



FOCUS GROUP ON MARKETING STANDARDS

Pim Visser

Chair

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EVALUATION OF THE MARKETING STANDARDS FRAMEWORK

MAC

1. **Advice on fresh products:** 28 March 2019
2. **Advice on process products:** 12 July 2019

DG MARE

1. **External consultant's study:** November 2019
2. **Staff Working Document:** December 2019
3. **Inception Impact Assessment:** Spring 2020
4. **Public Consultation:** Second semester of 2020 (12 weeks)

NEW TERMS OF REFERENCE - PURPOSE

- Assess the differences in conclusions reached by the MAC and the external consultant, particularly on quality standards
- Follow-up on the Staff Working Document
- Prepare opinion on the inception impact assessment
- Prepare input for the public consultation

Proposed Outcomes

- A set of recommendations to WG1 on:
- Commission's initial impact assessment, including a position on the preliminary policy options:
 - 1.No policy change
 - 2.Moderate reform of the marketing standards
 - 3.More extensive reform of the marketing standards
 - 4.Discontinue the marketing standards

NEW TERMS OF REFERENCE – PROPOSED OUTCOMES

Proposed Outcomes

- Relevance of the current marketing standards framework
- Problem drivers
- Necessity of EU action to tackle any identified market failures
- Scope to be covered by the framework
- First indication of possible impacts
- Possible improvements to the framework
- Commission's public consultation

MAC ADVICE ON FRESH PRODUCTS

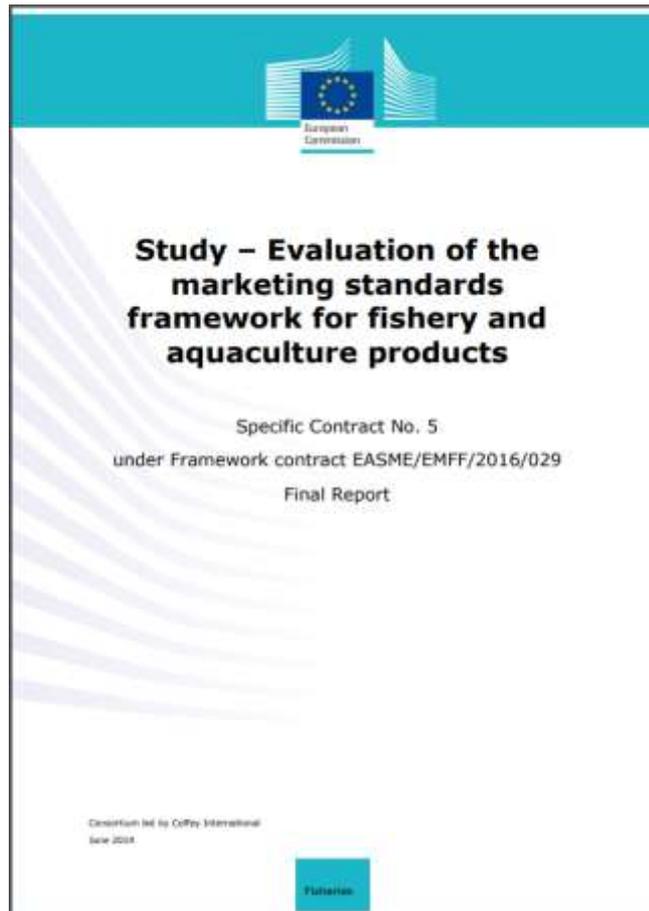
- **In favour of revisiting CMO Regulation:** Should be consolidated/updated.
- **Freshness categories:** No longer considered useful.
- **Size categories:** Relevant and useful.
- **Remote buying and selling:** May require harmonised and standardised system, which should be left to business operators.
- **Harmonisation and control:** More efforts needed.

MAC ADVICE ON PROCESSED PRODUCTS

- **Revision, harmonisation, simplification:** Supported, should be refunded in a single text.
- **Commercial names:** Do not always correspond to the scientific name. Damages the interests of the fishing fleet and traditional canning industry.
- **Level Playing Field:** Should also be ensured for social standards.
- **Remote buying and selling:** May require harmonised and standardised system, which should be left to business operators.
- **Flexibility:** Optimal degree should be identified.
- **Harmonised implementation:** More efforts needed.

COMMISSION'S STAFF WORKING DOCUMENT: NOVEMBER 2019

1. Relevance
2. Effectiveness
3. Efficiency
4. Coherence
5. EU added value



EXTERNAL CONSULTANT'S STUDY: MAIN FINDINGS

1. Relevance

- **Size and freshness criteria:** Relevant in the determination of prices at first sale of fresh, whole fishery products.
- **Implementation in auctions:** Inconsistent and the criteria are not applied further down the supply chain. **Implementation of freshness criteria** through quick visual checks and sometimes proxies like 'date of catch' results in discrepancies among auctions.
- **Criteria for canned sardine and tuna:** Relevant throughout the supply chain.

EXTERNAL CONSULTANT'S STUDY: MAIN FINDINGS

2. Effectiveness

- **Quality of landed fish:** Improved. Grading has favoured the rewarding of quality with better prices.
- **Conservation measures:** Not in conflict, but there is hardly any other contribution to sustainability.
- **LPF for producers and buyers:** Limited contribution on fresh products.
- **Coexistence of different MCRS for different catch areas:** issues of consistency across the internal market.
- **Imported products and LPF:** Non-processed products, limited impact. Harmonisation on preserved tuna and bonito and sardines and sardine-type products, significant impact.

EXTERNAL CONSULTANT'S STUDY: MAIN FINDINGS

2. Effectiveness

- **Profitability:** Higher prices for better quality on fresh products assumed to improve profitability. Prevents low-priced low-quality preserved products from entering the market and reducing prices.
- **Compliance:** Improved. Controls not carried out consistently across EU. Fraud directly related to marketing standards is limited or marginal. No evidence of market distortion.
- **Food waste:** No evidence of increasing or reducing.
- **Overall impact:** Creates a common language across the EU. Achievement of CMO objectives is difficult to measure and at best marginal. No impact on sustainability. No significant impact on internal trade. Likely indirect impact on profitability.

EXTERNAL CONSULTANT'S STUDY: MAIN FINDINGS

3. Efficiency

- **Costs:** Marginal for national authorities. Marginal or null for operators.
- **Benefits of common quality criteria and LPF:** Lost, if EU regulations were removed.
- Overall, the benefits of the current EU marketing standards outweigh the costs and there is no evidence that further simplification would result in improved cost-effectiveness.
- **Control:** Procedures and degree vary in MS, especially for fresh products. Inconsistent implementation.

EXTERNAL CONSULTANT'S STUDY: MAIN FINDINGS

4. Coherence

- **Controls:** Coherent, but more focused on legality of catch and food safety.
- **Consumer information rules and international and private standards:** provide additional information. Complementary fashion.
- **Tuna and bonito standards:** By nature, not fully coherent with national commercial designations for tuna species.
- **Preserved sardine and canned tuna:** Overall coherent with Codex Alimentarius. Absence of weight requirements or trade description for sardine-type products raises some internal coherence issues.

EXTERNAL CONSULTANT'S STUDY: MAIN FINDINGS

5. EU Added Value

- **EU level:** Harmonisation. Sets a common language among MS.
- **Non-EU products:** Improvement of LPF.
- **Access to information:** Free access to a common set of definitions and quality criteria. Same access to all operators.
- **Public consultation showed expectations for further improvements:** market transparency, in particular regarding safety, social and environmental requirements.

EXTERNAL CONSULTANT'S STUDY: RECOMMENDATIONS

▪ Recommendations:

- **Size and freshness criteria:** Relevant and should be maintained. No evident improvement or simplification that would either allow to significantly improve the effectiveness of current marketing standards for fresh products or to reduce costs without losing the benefits of current standards.
- **Standards for preserved products:** Should be maintained. There should be explicit derogatory provisions for specific cases of canned tuna. There should be some minimum weight requirements for sardine-type products.
- **Compliance:** There should be more guidance and harmonisation on types of controls at which stages of the supply chain.
- **Sustainability objectives:** New marketing standards should focus on sustainability criteria as much as on quality criteria.

COMMISSION'S STAFF WORKING DOCUMENT: DECEMBER 2019

1. Relevance
2. Effectiveness
3. Efficiency
4. Coherence
5. EU added value



COMMISSION'S STAFF WORKING DOCUMENT: EVALUATION CRITERIA

1. Relevance

- Existing standards are still relevant for the products covered.
- The scope seems to be relevant, except in the case of standardised products, such as fish fingers, and potentially for some fresh products.

2. Effectiveness

- Cannot generally enable the EU market to be supplied with sustainable products or provide market transparency on that aspect.
- May have positively affected profitability.
- Standards do not contribute to a level playing field as regards, in particular, environmental and social aspects.

COMMISSION'S STAFF WORKING DOCUMENT: EVALUATION CRITERIA

3. Efficiency

- Enforcement costs for public authorities are marginal.
- Implementation costs borne by operators are marginal or null.
- Benefits outweigh the costs.
- No evidence that alternatives, such as private standards, would be more cost-effective.
- Lack of clear rules or guidance about what types of control should apply to the standards and at which stages of the supply chain.

COMMISSION'S STAFF WORKING DOCUMENT: EVALUATION CRITERIA

4. Coherence

- Generally coherent with both fisheries and sanitary control regulations, even though controls focus more on the legality of the catch and food safety.
- Consumer information rules and international and private standards provide additional information. Complementary fashion.
- Some inconsistencies with FAO international standards.

5. EU Added Value

- Evident. National standards cannot contribute to harmonisation and transparency at an EU level, ensure a level playing field with non-EU products, or create a common culture of compliance.
- Comparison with private standards: Free access to common definitions and criteria. Same access to information.

COMMISSION'S STAFF WORKING DOCUMENT: EVALUATION CRITERIA

Overall Conclusion

- Generally relevant, efficient and coherent, add value.
- On effectiveness, significant shortcomings in achieving the objectives set out in the CMO Regulation.
- Non-level playing field, in particular in terms of environmental and social aspects.
- Not equipped to deliver on the objective of enabling the EU market to be provided with sustainable products.

INCEPTION IMPACT ASSESSMENT: SPRING 2020

Preliminary Options

- 1. No policy change.** This amounts to keeping the marketing standards unchanged. This scenario represents the baseline against which to assess the impacts of the other proposed policy options.
- 2. Moderate reform of the marketing standards,** focusing on addressing the technical issues identified in the evaluation and simplifying the standards, where possible. No additional sustainability element.
- 3. More extensive reform of the marketing standards** to integrate a sustainability component in addition to the changes envisaged under the previous point.
- 4. Discontinue the marketing standards.**

INCEPTION IMPACT ASSESSMENT: SPRING 2020

Further Opinions

1. Problems drivers.
2. Necessity of EU action to tackle any identified market failures.
3. Scope to be covered.
4. First indication of possible impacts.