

MINUTES

WORKING GROUP 1: EU PRODUCTION

Tuesday 23 January 2018

14:00-17:30

Business Europe- Room Europe
Avenue de Cortenbergh 168, 1000 Bruxelles

Welcome from the Chair

The Chair of Working Group 1, Sean O'Donoghue, welcomed those present and informed them of a Focus Group which would be created to deal with the European Maritime and Fisheries Fund (EMFF). This issue is horizontal and covers the three Working Groups.

Ideally Focus Groups should be composed of 2 members of the producers sector, 2 members of the processors and 2 members of other interest groups.

The first meeting of this Focus Group will take place on the 13 February in Brussels and attendees were invited to express their interest to the Secretariat in becoming a member.

Adoption of the agenda and minutes of last meeting (17.05.17)

Both the agenda and the minutes of last meeting were approved with no further comments.

Action points last meeting

The Chair gave an overview of the action points from the last meeting (17.05.2017). These were:

1. Organise a workshop PMPs
2. Develop a set of recommendations PMPs
3. EUMOFA both Chairs WG1 & WG2 liaise & seek presentation to utilise EUMOFA maximum capability
4. Communicate EC on Expert Group on Markets and Trade Issues
5. Brexit WG1 will not get involved in negotiations but MAC look at post Brexit situation and organisation of the AC

Production and Marketing Plans (PMPs)

- a. Update on Event; Implementation and Challenges 27.09.2017
- b. Discussion on outcomes
- c. Recommendations WG1

The Chair said a key element of the work programme for WG1 for 2018 is to develop a set of guidelines and best practices in the implementation of the PMPs before its next meeting in May 2018.

The Chair made a presentation on the event *Production and Marketing Plans: Implementation and Challenges* organised in Brussels on the 27.09.2017.. You can find the presentation here.

The presentation focused on the main conclusions withdrawn from the workshop (read the report [here](#)), the objectives of the PMPs and mandatory measures. Aquaculture specificities should also be included in the guidelines.

Les Pêcheurs de Bretagne, a speaker at the PMPs event in September, underlined that the PMPs do work well in France. Their good implementation depends on the willingness of the MS. He stressed the importance of having a Tool Box presenting the different measures, which should include the recommendations of the European Union and the conditions for funding.

At the request of the Chair, Les Pêcheurs de Bretagne outlined the measures listed within the paper on *Measures common to all PMPs established by French POs*, distributed after the event in September, which includes actions covering a wide range of subjects (implementing the PMP, management of sub-quotas, management measures at regional level, implementing the landing obligation, defining MPAs, etc.). This paper could be elaborated further into a Best Practices Guidelines that the MAC could take on board together with the mandatory ones. He proposed to elaborate a briefing note on this and present it to the MAC and EAPO.

The EAPO representative summarised the 8 types of measures covered in their Tool Box, which will be used, together with the abovementioned paper, to draft the MAC guidelines on the issue. The length of the PMPs, the structure and content of the annual reports, the performance indicators and problems with the delays on the funding should also be addressed.

Emiel Brouckaert, Pierre Carnet, a representative of the aquaculture sector (name to be confirmed), the Spanish administration, with the help of DG MARE and led by Sean O'Donoghue, expressed their interest of being part of a Focus Group, which will prepare the draft guidelines and will present it to members of the WG1 in February. The Chair invited attendees to join the Focus Group by communicating their interest to the Secretariat.

AIPCE mentioned the constraints with the Competition law, for stakeholders throughout the value chain to discuss their market needs in relation to the plans. As Member States approve the PMPs, they could have the role of assessing the needs of all actors beforehand. This point of view was supported by VisNed, who also requested to include this item on the guidelines.

The Chair stated that although the guidelines and best practices would only focus on the requisites of PMPs from a PO perspective, an item on this issue will be added. The Chair also said it was important to seek clarification from COM on the funding of PMPs in 2021 and 2022.

EUMOFA: consideration of MAC recommendation

The COM informed attendees of the new developments on the website:

- the tools that allow the consultation of the data have improved together with the possibility of consulting IRS in detail as well as first sales
- the structure of the site has also been refreshed

- price transmission analysis has been improved to cover several countries for the same products
- the work programme for 2018 is being finalised together with the renewal of the contract as from 2019

The Chair highlighted the importance of this tool as an analytical one. WG1 aims at coming up with suggestions to improve on the website.

FEAP requested a study on the caviar market.

Competitiveness of the Fleet

Presentation by Michael Keatinge, BIM, IRELAND

You can find the presentation [here](#).

The presentation addressed the [2017 Annual Economic Report on the EU Fishing Fleet \(STEF 17-12\)](#), which gives a comprehensive overview of the latest information available on the structure and economic performance of the EU Member States (MS) fishing fleet.

VisNed highlighted that in the fisheries industry there is no raw material costs and wondered how this affects the net added value. On the wages, he asked the speaker how the system of shared wages (share fishermen) influences the percentage of the wage.

Mr Keatinge explained that when the price of the fuel goes up, there is a tendency from the industry to absorb the cost to retain customers. This may impact the crew, seeing their wages affected by the absorbance of these costs. Nevertheless, on an average, during the crisis the hit that the crew took was not as big as expected. Although the industry has means to adapt to situations of crisis, this absorbance of costs is not sustainable in the long run.

LIFE stressed the importance of the value addition of the crew to the business and the possibility to invest in better working conditions if the positive trends reflected on the study are sustained in the future. LIFE also asked about the unpaid labour, which was valued in the study at 5%, and how would it affect an opportunity cost if needed to be paid.

Mr Keatinge agreed on the existence of that additional opportunity cost that could be taken into account and would value as equivalent of the job that someone else would be doing if hired by the company.

IS&WFPO stated that crew practices have changed, with extra crew members employed to allow more time off for crew. Has that been calculated? This could affect the working conditions.

Mr Keatinge stated that the study has not seen a huge response in market price by having better/more crew so indeed it is a cost that the companies are absorbing.

Les Pêcheurs de Bretagne raised a comment on the strong dependence of the fishing capacity to the price of diesel. This dependence could be a bit more controlled with more efficient work tools, such as investment projects towards more energy efficient engines, and funded by the EMFF.

FEDOPA agreed with Les Pêcheurs de Bretagne and added a comment on the capacity gross tonnage (GT) of the vessel. There are ways to improve the energy efficiency of the boats with a larger volume GT but the capacity restrictions on new vessels limit these possibilities.

Regarding the dependence of vessels to the diesel price, he expressed that in France a 2-year study was carried out which showed that they have one of the lowest ratio of carbon foot print compared to other industries, yet there is a strong dependence on the price of gasoil. Indeed the fishing industry does not have costs for raw material, but exploitation costs.

The Chair expressed the wish of having a yearly presentation on the competitiveness of the fleet.

Mr Keatinge invited members and the MAC itself to have a deeper interaction with STECF.

LDAC representative offered to share with the MAC information on how to contribute with socioeconomic data to the STECF Working Group, an exercise done within the LDAC on other fishing regions.

Commission's proposed review of the 1996 marketing standards

Exchange of views

Consideration of MAC recommendation

The COM informed attendees that an evaluation of the marketing standards has been launched in trying to assess whether they are fit for purpose, 20 years after their entry into force. The evaluation looks at the relevance and effectiveness of the marketing standards; whether the freshness categories are the right ones; whether the standards ensure a level playing field and the supply of sustainable products; whether there are inconsistencies between different regulations; whether there are other instruments that would have achieved the same goals without the cost of implementing these marketing standards, among others.

The COM would consider the possibility a potential simplification, given the difficulty of implementing these marketing standards.

Lastly, the evaluation will also look into products that are not covered by these marketing standards and whether the standards are adequate, feasible, controllable and enforceable.

A review of the marketing standards may take place depending on the result of this evaluation. The COM foresees discussions with the MAC on this issue in the upcoming months.

The Chair thanked the COM for their presentation and stressed that for the MAC it would be interesting to explore whether the marketing standards should be a regulation or a code of practice, as it happens in other areas such as agriculture. He also emphasised that the evaluation and review of the current

marketing standards would be a key agenda item for WG1 at the May meeting. Members agreed on this approach.

AIPCE underlined that the evaluation should not tackle sardines and tuna standards.

CEP opined that the primary purpose of this legislation should be reflected in the evaluation so as to facilitate the discussion on whether the marketing standards should be laid out in a regulation or a code of practice. The dairy and meat sector do not have an equivalent.

LIFE supported CEP in establishing clearly whether these measures are designed to protect the consumer or the market.

EAPO indicated these measures are addressed to the market side; conservation measures are already addressed in other regulations through minimum conservation reference sizes.

The COM stressed that the goals its foresees for the marketing standards include also ensuring that products are sustainable, ensuring fair competition, ensuring a level playing field with imports. From the marketing point of view the COM has spotted unintended effects that came out of the regionalisation regarding the minimum conservation reference sizes and the requirements laid out in the marketing standards regulation.

A representative of the Spanish ministry of agriculture, fisheries, food and environment, MAPAMA, stressed the difficulties in understanding and implementing these standards and invited the sector to get involved in this evaluation exercise. Given that the regulation has been useful to date, an update of the regulation and annexes could be a solution rather than discarding the whole regulation.

EAPO wondered why fish is treated differently from other food items. EAPO also informed attendees that they will discuss the matter internally and bring forward some suggestions for the next meeting.

The Chair, in terms of the work ahead, informed that for the next meeting information on what other sectors do regarding this matter will be presented. In the second quarter of the year, the MAC will study the evaluation once published but will also start its own review of the marketing standards.

AOB

LIFE report *Fishy Business: Fish POs in the EU*

This item was brought up earlier in the meeting by EAPO even though it was not on the agenda. The Chairman ruled that this item was not on the agenda and said he would deal with it under AOB and allow Life the right of reply to the EAPO accusations. EAPO were in total disagreement with the abovementioned report, as it is negative towards the POs regarding the quota distribution, which is not a PO decision.. Life totally disagreed with EAPO representative interpretation of the report as it is not directly related to the national allocation of quota, but has to do with the way that POs operate. Furthermore, he found the



language used by the EAPO representative as unacceptable. The Chairman emphasised that some of the issues which were hotly disputed were not matters that came within the remit of MAC and should be discussed in other appropriate fora. In the end both sides agreed on a proposal from the Chair that the issue relevant to the MAC could be dealt under a **previously agreed action item** to develop a set of guidelines and best practices in the implementation of the PMPs.

End of the meeting

List of Action Items

EMFF post 2020

1. Focus Group on the 13 February in Brussels.
2. Members will be invited to participate asap (so far, Sean, Guus and Christine), ideally respecting 2 catching sector, 2 processors, 2 NGOs.
3. Take into account the letter from DG MARE with the three questions
4. Write to DG Mara re deadline for a response to questionnaire of the 5th February from the MAC is not possible.

PMPs

1. Set up Focus Group: Sean, Emiel, Pierre Carnet, Puri, Spain, representative of the aquaculture sector, COM and Secretariat.
2. Ask Pierre to formulate a more structured document.
3. Mid-February/March the draft will be sent to members of WG1.
4. Finalisation of document before May meeting
5. Seek clarification from DG Mara on the funding of PMPs in 2021 and 2022
6. Inclusion of mention of Competitiveness in guidelines
6. Inclusion of the relevant issue raised in the Life report re small scale fisheries and PMPs

Marketing Standards

1. Examples of what other sectors do as a basis for discussion in May.
2. Start evaluation and review at the May meeting

Competitiveness of the Fleet

1. Request yearly presentation from STECF
2. Follow up on the invitation from M. Keatinge to participate in the STECF meeting

EUMOFA

1. Follow up on possible list of improvements to Web site
2. Request a study on the Caviar market

Attendees:

AIPCE, Guus Pastoor
CEP, Andrew Kuyk
ANFACO-CECOPESCA, Felicidad Fernández
EAPO, Emiel Brouckaert
EU Long Distance Fleet Advisory Council (LDAC), Alexandre Rodriguez
EuroCommerce, Adela Torres
Europeche, Rosalie Tukker
Europeche, Daniel Voces
FEAP, Arnault Chaperon
FEDEPESCA, Maria Luisa Alvarez Blanco
FRUCOM, Anna Boulova
Irish South & East Fish Producers Organisation, Hugo Boyle
IS&WFPO, Patrick Murphy
KFO, Sean O'Donoghue
LIFE, Brian O'Riordan
MAC, Sandra Sanmartin
MAPAMA, Aurora de Blas Carbonero
MAPAMA, Borja Carmona Castano
OPP LUGO, Sergio López García
OPPC-3, Purificación del C. Fernández Alvarez
OR.PA.GU., Juana María Parada Guinaldo
Puerto de Celeiro s a OPP77, Eduardo Miguez
SEAFISH, Cristina Fernández
GFF, Christine Absil
FEDOPA, Victor Bouvard
Conxemar, Katarina Sipic
Conxemar, Manuel Suarez
VisNed, Pim Visser
BIM, Michael Keatinge
European Commission, Yasmin Schinasi