

EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR MARITIME AFFAIRS AND FISHERIES

The Director-General

Brussels MARE/A2/MS

Dear Mr Pedro Reis Santos,

Many thanks for providing advice to the Commission on the <u>EU Algae Initiative</u> of 15 November 2022 that outlines the considerable potential which the algae sector could bring to EU economies. An in-depth analysis performed in collaboration with a broad range of algae-related stakeholders and leading to the adoption of the Initiative, confirmed the problems you indicate. High production costs, low scale production, limited market and consumers knowledge, market support and governance problems, and competition with cheap imported products are issues that are common for the entire sector, and the EU Algae initiative aims to holistically close those gaps.

I would like to address your specific points and recommendations.

Lack of awareness among EU consumers and citizens

I share the view that there is substantial lack of awareness in Europe about algae-based products. I note with interest your statement that "there is greater awareness amongst consumers of algae and the benefits offered within non-food categories, such as health and beauty or supplements". Bearing in mind that globally around 80-90% of algae biomass is processed into human food products, most Europeans may associate algae with sushi and wakame chips.

We agree that raising awareness or boosting algae products demand a systematic approach, as isolated actions would not be sufficient to assist market-driving forces. The 23 specific actions provided for in the EU Algae Initiative cover, in addition to awareness raising and acceptance of algae products, the following areas for improvement: (1) governance and legislation, (2) market support, (3) knowledge, and (4) data and research.

The implementation of the initiative is ongoing in a collaborative manner with all relevant stakeholders, notably through the European Algae Stakeholder forum (EU4Algae), which is preparing, for instance, a report on market support mechanisms for the algae sector in Europe.

Let me refer to the potential competition between the traditional and established fisheries and aquaculture sectors and the emerging EU blue bioeconomy (where algae are considered the most notable sector). The UN's Food and Agriculture Organization (FAO, 2018) has stated that insufficient aquaculture growth in this decade will leave a gap

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between demand and supply of 28 million tonnes of aquatic food. It is also a known fact that the potential for growth in fisheries catches is limited. Sustainable seaweed cultivation can partially fill this gap by producing marine-based food and feed additives with health benefits.

Raising consumer awareness (actions 21 and 23)

The European Commission believes that all concerted efforts are necessary to raise consumer awareness. Currently this is already done via broader Commission initiatives on ocean literacy through the EU4Ocean coalition, which connects youth and schools among a range of diverse actors. The EU4Algae platform specifically looks at raising awareness about algae benefits and increasing acceptance of algae products in the EU. The EU4Ocean and the EU4Algae stakeholder platforms account for more than 1000 stakeholders.

It is also worth mentioning that DG MARE uses social networks to promote knowledge about algae. DG MARE's "Taste the Ocean" campaign also considers including algae-containing products into future recipes.

Raising the sustainability profile (action 22)

The Commission agrees that to raise sustainability of algae products, several concerted actions are needed; and intends to support and promote labelling of sustainable algae products, in accordance with action 22 of the EU Algae Initiative. We also aim at promoting organic production, including of algae. Even though some algae products on the EU market are already certified as organic, this is still very limited.

We take your proposal to have a dedicated algae-related legislation into consideration, should it become evident that the actions currently envisaged under the EU Algae Initiative are not sufficient.

With respect to bringing more novel algae species to the EU market, I would like to note that a list of additional algae species for which there is evidence of having been used as traditional food in individual Member States is being considered by DG SANTE and the Member States for recognition as "non-novel". This will facilitate their entry in the EU market.

Market Interest

With the increase of the size of the EU algae market, we have established the <u>EU4Algae Platform</u>, which counts more than 770 members and has 7 dedicated working groups. The Platform is set to connect algae actors and to find solutions to the problems faced by the sector. As regards progress on market intelligence and business support mechanisms, EU4Algae is currently examining the algae markets (i.e. existing and new products, producers, buyers, stakeholders and support mechanisms), and proposing market stimulating mechanisms to support and promote technology transfer from research to market.

I look forward to continuing our mutual work on algae.

Yours faithfully,

Charlina VITCHEVA (e-signed)