

## Working Group 1: EU Production

### Minutes

Tuesday, 24 May (09:00 – 12:30 CEST)

Zoom / Martin's Brussels EU Hotel (Hybrid)

Interpretation in EN, ES, FR

#### Welcome from the Chair, Sean O'Donoghue

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

**Adoption of draft agenda and of the last meeting minutes (28.03.22):** adopted

#### Action points of the last meeting

- **State-of-play of the decision made during the last meeting – information**
- European Market Observatory for Fisheries and Aquaculture (EMOFA):
  - Draft advice requesting a study on outlets for aquaculture products to be prepared by Bruno Guillaumie (EMPA) and Javier Ojeda (FEAP), in coordination with the Secretariat, following the provision by DG MARE of template of technical specifications
  - Secretariat to coordinate with DG MARE about the possibility of industry members providing feedback on draft country profiles
    - Template provided by DG MARE – Draft under development by Bruno Guillaumie
    - In the second half of 2022, MAC to be consulted for the update of the country profiles
- Focus Group on Brown Crab:
  - Trade-related issues to be addressed by Working Group 2
  - Cooperation to be maintained with NWWAC and NSAC on their future work
    - Agenda item on trade-related issues scheduled under 23 May 2022 WG2 meeting
    - Background document to establish new FG under development in NWWAC – Further actions to be discussed at NWWAC July 2022 meetings
- Landing Obligation:
  - Draft advice to be amended and circulated via urgent written procedure
    - Advice adopted on 27 April 2022
- Production and Marketing Plans:
  - Javier Ojeda (FEAP), in coordination with the Secretariat, to prepare advice on transnationality
  - Javier Ojeda (FEAP), Pim Visser (VisNed), Sergio López (OPP Lugo), Chair, and Secretariat to further update guidelines and good practices document, ahead of the May meeting
  - For the May meeting, request presentation by Commission representative about the final report of the pilot project on the EU platform for fishery and aquaculture POs



- Draft advice on transnationality circulated on 11 May 2022
- Update of the guidelines and good practices document: pending
- Presentation of the final report requested – to be scheduled in September 2022
- Annual Economic Report on the EU Fishing Fleet:
  - Draft advice to be developed, taking into account the draft letter prepared by Européche, and other topics raised (capital depreciation, fuel, Brexit, nowcast/forecast)
    - Draft advice circulated on 10 May 2022

## Functioning of the Common Market Organisation

- **Update on first results of the stakeholder consultation by Commission representative**

The Chair emphasised the relevance of the topic, highlighting the efforts undertaken by the MAC to develop the advice on the functioning of the CMO, which was adopted by consensus on 30 March 2022. The Chair recalled that, at the 29 April 2022 Inter-AC meeting, there was a presentation on the first results of the stakeholder consultations on the CFP and the CMO. The Commission prepared a report summarising the results of the CFP consultation, but that was not the case for the CMO.

Christophe Vande Weyer (DG MARE) thanked the MAC for the contribution to the exercise. The MAC's contribution was the most substantial contribution received and is also one of the most relevant. It will be taken into account and addressed in the report on the functioning of the CMO. Mr Vande Weyer informed that around 125 replies were received. From a statistical point-of-view, it is an insufficient quantity to extrapolate on the replies, but it is a significant quantity, especially because many include qualitative replies and concrete suggestions and examples. The replies are not homogenous. 1/3 of the replies, meaning around 40 replies, came from Spanish stakeholders and are quite similar. The substance of the replies should be considered, instead of merely quantity. The questionnaire was divided into four main chapters: professional organisations, information to consumers, competition rules, and market intelligence. There were also general introductory questions.

On the introductory questions, overall, replies show that the CMO Regulation contributes effectively to the achievement of objectives of the CFP, especially in terms of competitiveness, market stability, and ensuring a diverse supply of seafood to consumers. Concerning the contribution of the CMO to competitiveness via the same legislative framework is also generally underlined, even though there are numerous challenges identified.

On professional organisations, POs are considered instrumental to better structure the seafood supply, increasing the income of producers. There are challenges identified concerning the different treatment by Member States, for example on level of financing and eligibility of measures. The establishment and support for transnational POs is also identified as a challenge in the implementation of the CMO.

On consumer information, the framework is generally considered to be fit for purpose, but there are several challenges. Some outlets, such as restaurants, are not covered. There are also cases of unclear delineation between the CMO and FIC Regulations. There are different views expressed by different



stakeholders in accordance with their position in the chain, for example on the introduction of new mandatory information (e.g., date of catch, date of harvest, origin, flag State, etc.) and concerning the need for harmonisation of labelling requirements between processed and unprocessed products.

On competition rules, there very few comments. It is positive that the derogation does not lead to many comments from the stakeholders. It is regarded as an essential tool for POs to maintain good prices and avoid food waste.

On marketing intelligence, the focus was on EUMOFA, which is highly appreciated. The relevant role of EUMOFA during the COVID-19 crisis was also highlighted. Some stakeholders would appreciate more frequent and even real-time data on market evolution.

- **Exchange of views**

Patrick Murphy (IS&WFPO) commented that Member States seem to have a top-down approach to POs, which can be quite challenging, particularly in crisis situations. In the case of the ongoing fuel crisis, it is quite difficult for POs to amend their PMPs and to see the necessary funding. Mr Murphy wondered if the Commission had suggestions for the POs and the Member States.

Christophe Vande Weyer (DG MARE) recalled that the Commission has limited capacity to influence the definition of the content and funding of the PMPs, since it is a process mainly between the competent authorities and the POs. The Commission is aware that the difference in treatment and in level of financing is a shortcoming. In certain Member States, the relationship between POs and competent authorities works very well and there is a mutual understanding of the benefits. In other Member States, the relationship is more difficult. The Commission is analysing and approving the national programmes under the EMFAF. Special attention is provided to POs and Member States' willingness to create POs. When compared to the previous programming period, there has been an improvement. Member States seem to have understood the relevance of POs to structure the sector. POs are provided with an important role in the organisation of supply.

Concerning the increased fuel costs and operating costs, Mr Vande Weyer highlighted that the main tool would be the emergency mechanism under Article 26.2 of the EMFAF Regulation. It allows operators to claim compensation for the additional costs incurred as a consequence for the Russian invasion of Ukraine. There is no formal ceiling on the financial amount set by Member States. The Commission allowed the reopening of the EMFF crisis measures. It is up to the Member States to define the criteria and the methodology to evaluate the requests from the stakeholders.

Maria Luisa Álvarez Blanco (FEDEPESCA), concerning the support measures to face the crisis in the fisheries and aquaculture value chain, highlighted that the retail sector was not able to benefit from the assistance. For the traditional Spanish fishmongers, energy costs have doubled. Fuel costs have also increased. Ms Álvarez called for the coverage of all actors of the supply chain. She highlighted the important role of POs in Spain, but added that POs that sell directly to consumers convert themselves into commercial operators. Therefore, these POs should receive the same level of support as other retailers in the supply chain.



Christophe Vande Weyer (DG MARE) responded that no actor of the fisheries and aquaculture value chain was excluded from the financial compensation. POs are collective bodies of producers. Therefore, support should cover their role as producers. There are different measures that POs can pursue under their PMPs, but these measures should be strictly connected to their role as producers.

Esben Sverdrup-Jensen (DPPO) expressed satisfaction that the key role of POs is recognised. In the context of the COVID-19 crisis, POs started working in new areas. There are also discussions on the role and competences of POs under the CFP. The MAC should reflect on the role of POs, in order to determine if amendments to the framework are needed. Mr Sverdrup-Jensen suggested the inclusion of an agenda item under a future meeting dedicated to the role of POs.

The Chair agreed about the relevance of discussing the role of POs. Under the draft agenda of the September 2022 meeting, in connection to the agenda item on PMPs, there should be an agenda item on the role of POs.

Pim Visser (VisNed) highlighted that awareness on the CMO was much lower than on the CFP. The MAC, the Commission, and POs should bring this issue forward, so that Member States are more aware. Mr Visser recalled a recent bilateral meeting with national officials that were not fully aware of the role of POs under the CMO Regulation.

Christophe Vande Weyer (DG MARE) commented that, the Commission's level, there are also internal efforts to increase awareness on the CMO Regulation. The CMO is a pillar of the CFP. The Commission is also working to raise awareness among Member States, since, in some cases, efficient communication channels are missing between those responsible for the financing and those responsible for the market policy. The reports on the functioning of the CMO and of CFP are being developed in parallel precisely to highlight the connection. On 10 June 2022, an event dedicated to the CFP and the CMO will take place, which allow common discussions with all stakeholders.

The Chair requested more information on the process to develop the CMO report. The Chair commented that the 10 June 2022 event seemed more focused on the CFP than on the CMO. Taking into account that the MAC is the main stakeholder in the context of the CMO, the Chair wondered about potential interactions between the MAC and the Commission. He also wanted to know if the marketing standards framework would be addressed in the CMO report.

Christophe Vande Weyer (DG MARE) responded that the marketing standards framework were not covered in the CMO questionnaire, because these were the object of a separate consultation. Nevertheless, the marketing standards will be covered by the CMO report. Mr Vande Weyer took note of the MAC's interest in being involved in the drafting of the report and committed to reporting back on potential ways of collaboration. Mr Vande Weyer recognised that the CFP will be the main focus of the 10 June 2022 event, but added that the CMO will have an important role. The contribution of the CMO to the objectives of the CFP will be clear and transversal.

The Chair, in relation to the potential interaction between the MAC and the Commission, recalled that, in the case of the CFP, there would be regional meetings. In the context of the CMO report,



events with the MAC could take the role of “regional meetings”. The Chair expressed willingness to maintain a dialogue with the Commission and the Member States.

### European Maritime Fisheries and Aquaculture Fund (EMFAF)

- **Presentation on national programme by Member States representatives (Poland)**

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

Tomasz Owczarek (Poland) explained that Poland had recently concluded the national legislative procedure approving the draft programme. It was formally submitted to the European Commission on 19 May 2022. The Commission may submit its comments within three months of the date of the submission. The Commission shall adopt a decision on the approval of the programme no later than five months after the submission. Mr Owczarek outlined the stages of work on the preparation of the program: internal arrangements, submission to the list of legislative works of the Council of Ministers, external arrangements and public consultations, European Affairs Committee, Standing Committee of the Council of Ministers, and approval by the Council of Ministers. The draft program was made available online and, on 6 October 2021, it was subject to a public hearing.

Mr Owczarek informed that public consultations lasted from 18 February to 15 March 2022. The draft program was made available online and stakeholders were invited to submit comments. Information on the launch of the public consultation was provided directly to 116 entities involved in the fisheries sector. 740 comments were submitted to the draft. A report on the public consultation is available online. The management of the program is divided into different authorities: managing authority (Minister of Fisheries – Minister of Agriculture and Rural Development), intermediate body (Agency of Restructuring and Modernisation of Agriculture), audit authority (Head of National Revenue Administration), entity receiving payments from the European Commission (Minister of Finance).

Mr Owczarek provided an overview of the measures to be implemented under the four priorities: supporting sustainable fisheries and the restoration and protection of living aquatic resources, supporting sustainable aquaculture activities and the processing and marketing of fishery and aquaculture products, promote a sustainable blue economy in coastal and inland areas and support the development of fishing communities and the aquaculture sector, and strengthening international ocean governance and contributing to the safety and cleanliness of the seas and oceans.

Mr Owczarek, concerning the principles on the provision of support in the 2021-2027 financial perspective, highlighted that similar rules to the 2014-2020 period would be applied. Detailed rules of support will be detailed in normative acts. Support will be granted at the request of the beneficiary in the form of subsidy or compensation. Grant applications will be submitted via electronic forms.

- **Exchange of views & way forward**

The Chair, in relation to second priority, wanted to know more about the PMPs and the support of POs, particularly when compared to the previous financing period.



Piotr Słowik (Poland) responded that the structure of the aid to POs under the new financing period was very similar to the previous period. In line with the CMO Regulation, payments to POs are obligatory. There will be a change to simplified costs, which should facilitate the implementation.

Patrick Murphy (IS&WFPO) wanted to know more about the measure on human capital, particularly if it was connected to job creation or security in the industry.

Tomasz Owczarek (Poland) explained that the measures related mainly to trainings. In relation to job creation, there is a sub-measure on first acquisition of vessels. Since Poland has some unbalanced fleet segments, the measure cannot be launched in the beginning of the programme. Once the STECF Annual Economic Report on the Fleet is published, it will be possible to see if the fleet is balanced and whether the sub-measure can be launched.

Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.) wanted to know more about the funding is being dedicated to the different proposals, particularly to decide the allocation when there many requests.

Tomasz Owczarek (Poland) responded that, when designing the share of allocations between priorities, officials took into account the division under previous programming period. Stakeholders had the opportunity to provide feedback on the funding for each measure. National authorities will need to design the national procedure to grant the funding. Mr Owczarek could not provide further details, since the national legislation was still under development.

Jarosław Zieliński (PSPR) stated that, under the previous programming period, investment in primary production was rather limited to investment in fishing ports and harbours. These investments are important to add value in the pre-processing stage as well as a final product to the market. In the Baltic region, when there are limited fishing possibilities (e.g., pelagic stocks, and flatfish species), this adding of value requires pre-processing, processing, cooling capacity, and storage space. Therefore, POs are expected to go beyond being basic suppliers, but are also expected to add value. Mr Zieliński wanted to know how the Commission would address this limitation of investments to harbours. In Poland, there is limited space available in the fishing ports, especially for pre-processing facilities and storage space. Furthermore, local authorities tend to prefer the allocation of the remaining available grounds to the tourism sector. He wanted to know if these investments could be extended to outside of the ports.

Miguel Lizaso (DG MARE) took note of the question and committed to providing a reply at later stage.

The Chair proposed the scheduling of a third presentation by national authorities at the September 2022 meeting. The Chair suggested that, once the national programmes are approved, it would be useful to have an update from the Commission.

## Production and Marketing Plans

- **Update on potential amendments to MAC's guidelines and good practices by Javier Ojeda (FEAP), Pim Visser (VisNed), and Sergio López (OPP Lugo)**



The Chair recalled that the Guidelines and Good Practices document was developed by the MAC in coordination with POs and EAPO and with assistance of DG MARE. The document was translated into different languages and circulated to all POs in the EU. The aim was to provide a guide for POs in the preparation of PMPs. Since a draft was not ready for consideration, the Chair proposed to consider amendments at the September 2022 meeting.

The Chair drew attention to several issues raised by Sergio López (OPP Lugo): level-playing-field between POs of all Member States, clarifications of internal issues in some countries (i.e., Spain) – different administration levels, use of different criteria and indicators by national and regional authorities, reduction of co-financing under the EMFAF, and the need for further information from the Commission and Member States on the structure of the PMPs. The Chair emphasised the relevance of the issues raised, but added that these should be addressed separately from the guidelines and good practices document. Some of the issues could be addressed by the MAC in the context of the review of the CMO Regulation.

Nicolás Fernández (OPP72) emphasised that the different approaches to the financing of POs by Member States together with the change in the Commission’s financing guidelines creates dangers to the role of POs in the implementation of the CFP. The Commission and the Member States should not claim to promote artisanal fishing, when they are not providing sufficient financial support for the development of PMPs by artisanal fishers. These issues should be addressed before the start of the next financing period. The limited financial capacity of smaller POs could prevent the implementation of the PMPs.

The Chair recognised that there is the issue of the Member States’ freedom to act under the EMFAF. The other issue is the insufficient funding for POs involved in inshore fisheries.

Miguel Lizaso (DG MARE) responded that the Commission is undertaking efforts to ensure the appropriate financing of POs. The matter is also up to Member States. Mr Lizaso took note of the questions and committed to report back.

The Chair expressed hope that, at the January 2023 meeting, the Commission could provide an update on the approved national programmes, including on how the issues raised by Mr Fernández had been addressed.

Nicolás Fernández (OPP72) called on the Commission to be conscious of the expected role of POs, particularly in the recent context of crisis. Mr Fernández thanked the Commission for the approval of crisis measures that involve POs, but emphasised that the POs should not be used only when there are problems. The Commission should harmonise the situation across the Member States. Fisheries is a key sector in the EU.

The Chair agreed about the key role of POs. The Chair commended the Commission for the prompt development of crisis measures and for maintaining formal and informal exchanges with the MAC.



- **Consideration of draft advice on transnationality**

The Chair recalled that the draft was circulated on 11 May 2022. Following the circulation, suggestions were sent by EMPA and by EAPO via email.

The Secretary General provided an overview of the amendments proposed by EMPA to cover transnational IBOs in the advice.

Guus Pastoor (Visfederatie) wondered if there were transnational IBOs active in the EU.

The Chair stated that he was not aware of transnational IBOs in the fisheries sector.

Angeles Longa Portabales (EMPA) highlighted that the “Consejo Nacional de Conchicultura” (“*National Shellfish Council*”), which is composed of producers and other actors of the supply chain, has been trying for several years to be recognised as IBO, but without success. In Spain, one small IBO was approved. IBOs could be useful, but it is difficult to gain recognition.

The Chair asked Mr Lizaso to contact his colleagues and inform the MAC about whether there were transnational IBOs in the EU.

The Secretary General provided an overview an amendment proposed by EAPO to include a paragraph on their experiences aiming for recognition as a transnational PO.

Esben Sverdrup-Jensen (DPPO) explained that EAPO explored different ways to establish a transnational PO. The possibility to establish transnational POs exists, but, in practice, is not operational. Danish and Swedish operators also explored the possibility to establish a transnational PO, but recognition is rather difficult. The increase in common challenges will also translate into the need of more transnational cooperation.

Jaroslav Zieliński (PSPR) expressed agreement with the previous intervention. Mr Zieliński stated that it was important to look into the cashflow of the transnational organisations, taking into account travel costs, meetings, and fees. Transnational organisations face significant administrative burden. He argued that the financing should be simplified.

The Chair responded that those concerns were covered in draft recommendation a) regarding the unsuitability of the legislative framework.

Pim Visser (VisNed) highlighted that transnational POs are dependent on individual Member States providing recognition and funding. In previous occasions, members have pleaded with the European Commission to foresee specific funding for transnational organisations.

*The Working Group agreed on the draft text as amended. The Working Group agreed to put forward the draft advice to the Executive Committee for approval.*





## European Market Observatory for Fisheries and Aquaculture (EUMOFA)

- **Consideration of draft advice on study on value chains for aquaculture products**

The Chair recalled that, at the previous meeting it was agreed, as an action point, to proceed with the consideration of draft advice on value chains for aquaculture products. The Commission provided examples of methodological notes for *ad hoc* studies. Bruno Guillaumie (EMPA) committed to draft a recommendation based on the examples. The Chair informed that Mr Guillaumie was not in a position to present a draft. Therefore, the Chair proposed to proceed with a written procedure.

## Annual Economic Report on the EU Fishing Fleet

- **Consideration of draft advice on preparation of 2022 Annual Economic Report**

The Chair recalled that the STECF meeting on the Annual Economic Report on the EU Fishing Fleet would be taking place from 13 to 17 June 2022 and that the Secretary General and himself would be attending as active observers. The aim was to adopt advice before the meeting. At the previous meeting, Europêche presented their views on the calculation of greenhouse gas emissions, which served as a basis for the draft advice.

Daniel Voces (Europêche) explained that, under the European Green Deal, there is a target to reduce by 50% the greenhouse missions of every sector compared to 1990. Therefore, it is essential to compare the emissions of the fishing industry in 1990 with current state-of-play. Mr Voces recognised that there are limitations in the STECF report, since the data reports back to 2010. Under the Protocol of Kyoto, the Commission and the Member States were reporting on this data. The draft advice recommends for DG MARE to liaise with DG CLIMA to officially access the data.

The Secretary General explained that a suggestion from Pierre Commère (ADEPALE) was received via email. The suggestion was to delete the last part of the introductory paragraph for an easier reading.

The Chair provided an overview of the draft recommendations. In relation to draft recommendation b), the Chair highlighted that that certain fleet segments could appear as unprofitable due to the method of calculation of capital allowances and capital depreciation. STECF is working on the topic, but it is unclear whether there will be a uniform method.

Pim Visser (VisNed) informed that, recently, he held discussions with financial institutions and there was a clear influence of the Basel Framework when assessing profitability. The focus is on cashflow. The financial institutions are less interested in value of the collateral and solvability. Mr Visser suggested to bring up the issue of cashflow with STECF.

The Chair suggested the addition of another recommendation to evaluate the cashflow situation in the different fleet segments, taking into account the Basel Framework.

Daniel Voces (Europêche) suggested the inclusion of “to the MAC” and “as of 1999” to draft recommendation a).



- **Way forward**

*The Working Group agreed on the draft text as amended. The Working Group agreed to put forward the draft advice to the Executive Committee for approval.*

The Secretary General informed that, if approved, the advice would be submitted to the European Commission. The European Commission would be able to decide on how to involve STECF.

The Chair encouraged Mr Lizaso to forward the advice to STECF before the 13 June meeting.

### Russian Invasion of Ukraine

- **Exchange of views about impact of increased fuel prices**

The Chair informed that the aim was to exchange on the impact of increased fuel prices, but also, as agreed by Working Group 2, on trade impacts. The Chair emphasised that the economic viability of the EU fleet was at risk. The Commission was aware of the seriousness of the situation, but not all Member States were taking sufficient action.

Vincent Guerre (DG MARE) stated that the situation remained very worrying and expressed satisfaction with the opportunity to exchange with members concerning the market situation. Three packages were adopted directed at the fisheries and aquaculture value chain: the State Aid Framework, the EMFAF crisis mechanism, and the proposal to amend the EMFF. Member States are starting the implementation of the State Aid Framework.

The Commission has informed the Member States that the EMFAF measures can be used immediately. It is not necessary to wait for the adoption of the national programmes. The methodology does not have to be approved by the Commission. Technical guidance has been provided, which is available online. The measures focus on compensation for income losses and additional costs. The implementation should be simple, based on historical costs. The support should reach the sector as soon as possible. Several Member States have expressed interest in using the measures, but, until then, no Member State started implementation.

The amendment of the EMFF Regulation might require more time, since it is subject to the ordinary legislative procedure. The legislative proposal was adopted in mid-April. The Council has developed a position, which extends the scope of the proposal. The Parliament appointed a Rapporteur: MEP Nuno Melo (EPP, PT). Some Member States seemed unsure about using the EMFAF. In the view of the Commission, waiting for the EMFF is not a good solution. The Commission continues to monitor the situation in the market. Sector organisations should also encourage the Member States to proceed with the implementation of the measures. The Commission remains available to provide guidance and legal certainty to Member States.

The Chair recognised that the Commission acted very promptly. In relation to the EMFAF guidelines, the Chair wanted to know about potential shortage of funds, since the fund is supposed to cover a seven-year period. Some Member States seem quite reluctant to implement the EMFAF measures. The Chair expressed concern about the potential development of an uneven-playing-field in the EU.



Therefore, he wanted to know how many Member States were advancing in the implementation and how the simplified costs would work in practice. In several Member States, the level of fishing activity has significantly decreased. Operators are decreasing the length of their fishing trips. Fuel costs are consistently at over 1€ per litre, while the breakeven point is around 0.60€ per litre.

Vincent Guerre (DG MARE) explained the aim of the methodology was simplicity. It uses simplified cost options (i.e., lump sum, unit costs). The Commission suggested the use for additional costs, meaning that Member States must define past costs over a reference period and approximate the additional costs, so that a top-up payment is granted. Temporary interruption of activities is foreseen for the Black Sea region, since the dangers of the war forced some vessels to stay at port. In that case, operators are compensated for income foregone due to the cessation of activities.

The Commission does not want a general use of temporary cessation, since the objective is for the fleet to continue working and supplying food. Mr Guerre expressed concern about potential amendments from the Council and the Parliament to add temporary cessation to the package of measures. In the current situation, there are no problems of demand, but of additional costs. Therefore, in the Commission's view, a temporary cessation would not be appropriate. Stopping the fleet would further disrupt the supply chain. Compensation for additional costs is the appropriate tool. Mr Guerre emphasised that the measures cover the entire supply chain, meaning all actors under the definition of operator. Member States are expected to provide support to wherever is needed, not only for fishing activities. DG MARE has a technical unit available to assist Member States.

Jean-Marie Robert (Les Pêcheurs de Bretagne) welcomed the publication of the technical note on the simplified cost options methodology for compensation under Article 26.2 of the EMFAF Regulation.

Patrick Murphy (IS&WFPO) drew attention to the high fuel prices faced by the fishing industry. Mr Murphy thanked the Commission for the prompt and useful measures. Mr Murphy that he maintained regular meetings with the Irish authorities and encouraged the prompt implementation of the support measures. In relation to temporary cessation, he explained that, in Ireland, quotas are provided on a monthly basis. The more inefficient vessels are put under a temporary cessation scheme, in order to avoid a disruption of supply. POs have a direct influence on the monthly management of the stocks. Therefore, in their case, temporary cessation is useful and ensures remuneration for fishers. Due to operating costs, the debts of tied-up vessels are increasing significantly. Some Irish operators have expressed that they will be leaving the industry, since it is no longer economically viable. There will be an impact on future food security. It is quite difficult to attract new entrants into the industry, so the skillset might be missing in the future. Mr Murphy called for more interaction between the Commission and the Member States to ensure the prompt implementation of the support measures.

Nicolás Fernández (OPP72) emphasised that there was a significant impact on fuel prices. It is noticeable in the fuel of the fishing vessels, but also on transport. Nevertheless, the effects go beyond fuel. Mr Fernández agreed with Mr Murphy that the fishing industry is becoming economically unviable, which will impact food habits. The Commission is acting, but the bureaucratic system is too slow. It is necessary to have common criteria across the Member States and prompt implementation.



The Chair asked Mr Guerre to provide information on support for gas and electricity costs, which was particularly relevant for processing operators.

Vincent Guerre (DG MARE) agreed that the situation was not only about fuel costs, even though it was the most visible aspect of the crisis. The aim is to face all increases in production costs. There are costs related to electricity, fish feed, transport, among others. The entire supply chain is disrupted. Under Article 26.2 of the EMFAF Regulation, all increases in production costs are covered. The sector must continue to operate. The crisis demonstrated the sector's dependency on fuel. Therefore, it is time to reflect on new forms of propulsion. Mr Guerre highlighted that, the previous week, the Commission published the REPowerEU Action Plan, which aims to speed up the transition. There are short-term actions, such as less dependency on Russian fuel, but also long-term actions to facilitate the transition to new propulsion techniques. The Commission is concerned about the delay in the implementation of support measures by Member States, since it jeopardises the viability of the fisheries and aquaculture sector.

The Chair asked Mr Guerre about information on the Temporary State Aid Framework.

Vincent Guerre (DG MARE) offered to provide additional information in writing. Under the Temporary State Aid Framework, there is a specific mechanism for gas and electricity. The EMFAF and EMFF support can cover all types of production costs.

Pim Visser (VisNed), on the relevance of temporary cessation measures, stated that operators must maintain their crews. If there is temporary cessation, it is possible to maintain the crew, while reducing losses. It also helps face operating costs. In terms of food supply, the market is able to face the fluctuation. At that time, the fish prices were very good. Mr Visser highlighted that the Dutch fish auctions lost 40 to 50% of the fish coming in. The staff must be paid, even though there is no fish to process or any income. Member States should be encouraged to support other parts of the value chain, besides the fishing industry. In terms of long-term perspective, he warned that operators might not have sufficient economic capacity to survive long enough to reach the energetic transition.

Vincent Guerre (DG MARE) stated that it was important to scale-up the solutions present in the sector. In relation to temporary cessation, Mr Guerre stated that the situations described by Mr Visser could be covered under Article 26.2 of the EMFAF Regulation as an income loss. If actual temporary cessation is implemented, then the Member States put in place an administrative closure, meaning that there is no possibility for fishers to go at sea. Member States should be encouraged to use other more tailor-made solutions for the sector.

Daniel Voces (Europêche) thanked the Commission for the prompt measures to face the situation. In relation to the financial aid from Member States to the fleet, Mr Voces argued that €35.000 per company was insufficient. The amount is too low for larger vessels. Plus, companies can have more than one vessel, meaning that support per company is not appropriate. Mr Voces highlighted that some Member States expressed interest in increasing the ceiling.

In relation to ensuring fishing operations, he stated that the aim was to continue operations and the supply of food. During the COVID-19 crisis, governments encouraged the sector to continue fishing.



According to the Commission's report on the Blue Economy, if the fuel prices continue, companies will incur in significant losses. If an embargo on Russian oil is approved, there will be an impact on fuel prices and supply. In some ports, there is insufficient supply of fuel. Therefore, support for temporary cessation must be foreseen.

Mr Voces highlighted that, if an operator commits a serious infringement in the five years after receiving support, the operator must return the funds. This acts as a deterrence for the industry.

Vincent Guerre (DG MARE), concerning the ceiling for State aid, stated that the Commission was aware of requests from several stakeholders to raise it. On serious infringements, Mr Guerre recalled that there is a list of serious infringements, and insisted on their serious nature. Operators that commit serious infringements are not eligible for public support. In case support has been received, it must return, in a proportional manner to the seriousness of the infringement. The crisis should not be an excuse to dismantle the rule. Serious infringements include situations such as preventing the work of an inspector, falsifying documents, and using of illegal gear. Allowing infringers to receive public support would not be fair for operators that comply with the rules. The sanctions are modulated to the seriousness.

Daniel Voces (Europêche) highlighted that the seriousness of the infringements varies significantly. As an example, for certain fleet segments, it is impossible to comply with the margin of tolerance rule, which is being addressed in the revision of the Fisheries Control Regulation. The sanctions by themselves are very high. The withdrawing of public support is a complement.

Maria Luisa Álvarez Blanco (FEDEPESCA) wanted confirmation that support would be available for all operators of the supply chain. The traditional Spanish fishmongers face significant increases in costs due to a doubling of electricity and fuel costs. The official press releases of the Commission mention fishers, aquaculture farmers, and processors, but fail to mention the retailers. There is low consumption and high inflation. Therefore, retailers need assistance.

Vincent Guerre (DG MARE) confirmed that support measures cover all actors defined as operators, including production, processing, marketing, and retail in the fisheries and aquaculture value chain. All additional costs of production are covered.

Esben Sverdrup-Jensen (DPPO) stated that stakeholders would like to explore the year-to-year flexibility foreseen in Article 15 of the CFP Regulation. In the current situation, there are vessels forced to stay in port due to the operating costs. The flexibility ensures that there is no loss of raw material. Mr Sverdrup-Jensen wanted to know the Commission's view on this possibility.

Vincent Guerre (DG MARE) responded that increasing the 10% year-to-year flexibility was not one of the options under the current situation. In their view, the package of financial measures can help stabilise the situation. POs can find arrangements to redistribute quotas among their members.

The Chair asked for confirmation that the compensation for income foregone could be use similarly to a temporary cessation mechanism.



Vincent Guerre (DG MARE) confirmed that possibility. In the case of occasional interruptions, Member States can provide support for loss of income.

Patrick Murphy (IS&WFPO) wanted to know if changes for vessels with lower fuel consumption would be covered by the support measures.

Vincent Guerre (DG MARE) responded that the rules on public aid do not allow funding for the construction of new fishing vessels. Prototypes, trials, update of existing and new technology, change of gear can be covered. The purchase of a new vessel should be paid by private money, all the more that the EMFAF has limited financial resources. In the EMFAF national programmes, Member States should help the sector with the development and uptake of new technologies. Once there is stability, the sector will naturally invest. As for changes of fishing gear, these are eligible for support under the EMFF and the EMFAF.

- **Way forward**

The Chair concluded that members should encourage the Member States to proceed with the implementation of the support measures. The Chair proposed to maintain the informal meetings between the Management Team and MARE A4.

## AOB

None.



## Summary of action points

- Functioning of the Common Market Organisation (CMO):
  - Under the draft agenda of the September 2022 meeting, agenda item on the role of Producer Organisations as well as awareness on the CMO to be scheduled
  - Secretariat to contact the Commission about the possibility of jointly organising an event on the CMO report, in a similar manner to the CFP report's regional meetings
- European Maritime Fisheries and Aquaculture Fund (EMFA):
  - Under the draft agenda of the September 2022 meeting, presentation on the national programme by another Member State to be scheduled
  - Under the draft agenda of the January 2023 meeting, update by the Commission on the approval and implementation of the national programmes to be requested
- Production and Marketing Plans:
  - Under the draft agenda of the September 2022 meeting, consideration of the potential amendments to the guidelines and good practices document to be scheduled
- European Market Observatory for Fisheries and Aquaculture (EUMOFA):
  - Draft advice on study on value chains for aquaculture products to be considered via written procedure
- Annual Economic Report on the EU Fishing Fleet:
  - Draft advice to be put forward to the Executive Committee for approval
- Russian Invasion of Ukraine:
  - Secretariat to circulate FAMENET's technical note on simplified costs options methodology for compensation under Article 26.2 of the EMFAF Regulation
  - Secretariat to send request to maintain informal meetings with MARE A4



## Attendance List

Representative	Organisation	Role
Alen Lovrinov	Omega 3 Producers Organisation	Member
Alexandra Philippe	Market Advisory Council (MAC)	Secretariat
Alexandre Rodríguez	Long Distance Advisory Council (LDAC)	Observer
Anne-France Mattlet	Organización Productores Asociados Grandes Atuneros Congeladores (OPAGAC)	Member
Annelie Rosell	Swedish Pelagic Federation Producer Organisation (SPFPO)	Member
Antonio Lizcano	Spain	Observer
Cécile Fouquet	Aquaculture Advisory Council (AAC)	Observer
Christine Absil	Good Fish	Member
Christophe Vande Weyer	European Commission	Expert
Daniel Voces	Europêche	Member
Daniel Weber	European Fishmeal	Member
Eduardo Míguez	Puerto de Celeiro (OPP77)	Member
Esben Sverdrup-Jensen	Danish Pelagic Producers Organisation (DPPO)	Member
Felicidad Fernández Alonso	ANFACO-CECOPECA	Member
Francisco Javier De Las Rivero	Spain	Observer
Garazi Rodríguez	Asociación Empresarial de Acuicultura de España (APROMAR)	Member
Guus Pastoor	Visfederatie	Member
Irene Vecchiato	European Commission	Expert
Jaroslav Zieliński	Polskie Stowarzyszenie Przetworców Ryb (PSPR)	Member
Javier Ojeda	Federation of European Aquaculture Producers (FEAP)	Member
Jean-Marie Robert	Les Pêcheurs de Bretagne	Member
Jens Mathiesen	Danish Seafood Association	Member
Jérémie Souben	Fédération des Organisations de Producteurs de la Pêche Artisanale (FEDOPA)	Member
Jeroen Loog	Netherlands	Observer





Representative	Organisation	Role
Joash Mathew	EU Fish Processors and Traders Association (AIPCE) / European Federation of National Organizations of Importers and Exporters of Fish (CEP)	Member
José Basilio Otero Rodríguez	Federación Nacional de Cofradías de Pescadores (FNCP)	Member
José Manuel Beltran	Organización de Productores Pesqueros de Lugo (OPP-07-LUGO)	Member
Juan Manuel Elices López	Spain	Observer
Julian Lamothe	Association Nationale des Organisations de Producteurs (ANOP)	Member
Katarina Sipic	EU Fish Processors and Traders Association (AIPCE) / European Federation of National Organizations of Importers and Exporters of Fish (CEP)	Member
Maria Luisa Álvarez Blanco	Federación de Asociaciones Provinciales de Empresarios Detallistas de Pescados y Productos Congelados (FEDEPESCA)	Member
Marine Cusa	Oceana	Member
Martina Zurli	FRUCOM	Member
Massimo Bellavista	COPA COGECA	Member
Matthias Keller	Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.	Member
Miguel Lizaso	European Commission	Expert
Nicolás Fernández Muñoz	Organización Productores Pesqueros Artesanales Lonja de Conil (OPP72)	Member
Noémie Jegou	Market Advisory Council (MAC)	Secretariat
Patrick Murphy	Irish South & West Fish Producers Organisation (IS&WFPO)	Member
Pedro Luis Casado López	Asociación de Armadores Punta del Moral (OPP80)	Member
Pedro Reis Santos	Market Advisory Council (MAC)	Secretariat
Pierre Commère	Association Des Entreprises de Produits Alimentaires Elaborés (ADEPALE)	Member
Pim Visser	VisNed	Member
Piotr Słowik	Poland	Observer
Quentin Marchais	ClientEarth	Member
Roberto Carlos Alonso	ANFACO-CECOPECA	Member



Representative	Organisation	Role
Rosalie Tukker	Europêche	Member
Sarah Perry	Ireland	Observer
Sean O'Donoghue	Killybegs Fishermen's Organisation (KFO)	Chair
Selene Mijnlieff	Netherlands	Observer
Thomas Kruse	Danish Fishermen P.O.	Member
Tomasz Owczarek	Poland	Observer
Vanya Vulperhorst	Oceana	Member
Vincent Guerre	European Commission	Expert
Yannis Pelekanakis	Federation of European Aquaculture Producers (FEAP)	Member
Yobana Bermúdez	Asociación Española de Mayoristas, Importadores, Transformadores y Exportadores de Productos de la Pesca y Acuicultura (CONXEMAR)	Member
Zarah Bellefroid	European Association of Fish Producers Organisations (EAPO)	Member

