

Working Group 1: EU Production Minutes

Wednesday, 31 March 2021

10:30 - 13:00 CET

Zoom online meeting

Welcome from the Chair, Sean O'Donoghue

Adoption of draft agenda and minutes of last meeting (28.01.21): adopted

Click [here](#) to access the Chair's presentation.

Action points of the last meeting

- **State of play of the decisions made during the last meeting (28.01.21) – information**
- Covid-19 Pandemic:
 - Topic to be included on the draft agenda of the next meeting, in order to exchange views on the upcoming Commission's reply
 - Agenda item included
- Data Collection Framework:
 - Contact DG MARE to determine possibilities of cooperation, for example through the participation on PG ECON
 - Secretariat contacted DG MARE. MARE A4 suggested contacting in April 2021.
- Annual Economic Report on the EU Fishing Fleet:
 - Topic to be included on the draft agenda of the next meeting, in order to exchange views with more detail on the forecasts
 - Agenda item included
- Biodiversity Strategy:
 - Draft text to be prepared by Callum Nolan (EJF) ahead of the next meeting, followed by circulation to all working group members
 - Draft text to be considered at the next meeting
 - Draft circulated on 16 March 2021
- Marketing Standards:
 - Report by STECF EWG on incorporating sustainability aspects to be discussed at the next meeting
 - Working group will await contact on the targeted consultation by the Commission's external consultant
 - STECF EWG Chair invited to present the report



- Secretariat awaiting contact from Commission’s external consultant
- Unfair Trading Practices in the Food Supply Chain:
 - Secretariat to circulate the baseline survey to the members
 - Circulated on 1 February 2021
- Joint MAC/NWWAC/NSAC Focus Group on Brown Crab:
 - Continuous updates on the next meetings
 - Agenda item with an update scheduled

COVID-19 Pandemic

- **MAC Advice on Impact and Mitigation of the COVID-19 Pandemic on the Seafood Supply Chain – information on Commission’s Reply**

The Chair recalled that a comprehensive advice was adopted. There were significant efforts from the members to finalise the advice. The Chair expressed satisfaction with the comprehensive reply from the Commission, which takes on board the MAC’s recommendations.

Frangiscos Nikolian (DG MARE) informed that the “Taste the Ocean” campaign was launched and is ongoing. The campaign includes famous European chefs promoting sustainable fish consumption. The Commission launched a Eurobarometer survey and results will be available before Summer. On the EMFAF, there is no legal basis yet. The legal basis is expected around May. The Commission is cooperating closely with the Member States to prepare the operational programmes. The Commission is receiving draft versions of the programmes and commenting informally. There is an effort to finalise the operational programmes as soon as possible. The representative emphasised that eligible expenditure applies retroactively from 1 January 2021 under the EMFAF operational programmes. The representative offered to communicate questions on the EMFAF to the responsible unit, MARE D3.

The Chair expressed his intention to, in future meetings, include updates on the development of the measures to mitigate the COVID-19 pandemic. The pandemic continues to have a significant impact on the seafood supply chain.

Christophe Vande Weyer (DG MARE) informed that, since the previous day, EUMOFA is publishing monitoring reports dedicated to the species most affected by the COVID-19 pandemic. The representative encouraged members to visit the EUMOFA’s website. Every two weeks, the monitoring reports will provide an update on the evolution of the prices and volumes. The representative also encouraged members to contact DG MARE, in case there were species missing or if there were any comments. The publication of the reports will be announced through the EUMOFA’s newsletters.

The Chair welcomed the information and asked the Secretariat to circulate it. The Chair encouraged the members to contact DG MARE directly, in case there were species missing.



- **Exchange of views**

Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgroßhandels e.V.) wanted to know when the EMFAF is expected to enter into force. In relation to the COVID-19 pandemic, Mr Keller highlighted that fish wholesalers continue to be unable to sell their products to the HORECA sector. The minimum durability dates of foodstuff products are approaching, which means that, in the upcoming months, food will need to be destroyed. Wholesalers will bear the cost of unsold volumes. The fish was purchased in November/December 2019 period for sales in Easter 2020. He emphasised the need for compensation for this section of the value chain.

Frangiscos Nikolian (DG MARE) explained that the EMFAF's legal basis is expected to be published in the end of April or beginning of May. Expenditure incurred from January 2021 is eligible under EMFAF, which is subject to actions under operational programmes. The Commission provides general guidance to the Member States on potential actions under the operational programmes, but every Member State will develop its own strategy. In relation to durability of products, the representative highlighted that, under the EMFF, Producer Organisations could use storage aid, as an extraordinary measure, meaning that there was compensation for technical costs. The new EMFAF includes a mechanism that can be triggered in case of severe market disruption. The Commission is following very closely how the market is behaving. If there is a severe market disruption, the mentioned mechanism might be used. Currently, the suppliers of the HORECA are facing difficulties, so the Commission is following closely to determine whether intervention is needed. Intervention would require collaboration with the Member States.

The Chair highlighted the importance of following-up on this matter through the Member States' operational programmes. The programmes are expected to cover wholesalers.

Patrick Murphy (IS&WFPO) explained that there were some problems of available funding. The EMFF funding was already committed to certain areas, so it was difficult to assist with new measures. Mr Murphy asked whether the Commission would evaluate the situation across the Member States. There is a need for flexible measures. In the past weeks, there were massive price fluctuations. These are expected to continue. There should be a contingency fund available. In Ireland, there were voluntary tie-up schemes for the fishing fleet. There was not enough funding for storage aid and other emergency measures. Therefore, the Producer Organisations were not able to regulate the fleet and follow the Production and Marketing Plans. He thanked the Commission for the assistance, but expressed hope that there would be further assistance.

Frangiscos Nikolian (DG MARE) responded that the Commission was aware of the problem. It is a difficult situation. Fully spending the EMFF funding is positive, but, in this exceptional situation funding was not available for emergency actions. The representative encouraged the industry to focus on the new EMFAF. The industry should encourage the national authorities to proceed with the adoption of the operational programmes as soon as possible. The Commission is cooperating closely



with the Member States on the matter. The representative recalled that there is additional funding under the Brexit Adjustment Reserve.

Pim Visser (VisNed) urged for a second set of measures to assist fishers in relation to the COVID-19 pandemic. In the previous year, the Dutch authorities quickly implemented a tie-up scheme, but, for budgetary reasons, this has been exhausted. Fish prices have plummeted and the market is down. Ms Visser wondered if an emergency exemption was possible to provide assistance.

Frangiscos Nikolian (DG MARE) explained that is an emergency mechanism under the new EMFAF. If there is data demonstrating a significant market disruption and that the sector is suffering a collapse, then the Member States can ask the Commission to trigger emergency aid. This would need a full analysis of the market at the EU-scale. Robust data from the Member States is needed to trigger the mechanism.

The Chair stated that the Working Group could examine the situation and consider putting together the information mentioned.

Frangiscos Nikolian (DG MARE) suggested that the Secretariat could contact MARE D3 to arrange a meeting, in order to discuss the procedure to trigger the emergency mechanism.

Marketing Standards

- **Presentation of STECF EWG report on incorporating sustainability aspects by Didier Gascuel, STECF EWG Chair**

Click [here](#) to access the presentation.

Didier Gascuel (STECF) explained that the STECF EWG was established, at the request of DG MARE, with the aim to help identify sustainability aspects that could be addressed through the marketing standards framework, plus to propose transparent methods of measuring and communicating sustainability aspects along the supply chain, based on scientifically sound, simple and verifiable criteria and indicators. The EWG met virtually in November. There were 42 participants. It was organised with a plenary session and three sub-groups (environmental aspects for fished products, environmental aspects for aquaculture products, and social aspects). The work was dedicated to a new approach, far from certification schemes and STECF routines.

The group identified general principles applicable to all fisheries and aquaculture products, including identifying some aspects of sustainability that could be incorporated into a scoring system. No absolute thresholds of sustainability apply and only a relative ranking of products is targeted. The objective is to compare the performance of seafood products according to the set criteria. The system



should be simple, avoiding a case-by-case analysis. An example used was the energy ranking for electrical appliances.

The scoring is dedicated to the production sector. A score at landing/farmgate, which will apply to fresh and chilled products. A transport criterion could be rather easily added to these products. The scoring of processed products should combine with approached commonly used for food products. The process would be interactive and based on two combined systems. System 1 would be based on existing data only. System 2 would be based on key additional data allowing for a more reliable assessment. The scoring approach intends to encourage a continuous dynamic of progress towards more reliable information, less ecological impacts and higher social standards in seafood production and trade.

For fished products, the EWG proposed eight sustainability criteria: fishing pressure, fisheries management, impact on ETP and sensitive species, unwanted landings and sensitive species, unwanted landings and discards, impacts on seabed, impact on marine food webs, carbon footprint, and waste and pollution. System 1 would use the mandatory information of the CMO Regulation, such as species, fishing gear type, and fishing area. System 1 will only produce coarse scores and should not be implemented until an evaluation test phase has been carried out and the possibility of switching from system 1 to the more robust system 2 is offered to all producers and importers. The coexistence of the two rating systems would be a powerful incentive for all players to provide additional information to better assess the sustainability of their products.

For aquaculture products, the pre-requisite would be that the production system type from which the farmed organisms originate should be considered as mandatory information for all domestic and imported aquaculture products. 12 criteria were suggested: effluents, protection of wild population: escapees, protection of humans: therapeutic treatments, feed: source of marine raw materials, source of agricultural ingredients, waste management, interaction with critical habitats and species, non-therapeutic chemical inputs, environmental assessment, area-based management, energy use, carbon footprint. Some of these criteria relate to aquaculture specificities and cannot be applied to other sectors.

For social aspects, three main criteria were identified: working conditions for production, working conditions for processing, and fair impact on local communities. These are based on ILO rules under System 1 and based on standardised information provided by providers and importers in Systems 2. The scoring aims for complementarity with certification schemes and labels. Labels should be considered as a potential “System 3”, allowing for a more robust assessment at the scale of a given fishery or fish farm and not by large categories. The aim would also be complementarity with LCA applied to food products.

The scoring system would be dedicated to all fresh and chilled, fished and farmed, domestics and imported products, and landing/farm gate. Substantial preparatory work is still required before



implementation and intensive phase test is required. Step by step implementation is feasible, starting with a limited set of criteria based on mandatory information and implementing System 2 for a limited number of products. The scoring system should be an incentive for all players in the industry to provide the information needed to assess the sustainability of their products.

In relation to the STECF Plenary's comments and conclusions, the revision of the CMO Regulation should include more detailed information necessary to further assess sustainability, especially the fishing gear and area. In the general framework of a scoring system developed for all food products, fisheries and aquaculture products have specific attributes that must be specifically considered. In order for the scoring system to be effective, it needs to be transparent, traceable and to be developed with all parties along the market chain. The proposed system is clearly aimed to be complementary to the existing certification schemes and labels, not competing with them. The report demonstrates enough potential and operability of the system proposed to further progress. Some specific steps could be taken already in 2021 for a dedicated follow-up EWG in 2022.

- **Exchange of views & way forward**

Jean-Marie Robert (Les Pêcheurs de Bretagne), in relation to the concept of sustainability, highlighted that it is understood and implemented differently by the stakeholders. For industry stakeholders, it is important to be careful, so that the three pillars of sustainability are taken into account. The social dimension will require more time before being operational. In marketing standards, it is important to ensure that criteria are understandable. Despite the years that the marketing standards framework has been in force, there are standards that are implemented differently. For the future, it is important to be realistic about the time of implementation and to cover the three pillars of sustainability.

Arnault Chaperon (FEAP) emphasised the importance of the three pillars of sustainability. For aquaculture production, 12 criteria are foreseen, while there are only three criteria for social sustainability. The economic pillar seems to be left behind for aquaculture. Mr Chaperon exemplified with the impact of direct subsidies for aquaculture production in Turkey. He further exemplified that there are types of defrosting that are allowed in other countries, but not in the EU.

Annelie Rosell (Swedish Pelagic Federation PO) highlighted that, sustainability criteria were included under the marketing standards framework, it was essential to apply it to imported products, in order to ensure a level-playing-field. Therefore, Ms Rosell wanted to know how this information would be verified for imported products.

Patrick Murphy (IS&WFPO) emphasised that one part of the chain was missing. If the sustainability of the primary producers is not included in the evaluation, the entire chain falls. Therefore, Mr Murphy wanted to know how this could be included in the sustainability assessment. Consumers should be aware of who is producing the products and the corresponding sustainability. Information should come from all sectors of the supply chain.



Erin Priddle (MSC) welcomed the point on complementarity with voluntary sustainability certification schemes. It is important to ensure policy coherence with other EU initiatives, such as the proposal on substantiating green claims. There should be simplification for the supply chain and the consumers. MSC has a significant database that can contribute to the initiative.

Christine Absil (Good Fish Foundation) welcomed the initiative, adding that it could contribute to a level-playing-field in relation to imported products, as desired by EU producers. Ms Absil wanted to know how the scoring will look on the packages and whether it would be understandable for consumers, while taking into account other EU initiatives.

Guus Pastoor (Visfederatie) stated that there seemed to be a confusion between marketing standards and consumer information. Marketing standards are meant essentially for the first buyer of the supply chain. There should be a clear distinction between the two. Mr Pastoor wondered how these systems would fit into WTO rules. In relation to the approach by regions, he exemplified that there can be state-of-the-art operators in a “weak” region.

Didier Gascuel (STECF) expressed agreement with covering the three pillars of sustainability, but added that the EWG responded to a request made by DG MARE. DG MARE asked for work to prioritise the environmental pillar and the social dimension. The EWG was not asked to consider a purely economic dimension. The social dimension is quite important, since there is a significant contrast between EU and certain imported products. There can be cases of slave or child labour.

In relation to the verification of information provided by importers, if importers can provide verifiable information, they can have access to System 2. If the information is not verifiable, there can only be access to System 1. In a first stage, it would be necessary to set up a system that allows testing of the calculations of the indicators.

At the start, the system could be used only by market operators and later opened to consumers. The system will continue to evolve, even though there must be stability of information to consumers. There is already some stability, since consumers are familiar with the energy labelling of electronic products. The provision of information to consumers will be a political decision.

On complementarity, it is important to account for the European Green Deal and the Farm to Fork Strategy. There are specificities for aquaculture and fishing sectors to be considered, which will complement other initiatives.

The Chair suggested to hold a one-hour discussion about the report at the next meeting. By then, the report will be publicly available. The Chair invited Mr Gascuel to attend the meeting.

Frangiscos Nikolian (DG MARE) informed that, for the Commission, the next step will be to continue with the impact assessment, taking into account the report. DG MARE will assess the impacts of the



proposals and recommendations of the report. In terms of timing, the DG MARE would like to table a legislative proposal by the first quarter of 2022. There are internal discussions about potentially bundling it with other legislative proposals. Under the European Green Deal and the Farm to Fork Strategy, there is a political mandate to proceed with the initiative. In relation to the B2B or B2C nature of the marketing standards framework, the representative highlighted that the technical part of the marketing standards, such as freshness and size, will continue to be B2B. For the sustainability component, DG MARE will assess the impact of providing this information to consumers, either through voluntary or compulsory information.

Biodiversity Strategy

- **Presentation of draft proposal**
- **Consideration of draft proposal**

The Chair recalled that the draft was circulated in advance of the meeting and expressed satisfaction with the work carried out by Callum Nolan (EJF). The Chair informed that, even though there had not been an official consultation for written comments, AIPCE-CEP submitted some comments ahead of the meeting. The Chair proposed to proceed with the consideration of the draft.

Katarina Sipic (AIPCE-CEP) suggested the division of draft recommendation e) into two separate recommendations for clearer reading. Plus, the addition of the word “appropriate” in relation to the transparency mechanisms.

Emiel Brouckaert (EAPO) suggested to repeat the reference to “all seafood products (fresh, processed or prepared or imported) under the new draft recommendation f).

Katarina Sipic (AIPCE-CEP) suggested the division of the new draft recommendation g) into two separate recommendations for clearer reading. The new draft recommendation i) would read “ensure biodiversity concerns are taken care of in Free Trade Agreements where relevant for the EU market of seafood products”.

Vanya Vulperhorst (Oceana) stated that the suggestion from AIPCE-CEP would weaken the recommendation. Ms Vulperhorst suggested to repeat the reference to “undertaking of biodiversity impact assessments and the inclusion of biodiversity provisions” under the new draft recommendation i).

Christine Absil (Good Fish Foundation) expressed support for the previous intervention.

Katarina Sipic (AIPCE-CEP) agreed with the suggestion from Oceana. In relation to draft recommendation j) suggested to be clearer on the meaning and identification of “major market states”.



Georg Werner (EJF) recalled that, in the advice of 28 September 2020, the MAC was not prescriptive on the meaning of “major market states” but did identify the USA and Japan. Therefore, Mr Werner suggested making a reference to USA and Japan in the draft advice too.

The Working Group agreed on the draft advice as amended.

- **Way forward**

The Chair proposed to put forward the draft advice to the Executive Committee, so that it can be considered for adoption at the 14 April 2021 meeting.

Annual Economic Report on the EU Fishing Fleet

- **Presentation of 2020 nowcast by Raúl Prellezo, AZTI**
- **Exchange of views**

Click [here](#) to access the presentation.

Raúl Prellezo (AZTI) explained that the Annual Economic Report provides a full overview of the economic situation of the EU fleet in 2018 and projects the situation to 2019 and 2020. The data submitted by the Member States has a two years’ time lag. Transversal data has a one year or two years’ time lag. All the quality data checks are done for the year for which the annual report is being produced. In order to produce the nowcast, a technique approved by the STECF is used. In terms of data, the number of vessels, days at sea, and value of landings. Costs, employment and income are not reported. In the case of the North Atlantic, TACs, biomass and quota uptake are used. In the Mediterranean, effort and biomass are used, when available.

The methodology for nowcasting is well established, but, in 2020, there was the COVID-19 pandemic. Therefore, a COVID-19 adjustment factor was developed with the following sources: ACDR data on Member States’ landings, AIS by Member State’s EEZ, a survey sent out to the fishing industry and fishing experts, and monthly landings. When using multiple sources, a simple coverage and calculation at fleet segment level was followed. In many cases, the same factor was used for all the segments of the Member State. The COVID-19 financial support programmes were not incorporated into the adjustment factors. Most of the programmes are tie-up and not top-up, so the total pay would be small compared to the overall. The Annual Economic Report does not report on direct subsidies. This is still an important caveat, especially if the support programmes are large.

The variables used to nowcast were number of vessels, swaps, quota uptake, spawning stock biomass, fuel costs, and inflation rate. The nowcast is not an impact assessment of the COVID-19 pandemic. The real prices were relatively constant or down. The fuel costs were down. Activity was severely affected. The effects were quite dispersed amongst Member States. Overall, the nowcast can be right,



but there might be problems at the individual level. On average, prices decreased 6%, quantity of landings decreased 15%, and gross profits decreased 17%.

Nowcasting is always a risky exercise. STECF tries to use as much observed data as possible, although some estimates are required. The present year, the situation is more difficult due to effects such as Brexit and the COVID-19 pandemic. Under the Terms of Reference for the 2021 annual report, the relevance and role of the following factors should be taken into account: changes in first price sales, operational costs, in particular fuel prices and fuel efficiency, structural and marketing measures, and market and trade determinants. Every year, there is a reconstruction of the full time series. STECF needs support to fully understand the drivers, in market and trade, which at the end affects the profitability of the fleets.

The Chair emphasised the importance of the topic for the Working Group and the good relationship between the MAC and STECF. The Chair proposed to cover the topic at the next meeting, in order to discuss specific data on Brexit and prices. The Chair invited Mr Prellezo for a short discussion at the next meeting.

Joint MAC/NWWAC/NSAC Focus Group on Brown Crab

- **Update on last meeting (19.03.2021) by Norah Parke, Focus Group Chair**

Norah Parke (Focus Group Chair) informed that the Focus Group met on 19 March 2021. The Focus Group discussed outstanding issues on data for the participating countries. Animal welfare was also on the agenda. At the moment, animal welfare developments are largely taking place in the UK, but, after publication of research, developments might expand to other countries. There is significant research being undertaken by SEAFISH and other UK entities, which should be available in early May. Brexit continues to cause problems for the brown crab trade, particularly live crab. The UK land bridge has been particularly unsuccessful for Irish exporters. The intention of the UK authorities to increase documentation requirements have been postponed until October. In terms of fishery management, the North Sea members believe that there is no over need for management. Operators from countries with traditional brown crab fisheries practices believe that some management might be appropriate, since it is a market-driven fishery.

There were three action items: investigate the use of Danish crab bodies for whelk bait in the UK and in Ireland; arrange contact between experience crab fishers to provide insight to newly established Polish fishery and to provide information on the Irish potting licensing scheme; and for the Chair to provide an overview of the management problems faced by the UK, Ireland and France. The next meeting should take place in the second week of May. Draft recommendations are expected in September 2021.



Frangiscos Nikolian (DG MARE) recalled that EUMOFA is carrying out a study on brown crab, following a MAC request, which is being finalised. Part of the study is based on interviews of the stakeholders. Some actors were reluctant to participate, and the Commission took note of the hesitations. The representative thanked Ms Parke for her work to obtain input. The study can be successfully finalised, but with some limitations due to the absence of some key inputs.

AOB

None.

Summary of action points

- Covid-19 Pandemic:
 - o Topic to be included on the draft agenda of the next meeting, in order to continue monitoring developments
 - o Secretariat to arrange a bilateral meeting with MARE D3 on the requirements of the new EMFAF emergency mechanism
 - o Secretariat to circulate EUMOFA monitoring report
- Marketing Standards:
 - o Topic to be included on the draft agenda of the next meeting with more allocated time
 - o Secretariat to circulate the STECF report, once publicly available
- Biodiversity Strategy:
 - o Draft advice to be put forward to the Executive Committee for consideration at the 14 April 2021 meeting
- Annual Economic Report on the EU Fishing Fleet:
 - o Topic to be included on the draft agenda of the next meeting, in order to discuss specific data issues, such as Brexit and COVID-19 pandemic
- Joint MAC/NWWAC/NSAC Focus Group on Brown Crab:
 - o Continuous updates on the next meetings



List of attendees

Representative	Organisation
Alen Lovrinov	Omega3 PO
Alexander Rodríguez	Long Distance Advisory Council
Annelie Rosell	Swedish Pelagic Federation PO
Arnault Chaperon	FEAP
Callum Nolan	EJF
Carla Valeiras Álvarez	EuroCommerce
Catherine Pons	FEAP
Christine Absil	Good Fish Foundation
Christophe Vande Weyer	European Commission
Daniel Voces	Europêche
Didier Gascuel	STECF
Eduardo Míguez	OPP77 Puerto de Celeiro
Emiel Brouckaert	EAPO
Erin Priddle	MSC
Frangiscos Nikolian	European Commission
Garazi Rodríguez	FEAP
Georg Werner	Environmental Justice Foundation
Guus Pastoor	Visfederatie
Jaroslav Zieliński	PSPR
Javier Ojeda	FEAP
Jean-Marie Robert	Les Pêcheurs de Bretagne
Jens Mathiesen	Danish Seafood Association
José Basilio Otero Rodríguez	FNCP
José Carlos Escalera	Federación de Cofradías de Pescadores de Cádiz (FECOPESCA)
Juana María Parada Guinaldo	OR.PA.GU.



Representative	Organisation
Julien Lamothe	ANOP
Karolina Majewska	European Commission
Katarina Sipic	AIPCE-CEP
Katrin Vilhelm Poulsen	WWF
Laura Rull del Águila (observer)	Spain
Linnéa Engström	MSC
Maria Luisa Álvarez Blanco	FEDEPESCA
Massimo Bellavista	COPA COGECA
Matthias Keller	Bundesverband der deutschen Fischindustrie und des Fischgroßhandels e.V.
Mirta Novak (observer)	Croatia
Nicolás Fernández Muñoz	OPP72
Norah Parke	KFO
Pedro Luis Casado López	OPP80 Punta del Moral
Pierre Commère	ADEPALE
Pedro Reis Santos	Market Advisory Council
Pim Visser	VisNed
Poul Melgaard	Danish Seafood Association
Purificación Fernández	OPPC-3
Raúl Prellezo	AZTI
Roberto Carlos Alonso	ANFACO-CECOPECA
Rosalie Tukker	Europêche
Santiago Folgar Gutierrez	AVOCANO
Sean O'Donoghue (Chair)	Killybegs Fishermen's Organisation Ltd
Sergio López García	OPP Lugo
Silvia Corral	Conxemar
Stavroula Kremmydiotou	Market Advisory Council



Representative	Organisation
Vanya Vulperhorst	Oceana

