, held in Madrid and organised by the LDAC, and any further subsequent ones.

The MAC started the process of developing a common advice on this regard. The MAC agrees with UK participating in the ACs during the interim period and leaves the door open for third countries to participate in the MAC afterwards.

- In preparation for the elections in 2020, the last months of Year 3 (autumn 2019) will see a review of the Chairmanships and work done so far within the Executive Committee. Actions will be taken in order to call candidates and organise transparent and fair elections in January 2020.
- Given the success of the event organised in collaboration with the European Commission on Production and Marketing Plans, and since the MAC is in an ideal situation as it represents the whole supply chain across the whole geographical area of the EU, the MAC would like to explore the possibility of organising another major event in an issue of relevance for the MAC.

This event would ideally address consumer matters, as a way to come closer to the general consumer public. The MAC regrets the lack of consumer organisations within its structure.

- The MAC will continue the distribution of the Guidelines on PMPs. In this respect, an event will be organised with Member States to present the publication.

## Annex I

### MAC Meetings

The information presented below is indicative of MAC meetings in Year 4. Focus Groups will take place when needed, as well as management meetings.

All dates are subject to change, and will be directed by the requirements of the Commission and proposals originating from MAC members.

Meeting type	Estimated date	Location	Main Priorities
<b>Workshop on Plastics</b>	7 November 2019	Brussels	- Discuss impact of plastics with scientists and experts - Publish report
<b>InterAC Meeting</b>	8 November 2019	Brussels	- Taking stock of ongoing proposals - Administrative and financial issues
<b>Lunch Conference at European Parliament</b>	12 November 2019	Brussels	- Inform the newly elected PECH members on the role of the ACs
<b>FG on Consumer Information</b>	November 2019	Brussels	- Continuation of the work on the draft opinion on Consumer Information
<b>FG on Level Playing Field</b>	November 2019	Brussels	- Conclusion of the draft opinion on Level Playing Field
<b>FG on Consumer Information</b>	January 2020	Brussels	- Continuation of the work on the draft opinion on Consumer Information
<b>Management Meeting</b>	29 January 2020	Brussels	- Preparation of the MAC meetings
<b>Working Group 1</b>	29 January 2020	Brussels	- Discussion of developments concerning the EMFF proposal - Way forward on collaboration with STECF

			- Exchange of views on Landing Obligation
<b>Working Group 2</b>	29 January 2020	Brussels	- Exchange of views on trade and development of potential opinions - Development of opinion on IUU Regulation
<b>Working Group 3</b>	30 January 2020	Brussels	- Discussion of developments concerning the Control Regulation - Definition of Terms of Reference for Workshop on Ecolabels
<b>General Assembly</b>	30 January 2020	Brussels	- Election of ExCom and Chairs - Update on the work within WGs - Update on administrative matters
<b>Executive Committee</b>	30 January 2020	Brussels	- Endorsement of opinions
<b>FG on Marketing Standards</b>	February 2020	Brussels	- Discussion of the possibility of new advices on Marketing Standards
<b>FG on Consumer Information</b>	February 2020	Brussels	- Conclusion of draft MAC advice on Certification Schemes
<b>Workshop on Ecolabels</b>	Spring 2020	Brussels	- Discuss impact of ecolabels with scientists and experts - Publish report containing recommendations and advice
<b>Working Group 1</b>	May 2020	Brussels	- Development of potential advice on EMFF proposal - Way forward on collaboration with STECF - Development of advice on Landing Obligation
<b>Working Group 2</b>	May 2020	Brussels	- Exchange of views on trade and development of potential opinions - Development of opinion on IUU Regulation - Development of advice on Brexit



<b>Working Group 3</b>	May 2020	Brussels	- Development of potential advice on Control Regulation - Conclusion of the advice on Certification Schemes - Conclusion of advice on plastics
<b>Management Meeting</b>	September 2020	Brussels	- Preparation of the MAC meetings
<b>Working Group 1</b>	September 2020	Brussels	- Development of potential advice on EMFF proposal - Way forward on collaboration with STECF - Conclusion of advice on Landing Obligation
<b>Working Group 2</b>	September 2020	Brussels	- Exchange of views on trade and development of potential opinions - Conclusion of opinion on IUU Regulation - Conclusion of opinion on Brexit
<b>Working Group 3</b>	September 2020	Brussels	- Development of potential advice on Control Regulation
<b>Executive Committee</b>	September 2020	Brussels	- Endorsement of opinions

For further information please contact [secretary@marketac.eu](mailto:secretary@marketac.eu)

