



Market Advisory Council

Working Group 1: EU Production Minutes

Tuesday, 2 June 2020

14:00-16:30

Interactio online meeting

Welcome from the Chair, Sean O'Donoghue

Adoption of draft agenda and minutes of last meeting (29.01.20): 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 - information**

The Chair provided an overview of the state of play.

COVID-19 Pandemic

- **Exchange of views: impact and measures**

The Chair highlighted that the COVID-19 pandemic was a major issue for economic sectors. It is a very difficult situation for the seafood sector, particularly the price situation for producers. The Chair invited the members to propose suggestions on how to ameliorate the situation. The Chair also provided an overview of the measures taken by the Commission.

Nicolás Fernandez Muñoz (OPP72) emphasised that everything has been disrupted by the pandemic. In Spain, it has demonstrated the importance of gastronomy and of local products. Everyone has learnt more about fishmongers and what the market can provide for. The sector learned how to work in different ways. The main problem is not having access to economic resources. There is some flexibility in the EMFF, but this fund is extremely complicated, so operators need more time. Specific measures are needed and there are difficulties in the implementation of the EMFF, which is too slow in some communities. The Spanish sector has developed a system for food custody and sustainability of the sea. They are trying to promote sustainability by using social media and working together with producers, fishmongers and other different actors to promote the virtues of local fish. There have been significant problems due to not being able to supply restaurants, especially for higher value products. It is important to assess local promotion and promotion of sustainability. There are problems with the use of gloves and masks, since these are being thrown into the sea. There is a microplastics problem, which is worsened by the masks. It is important to work together to progress. Prices must be maintained at a certain level. In the future, it will be difficult to maintain prices.





Market Advisory Council

Pim Visser (VisNed) highlighted the impact of COVID-19 to producers, which led to a collapse of the prices and to a need of adaptation by fishing communities. In some countries, production has resumed by 60%. Besides the collapse in fisheries, there is also an oil recession. Both the catching and the processing sectors have been affected. The available funding has helped, but Member States deal with the situation in different ways. It is a redirection of existing funds, which were reserved for a no-deal Brexit. They expressed concern with the lack of available funding in the future. The sector needs EMFF support. The long-term effects are unknown. There is a joint interest in selling more locally caught fish. The sector must be prepared for a second COVID-19 wave.

Catherine Pons (FEAP) agreed with the previous speaker that fish farmers could not wait until 2021 to receive EMFF funding. There is a slow recovery in the sector, the situation remains complicated and it varies with the species.

Katarina Sipic (AIPCE-CEP) thanked the Commission for the overall support package, particularly the measures introduced for processors. The measure within the EMFF still exclude the traders. On the actual implementation, they have information that it is quite slow and with administrative barriers. There are also problems in the interpretation of the measures among the Member States. Some Member States are making an interpretation connected with the aquaculture producers. On the temporary State aid, when considering the processing enterprises, the threshold is actually quite low.

Fragkiskos Nikolian (European Commission) thanked the MAC for the close informal collaboration on the impact of COVID-19 to the seafood sector. The Commission took immediate steps through EUMOFA to produce every week a bulletin informing stakeholders on the situation, consolidating information and results in the EU. From this month, the bulletin will be twice per month. The first measure taken was the structural funds initiative. Then, there was the increase of the temporary framework for State aid. In response to AIPCE-CEP's comments on the low threshold for processing enterprises, they emphasised that it must be compared with the original threshold, which was € 30.000, meaning a four times increase. Companies with a primary agricultural activity this threshold raises to € 800.000. On the article including processors for compensations through EMFF, in the drafting, the European Parliament and Council decided to make a cross reference to the article on aquaculture producers, instead of repeating the text. The provisions foreseen for aquaculture and for the processors are the same. Traders are not covered, but traders were not included in the EMFF before. On the recovery fund, the Commission announced a proposal of € 750 billion and an increase of the next EMFF budget. The Commission aims to get it through the legislative process as soon as possible. There is also the SURE initiative. Now, stakeholders must press the national managing authorities to modify their Operational programmes as soon as possible and allocate funds.

- **Way forward**

The Chair highlighted that there are several issues related to funding that the MAC should pursue with the Commission and Member States. The main issue is allocation of additional funds for those programmes having high absorption rate. The EUMOFA weekly bulletin was quite useful. The Chair suggested that the joint EAPO-Europêche bulletin could also feed into





Market Advisory Council

the EUMOFA reports. There is a significant disparity in the use of temporary scheme by the Member States. It would be useful for the MAC to put forward a document related to that to be sent to the Member States and the Commission, in order to reach some level of uniformity. A level playing field is necessary. The MAC should look at the article on marketing under the EMFF, in order to have a significant campaign, particularly with the restaurants and hotels to promote EU fish. There is also the issue of microplastics connected to the use of disposable gloves and mask.

Juan Manuel Trujillo Castillo (ETF) agreed with several of the previous positions. The first issue to take into account is the sanitary impact. The second issue is how the EMFF will contribute to support the fisheries and aquaculture sectors. These productions are linked to HORECA, tourism, and transport. If these sectors stop, it seriously affects the fisheries sector. There is a lack of income due to lowering of prices. There should be a measure to allow access to funding due to loss of work, since fish is a necessary product for nutrition and all Member States have seen how fishing activities are essential. This kind of support would alleviate the pressures in the sector.

Christine Absil (Good Fish Foundation), in relation to support, through the EMFF, for loss in income, emphasised that it would be a rather difficult measure. It would not be clear to whom that aid would go, if for fishers or to others in the supply chain. They would not support such a demand. It is also unclear to what extent that is not covered by other measures. It would be difficult to justify receiving compensation through the EMFF.

The Chair expressed understanding for the previous speaker's comment. Still, when looking at the fishing fleet and the land-based industries, there is a significant number of horizontal measures across the land-based industries to maintain business and operations. There were no specific measures for the fishing fleet other than the temporary cessation. It is not a matter of simply providing funding to the fleet, but also of having a level playing field with other industries. Even for a tied up vessel has significant overheads. Otherwise, there will not be a cash flow to operate in a post-COVID19 situation.

Aurelio Bilbao (Federación de Confradías de Pescadores de Bizkaia) agreed with ETF that there is a need for a specific measure to be able to cover the lack of production and reduction of profits. Fisheries is an essential activity. This activity had to stop, but there was no support. Temporary cessation of fishing activities is now being promoted. Even if it is complicated to develop this measures, this would be important and needed.

STECF

- **Reporting back on WG1 Chair and STECF online exchange (07.05.20)**

The Chair reported back on the meeting with the STECF focal points. The key issue is the average price data in the reports. It does not match the reality of the different fleets in the different regions. One of the main issues discussed was their access to aggregated data of the





Market Advisory Council

sales notes. STECF has a data call every year. Under the data framework regulation, Member States must supply the economic data. There are different ways of supplying the data other than the sales notes data. The MAC should encourage the Commission and the Member States to provide, at least at an aggregated fleet level, the sales price data. This would significantly improve the price situation. The MAC should continue to participate in the annual meeting as an observer. The MAC will continue the practice of inviting STECF to the January WG1 meeting.

The Chair highlighted that several members have access to price data. When regional figures are produced in the different fleet segments, the MAC could contribute with its opinions on the data. STECF is open to the MAC's assistance. The MAC appreciates their fleet reports and their future trends forecasts. The 2020 projection will be extremely difficult in terms of COVID-19. The MAC can contribute to the forecast.

Fragkiskos Nikolian (European Commission) expressed appreciation for the MAC's collaboration with STECF to provide accurate data. They underlined that the whole exercise for the economic report is framed under the data collection framework. All the data used by the experts comes from the Member States. If members have data on first sales, members should contact the national authorities, in order to improve the data communicated to the Commission. The Commission is already working with the experts, in order to assess the impacts of the COVID-19 crisis and there is good work on these predictions.

The Chair agreed that the MAC would request the Member States to provide the sales notes data. The MAC would also contact the Commission and EFCA, because these also have access to the aggregated sales notes data. The report must be based on the data collection framework. It is important to have better data coming from the Member States to the STECF, while respecting GDPR requirements. The STECF appeared open to other projections. The STECF models were not designed to take into account COVID-19.

Landing Obligation

- **Update: MAC advice on 2019 Implementation Report**

The Chair recalled that the MAC sent an advice concerning the 2019 implementation report. When considering the market-side of the landing obligation, the data on the landing obligation was not available in the beginning of the year. The Commission has asked STECF to look at the landing obligation data of 2019. The Chair expressed hope that there will be data in the future to evaluate whether there was an effect on the market. There is no specific data to determine if there was an increase in undersized fish.

Pim Visser (VisNed) highlighted that there are still several exemptions to the obligation in force. They wondered if there was sufficient fish meal processing capacity in Europe. It is important to analyse what to do with the discarded fish, once the exemptions are no longer in force.

- **Way Forward**





Market Advisory Council

The Chair stated that there should be specific data on the topic, particularly on de minimis, before speculation. The Chair suggested that the Commission could send the timeframe for the STECF evaluation via email.

On June 5 2020, via email, the European Commission explained that the STECF final review/advice based upon the EWG report and following a STECF written procedure, is expected at the end of June. For the present year, a formal review via written procedure was chosen, instead of the regular STECF plenary, since the evaluation of the previous year's process showed that stakeholders prefer to adopt the delegated acts before the Summer period. The final joint recommendations/delegated acts will be discussed in the Expert Group of fisheries and aquaculture in the beginning of July – to be adopted end of July by the Commission, in order for the scrutiny period to start for the co-legislators. The whole timeframe has been planned to take into account the scrutiny period entailing a maximum of four months in total and that the discard plans need to apply as of 1 January 2021.

In relation to the MAC's contribution to the 2019 implementation report, it is much appreciated and is taken on board. All responses from the Member States and Advisory Councils are collated and assimilated in the annual communication on the state of play of the CFP and the consultation on the fishing opportunities – normally adopted every year in June. Regarding the MCRS catches, the Commission cannot publicly share these. However, the Commission endeavours to collate more accurate information of these catches through the revision of the Control Regulation and the revision of the EU MAP within the Data Collection Framework. The MAC's advice was appreciated in this field.

EMFF

- **Exchange of views: latest development on 2021-2027 proposal**

The Chair recalled that the MAC was quite active in developing a large number of recommendations before the Commission's proposal. The latest inter-institutional meetings took place on 19 November 19, 10 December 2019, and 4 March 2020. The EP PECH Committee reappoint MEP Gabriel Mato as rapporteur on 12 February 2020. The next meeting is on 12 June 2020. Several of the MAC's recommendations are part of the new proposal. Only the measures on the funding under the production and marketing plans is unclear.

Jean-Marie Robert (Les Pêcheurs de Bretagne) explained that there was no recent update that topic, they assumed that the situation remains unchanged. PMPs have improved marketing conditions and PO are willing to continue using these. Under the amendments proposed by the Parliament and the Council, the funding of PMPs would remain optimal. POs should be informed on the importance of PMPs.

- **Way forward**

The Chair stated that the MAC was quite clear on the issues of PMPs and hoped that there was more traction among the institutions. The WG needs to continue monitoring the situation. The





Market Advisory Council

MAC's advice was sent to the Member States and to the European Parliament. The Secretariat should continue monitoring the developments.

Pascale Colson (European Commission) explained that the inter-institutional negotiations were initiated on November 2019. Three meetings took place on at political level. The next meeting will be on 12 June 2020. The co-legislators have reached an overall agreement on the overall architecture of the fund. The co-legislators are discussing in more detail the contents of the fund. The next meeting will focus on the scope and conditions of support to the fishing fleet, such as investment on board, temporary and permanent cessation, engine replacement, and support for young fishers. The Commission has expressed strong concerns about certain amendments by the Parliament and the Council, which could be interpreted as introducing harmful subsidies, meaning subsidies that contribute to overfishing and overcapacity, contradicting the EU's commitment and the UN SDG14 to eliminate harmful subsidies by 2020.

The Chair highlighted that the main recommendation from the MAC was related to the PMPs. The Chair expressed hope that there will be a mandatory nature of these.

EUMOFA

- **Update: MAC advice on case studies on price structure analysis**

The Chair recalled that the MAC adopted an advice with suggestions of case studies on price structure analysis. These were developed in a pre-COVID19 situation. The Chair asked the members if there were additional suggestions that should be put forward to the Commission.

Pim Visser (VisNed) requested more information on the staff behind EUMOFA, particularly if it was done by the Commission or a conglomerate of consultants. If EUMOFA decides to have a study on COVID-19, the MAC should set the terms of reference for it.

Christophe Vande Weyer (European Commission) explained that the Commission has a service contract with a consortium of five partners, which was awarded through a procurement procedure, based on the previous contract. EUMOFA is only working for the Commission. The whole activity of EUMOFA is managed through DG MARE. There is no publication that is not revised by DG MARE. Concerning the methodology for the price transmission analysis, EUMOFA systematically uses the same approach, regardless of the species or the countries analysis, in order to ensure consistency. The methodology is available on the website in full transparency.

The Commission welcomed the suggestions from the MAC. EUMOFA should address the needs of the sector. For each of the studies proposed, the Commission will propose clarifications in terms of scope and timing. EUMOFA can address all of the requests, but not all simultaneously. EUMOFA already has a working program for 2020-2021. The Commission would like to know which requests would be a priority and which ones could be initiated next year. Some of the





Market Advisory Council

studies suggested were already done by EUMOFA in the past, so perhaps the MAC would be satisfied with these or would prefer an update.

Fragkiskos Nikolian (European Commission) welcomed the MAC's advice. They recognised that, in the present year, it could be challenging to produce intelligence on the price impacts of the COVID-19 crisis. Time is needed to assess the impacts. The annual economic report for the fleet by STECF will try to analyse the COVID-19 impacts. There are internal discussions to launch these studies. On the landing obligation, they highlighted that a study was prepared by EUMOFA on unwanted catches. They emphasised that EUMOFA was the main tool of the Commission to deliver on its legal obligation, under the CMO Regulation, to provide market intelligence.

The Chair stated that the WG will need to review the studies needed and the priorities in a post-COVID19 situation. This should be an agenda item at the next WG1 meeting. Members should consider which studies should be considered in the part. Once the Commission's reply is received on the MAC's advice, the WG will work to prioritise these. The Chair asked the Secretariat to circulate the EUMOFA study on market outlets for unwanted catches.

Marketing Standards

- **Reporting back by Pim Visser, Chair of the Focus Group on Marketing Standards (10.03.20, 08.04.20, 15.04.20)**

The Chair emphasised the importance of looking at the future work. Taking into account the discussions at the previous Executive Committee meeting, the discussions will probably be more focused at WG's level.

- **Update: MAC advice on Inception Impact Assessment**

Gerd Heinen (European Commission) explained that the inception impact assessment was published the previous April. It was open for feedback for four weeks. Several stakeholders provided feedback, which is public. In terms of next steps, the plans have not changed much. The Commission is aiming at the third quarter of the year for the public consultation. This will be complemented by targeted stakeholder consultations. Under the Farm to Fork strategy, the revision of the marketing standards framework figures as an action point.

- **Future work: Commission's public consultation (second semester 2020)**

The Chair proposed for WG1 to be active participants in the Commission's consultation. The WG should work accordingly to the Commission's schedule. The Chair proposed to include this topic as an agenda item in the next WG1. A proposal will be published in the future and this topic





Market Advisory Council

should be part of the MAC's work programme for next year.

Pim Visser (VisNed) wanted to know the number of responses to the Commission's inception impact assessment. They also wanted to know when there will be information on the results.

Gerd Heinen (European Commission) explained that the feedback to the inception impact assessment is public on the Commission's website. There were 7 replies. The low number was not surprising, since the inception impact assessment is not widely disseminated in the Commission's communication channels. Inception impact assessments will not be modified anymore, but stakeholder feedback will be taken account for the further process. The Commission thanked the MAC for the submitted advice, which will be taken into consideration. The Commission's public consultation is planned to take place in the third quarter of the year. As soon as there is more clarity on the timing, the MAC Secretariat will be informed.

AOB

None.

Summary of action points

- **COVID-19 Pandemic:**
 - Next WG1 meeting – To be included in the agenda. The aim is to draft an advice to the Commission and Member States covering available funding and additional support measures, implementation of temporary aid by Member States, marketing of local products, and plastic pollution from disposable material.
- **STECF:**
 - Advice – MAC advice on STECF data to be prepared.
- **Landing Obligation:**
 - Monitoring – Continue monitoring the implementation of the landing obligation.
- **EMFF:**
 - Monitoring – Continue monitoring the implementation of the landing obligation.
- **EUMOFA:**
 - Commission's reply – Reaction to the Commission's reply to be prepared at the next WG1 meeting.
 - COVID-19 – Members to present their suggestions of case studies priorities at the next WG1 meeting.



- **Marketing Standards:**
 - Next WG1 meeting – To be included in the agenda, particularly the Commission’s public consultation.
 - Work Programme for Year 5 – Propose the inclusion of this topic.



List of attendees

Representative	Organisation
Alexandre Rodriguez (observer)	Long Distance Advisory Council's Secretariat
Andrew Kuyk	AIPCE-CEP
Anna Boulova	FRUCOM
Annelie Rosell	Swedish Pelagic Federation PO
Arnault Chaperon	FEAP
Aurelio Bilbao	Federación de Confradías de Pescadores de Bizkaia
Carla Valeiras Alvarez	EuroCommerce
Catherine Pons	FEAP
Christine Absil	Good Fish Foundation
Christophe Vande Weyer	European Commission
Cristina Fernández (observer)	United Kingdom (Seafish)
Daniel Voces de Onáindi	Europêche
Daniel Weber	European Fishmeal
Emiel Brouckaert	EAPO
Evelien Ranshuysen	European Commission
Frangiscos Nikolian	European Commission
Gaël Lavielle	Les Pêcheurs de Bretagne
Gerd Heinen	European Commission
Guillaume Carruel	EAPO
Guus Pastoor	Visfederatie
Hans Nieuwenhuis	Marine Stewardship Council
Jean-Marie Robert	Les Pêcheurs de Bretagne
Jens Mathiesen	Danish Seafood Association
José Carlos Escalera	Federación de Cofradías de Pescadores de Cádiz (FECOPESCA)
José Basilio Otero Rodríguez	Federación de Cofradías de Pescadores de Cadiz (FECOPESCA)
Juan Manuel Trujillo Castillo	ETF
Katarina Sipic	AIPCE-CEP
Katrin Vilhelm Poulsen	WWF





Market Advisory Council

Representative	Organisation
Laurène Jolly	European Commission
María Luisa Álvarez Blanco	FEDEPESCA
Matthias Keller	Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.
Mike Turenhout	Visfederatie
Nicolás Fernandez Muñoz	OPP72
Pascale Colson	European Commission
Pedro Reis Santos	Market Advisory Council
Pierre Commère	ADEPALE
Pim Visser	VisNed
Purificación del C. Fernández Alvarez	OPPC-3
Roberto Carlos Alonso Baptista de Sousa	ANFACO-CECOPECA
Rosalie Tukker	Europêche
Santiago Folgar Gutierrez	AVOCANO
Sean O'Donoghue	Killybegs Fishermen's Organisation Ltd
Sergio López	OPP LUGO
Stavroula Kremmydiotou	Market Advisory Council
Vanya Vulperhorst	Oceana

