

Working Group 1: EU Production

Draft Minutes

Wednesday, 29 November 2023 (14:00 – 17:30 CET)

Zoom

Interpretation in EN, ES, FR

Welcome from the Chair, Julien Lamothe

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

Adoption of draft agenda and of the last meeting minutes (19.09.23): adopted

Action points of the last meeting

- **State-of-play of the decisions made during the last meeting - information**
- Joint MAC/NWWAC/NSAC Focus Group on Brown Crab:
 - Agreed draft advice to be put forward to the Executive Committee for consideration and potential adoption
 - Once joint agreement with the NWWAC and the NSAC is reached, joint advice to be submitted to DG MARE
 - Joint advice submitted to DG MARE on 22 September 2023
- European Market Observatory for Fisheries and Aquaculture (EUMOFA):
 - Agreed draft advice to be put forward to the Executive Committee for consideration and potential adoption
 - Advice adopted by the Executive Committee on 29 September 2023
- Common Market Organisation:
 - Continue monitoring developments
 - Ongoing
 - Among the amendments tabled in the PECH Committee to the draft report on the CMO Regulation, four make reference to the MAC
- Awareness and Role of Producer Organisations (draft advice):
 - Agreed draft advice to be put forward to the Executive Committee for consideration and potential adoption
 - Advice adopted by the Executive Committee on 29 September 2023



Annual Economic Report on the EU Fishing Fleet

- **Presentation of the 2023 edition by Raúl Pallezo, STECF EWG Chair**

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

Raúl Pallezo (STECF Expert Working Group Chair) presented the Scientific, Technical and Economic Committee for Fisheries (STECF)'s Annual Economic Report on the EU Fishing Fleet¹. He mentioned that the report includes the usual elements and is based on data from two years prior. For this reason, the STECF issued forecasts for the years 2022 and 2023. Mr Pallezo detailed the methodology used in the STECF's analyses. He highlighted that data is reported to the STECF on a fleet segment level. A fleet segment is made up of vessels from a specific Member State, using the same fishing type, of the same length class, and operating in the same supra-region. Mr Pallezo further explained that the report is aggregated at: 1) the EU level, 2) the regional level, 3) the national level, and 4) the fishing type level. Any further granularity would make a sound analysis very difficult, particularly in light of the fact that the report is produced in only five days.

In line with advice from the MAC, STECF developed and included new fuel consumption indicators in the 2023 annual economic report. These indicators are: 1) Fuel Intensity (FUI), 2) Fuel Efficiency (FUE), and 3) short- and long-term break-even prices of fuel. The STECF used these indicators to more accurately assess and predict the impact fuel prices had/will have on the value of landings, the gross value added (GVA) and gross profits of a fleet. In 2021, although large scale fleet landings decreased by 9%, their value increased by 4%. Gross profits for large scale fleets dropped by 10%, but increased by 47% and 85% for small scale fleets and distance water fleets respectively. Forecasting to 2022, the STECF estimated that gross profits across all fleets would fall, with fleets with more intense fuel use more affected. However, this trend was forecast to reverse in 2023, with profits recovering to values of those in 2021.

- **Exchange of views**

The Chair highlighted several recommendations of the MAC were integrated in the report, particularly on the matter of fuel prices.

Paul Thomas (EAPO) expressed appreciation for the inclusion of segment-level break-even prices. He went on to ask whether the small-scale fleet segment includes only vessels smaller than 12m using passive gears, meaning that vessels below 12m with active gear are included in the large-scale fleet segment.

¹ <https://stecf.jrc.ec.europa.eu/documents/43805/63450851/STECF+23-07+-+AER+2023.pdf/74d93127-60f3-4528-953f-e84f5a86fe66>



Raúl Prellezo (STECF Expert Working Group Chair) confirmed that the small-scale fleet segment encompassed vessels under 12m using passive gears. He explained that the classification of the segment in this manner aligned with definition used in the structural funds. Some Member States have stated that the definition does not match their realities. Mr Prellezo went on to state that both large- and small-scale segment were further broken down by size and gear type.

Sean O'Donoghue (KFO) wondered how the STECF defined short-term break-even, expressing surprise at the figure presented by Mr Prellezo. Mr O'Donoghue recalled that, at the previous year's presentation, there was a similar figure, which was later clarified by DG MARE. He asked about the robustness of the methodology of the nowcast, which, in his view, should be similar to the scientific advice on stock status. He wondered if the timing of the nowcast could be extended, ensuring alignment between scientific and economic advice.

Raúl Prellezo (STECF Expert Working Group Chair) explained that the figure presented was just an example from one fleet segment to illustrate how the results should be read and interpreted. Each segment has a different break-even point. There is no EU-level figure. Mr Prellezo went on to state that the STECF was also puzzled about how to define short- and long-term, and mentioned that the Terms of Reference provided no criteria for doing so. Thus, the STECF interpreted short-term as encompassing maximum one year of economic results of a company. When defining long-term, the STECF included costs not associated with regular expenses, such as the depreciation of a vessel.

Mr Prellezo stated that, for 2024, it would be possible to match the economic and the scientific advice. This was the practice in the past until 2003, which allowed economic predictions to be considered in the settings of the Total Allowable Catches. Concerning the robustness, he commented that, in the past four years, there had been significant instability, which made it difficult to predict fuel prices.

The Chair expressed the need to ensure that the STECF have the most reliable data at hand to conduct their analyses. He thanked Mr Prellezo for his presentation and the STECF for their work, acknowledging that making predictions about the future of EU fleets is difficult.

- **Way forward**

The Chair proposed the circulation of a questionnaire of the members to gather input, which would be used to prepare a draft advice ahead of the Terms of Reference of the 2024 edition of the Annual Economic Report on the EU Fishing Fleet.

Energy Transition in EU Fisheries and Aquaculture

- **Presentation of the initiative by Ana Peralta Baptista (DG MARE)**

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



Ana Peralta Baptista (DG MARE) presented the Energy Transition Partnership, a multi-stakeholder partnership launched to facilitate the energy transition in EU fisheries and aquaculture. With soaring energy prices having a big impact on the fishery and aquaculture sectors, Ms Peralta Baptista acknowledged the need for the Commission to support both sectors in achieving a just energy transition. The Communication on the energy transition² published in February 2023 highlights four areas of action: 1) improving governance framework of both sectors and encouraging coordination and cooperation, 2) closing the gaps in available technologies and knowledge, 3) improving the business environment, including in financing opportunities and awareness, and 4) developing skills and a workforce that is prepared for the energy transition.

Ms Peralta Baptista underlined the need for individual and regionalised technological solutions in achieving a just energy transition. She also highlighted the need to attract younger generations into the fisheries and aquaculture sectors. Regarding financing, Ms Peralta Baptista explained that a wealth of EU- and national-level funding mechanisms exist and can be utilised. Financing was also the focus of the first Energy Transition Partnership workshop that took place on 28 November 2023. At the workshop, stakeholders discussed solutions to financing challenges. A guide on funding opportunities has been developed³.

A brief introduction to the Energy Transition Partnership was made. The Partnership aims to be a platform and hub for knowledge sharing and collaboration between stakeholders that directly and indirectly work in the fisheries and aquaculture sectors. Participants also include researchers, port authorities, regional authorities, national authorities, and financing companies. Several workshops are planned, all of which should facilitate the development of common strategies and milestones and contribute to a roadmap.

Ms Peralta Baptista presented the Partnership's timeline and next steps. On 18 January 2024, a Blue Invest seminar will be held. A workshop on innovation and research is planned for 28 February 2024, and a workshop on skills for April 2024. Ms Peralta Baptista concluded by emphasising the need for collaboration between stakeholders and highlighted that collaboration with the European Investment Bank is being explored.

- **Exchange of views**

The Chair highlighted that other Advisory Councils were addressing the topic of the energy transition. In the case of the MAC, the focus should be on the consequences for the market.

² https://oceans-and-fisheries.ec.europa.eu/system/files/2023-02/COM-2023-100_en.pdf

³ <https://op.europa.eu/en/publication-detail/-/publication/49590638-8e76-11ee-8aa6-01aa75ed71a1/language-en>



Paul Thomas (EAPO) thanked Ms Peralta Baptista for the organisation of workshop on finances of 28 November 2023. Mr Thomas expressed concerns that carrying out an energy transition would lead to an increase in energy prices. He asked whether this issue would be discussed in the Energy Transition Partnership and whether MARE A4 looked into the matter.

Ana Peralta Baptista (DG MARE) underlined that the Commission was very aware of increasing energy costs associated with a transition and explained that an EU-wide study was being conducted to map the costs of different technologies. As first step, it would focus on the costs for investors and producers. The Commission wants to be technologically neutral and acknowledges that different options and solutions exist. Only once the results from the study have been published, the impacts on producers and consumers can be assessed. Ms Peralta Baptista exemplified that 10 cents increase in fuel price translates into EUR 185 million of operating costs.

Bruno Guillaumie (EMPA), concerning the implementation of photovoltaic technology, drew attention to issues related to fire regulations, as flatter batteries were needed. There were also issues related to the loading speed of the charging stations. These factors were dependent on local authorities. Mr Guillaumie informed that tests were being carried out on the support vessels that need to go far from the coast. Six hydrogen vessels were being tested. The results were expected in Q1 2024. He highlighted that the distribution of hydrogen also depended on local authorities, as demonstrated in a recent presentation at the European Parliament.

The Chair commented that a global reflection on these matters was needed, as high energy costs were affecting the entire fisheries and aquaculture sector.

Marine Cusa (Oceana) requested information on the date of publication of the roadmap on the energy transition planned by the Commission.

Ana Peralta Baptista (DG MARE) replied that the roadmap was planned to be published at the end of 2024. DG MARE wants to involve different sectors in the workshops throughout the year. Ms Peralta Baptista recognised the importance of including regional and local authorities.

- **Way forward**

The Chair proposed the circulation of a questionnaire to the members to gather input, which would be used to prepare a draft advice on the topic of the energy transition.

Marine Action Plan

- **Presentation on expected effects on the supply to the EU market by Paul Thomas, EAPO**

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



The Chair recalled that the Commission's communication on the Marine Action Plan was published in January 2023. In the case of the MAC, the focus should be on the impact of the plan on the supply to the market.

Paul Thomas (EAPO) presented the expected impacts of the Commission's Marine Action Plan will have on the EU fisheries and aquaculture market. Using three case studies, Mr Thomas highlighted the socio-economic impacts other action plans have had on the fisheries sector. The implementation of a 30-day zonal closure in conjunction with the installation of bycatch mitigation devices through a French action plan to reduce bycatches of small cetaceans in the Bay of Biscay has led to a value chain turnover loss of around 68 million Euros. The most impacted fisheries are: common sole, European seabass, whiting, and European hake.

Referring to a report prepared by the STECF titled "Support of the Action plan to conserve fisheries resources and protect marine ecosystems"⁴, Mr Thomas presented the estimated impacts MPA closures to bottom fishing will have on EU fleets. He highlighted that vessels below 12 metres will be impacted most severely by any MPA bottom fishing phase out. With certain species impacted that are key for regional and local fishing communities, he mentioned that it will be these communities that will suffer the most.

Mr Thomas went on to underline other socio-economic impacts the Marine Action Plan could have and explained that many other actors (first buyers, auctioneers, shipbuilders, netters) would also be impacted adversely. He mentioned a number of unaccounted for impacts, such as the displacement of fleets and stocks due to competition and climate change, respectively.

He also highlighted that the Action Plan lacks coordination with existing legislation (such as the Marine Strategy Framework Directive – MSFD), lacks proper funding mechanisms, and does not make reference to Other Effective Area-based Conservation Measures (OECMs), which could play a key role in reaching conservation targets.

Mr Thomas concluded his presentation by recommending that the Commission carry out a socio-economic impact assessment of all actions included in the Marine Action Plan. He also expressed the need for the publication of a guidance document highlighting the coherence between all conservation and restoration related legislation. Finally, Mr Thomas mentioned that more concrete funding mechanisms, outside of the European Maritime, Fisheries and Aquaculture Fund (EMFAF), be presented to the aquaculture and fisheries sectors.

- **Exchange of views**

⁴ <https://op.europa.eu/en/publication-detail/-/publication/d3042389-f10f-11ec-a534-01aa75ed71a1/language-en>



Christine Absil (Good Fish) asked whether EAPO's analysis considered the use of alternative gears, for example changing from active to passive gears. Ms Absil drew attention to a Dutch example where mechanical dredging was replaced with manual catching, continuing to be a profitable fishery and with acceptance from the NGOs. She wondered about the case of brown shrimp fisheries, since replacements were quite so clear, while being a relevant fishery in different coasts. She asked about what OECMs could be foreseen and implemented.

Paul Thomas (EAPO) explained that it is well-known that brown shrimp are fished in Natura2000 areas in the Netherlands, and that it will be difficult for fishers targeting this species to find alternatives. Regarding alternative gear, Mr Thomas mentioned that the STECF report formed the basis of the EAPO analysis and that within the report, the potential change of gear is not accounted for.

Paul Thomas (EAPO) explained that the CBD allows for OECMs to be included in the "30x30" targets. He highlighted that it is important to look into areas that can be classified as OECMs and take them into account in target calculations.

Bruno Guillaumie (EMPA) drew attention to the amendments to the "fisheries package" proposed by the PECH Committee. He stated that amendments were focused on the Communication and the approach rather than the content. Mr Guillaumie added that two compromise amendments that are supported by his organisation will be discussed at the next PECH Committee meeting of December 7 2023. Concerning shellfish farming, he exemplified that it was possible to produce mussels on ropes, instead of dredging.

- **Way forward**

The Chair proposed the development of a draft advice on the Marine Action Plan by EAPO, based on Mr Thomas's presentation, which would be considered at the next meeting. The advice should focus on market aspects, avoiding management topics.

Market Disturbances

- **Exchange of views on crises affecting the sector, including Brexit and increase of energy costs**

The Chair suggested for members to exchange views on sectoral market disturbances (brought about by, amongst other things, the war in Ukraine, COVID-19, and Brexit). The Chair put forward a series of questions to facilitate discussion:

- What kind of mechanisms should be put in place to support the fishery and aquaculture sectors?
- How can EU mechanisms and national support be combined?
- How important are management standards for crises in the sector?



- Is there an actual level playing field in the EU regarding crises situations?

The Chair highlighted that the Commission has launched a contingency plan on food supply and security, for which the MAC has already drafted advice.

Bruno Guillaumie (EMPA) explained that, in shellfish farming, the main element that generates disruptions in the market is the uncertainty around what the sector will be able to market three months into the future. Mr Guillaumie called for a new EU observatory and funding on this matter.

Paul Thomas (EAPO) expressed appreciation for the Commission's quick reaction to develop support measures. He highlighted that Member States's implementation and use of temporary crisis funds has been challenging. The Temporary Crisis Framework uses national funds. Mr Thomas argued that EU funds should be used instead. Regarding the question posed by the Chair around a level playing field, Mr Thomas expressed the need for a common definition of a level playing field.

- **Way forward**

The Chair proposed the preparation of a compilation document on crises measures. The matter was to be addressed at the March 2024 meeting.

Awareness and Role of Producer Organisations (POs)

- **Presentation of projects financed under the Production and Marketing Plan by Thomas Kruse, Danish Fishermen Producer Organisation (DFPO)**
- **Exchange of views**

The Working Group agreed to postpone the presentation.

AOB

None.



Summary of action points

- Annual Economic Report on the EU Fishing Fleet:
 - Secretariat to circulate a questionnaire to the members on suggestions for the Terms of Reference of the 2024 edition of the Annual Economic Report on the EU Fishing Fleet.
 - At the next meeting, draft advice based on the input received to be considered.
- Energy Transition in EU Fisheries and Aquaculture:
 - Secretariat to circulate a questionnaire to the members on the expected impact on the market of fisheries and aquaculture products.
 - At the next meeting, draft advice based on the input received to be considered.
- Marine Action Plan:
 - EAPO to prepare draft advice on expected impacts on the EU supply to the market, which will be considered at the next meeting.
- Market Disturbances:
 - Compilation document on crises measures to be prepared ahead of the March 2024 meeting.



Attendance List

| Representative | Organisation | Role |
|-------------------------|---|----------|
| Alen Lovrinov | Omega 3 Producers Organisation | Member |
| Alvaro Mínguez Velasco | Spain | Observer |
| Ana Peralta Baptista | European Commission | Expert |
| Anna Rokicka | Polish Association of Fish Processors (PSPR) | Member |
| Anne-France Mattlet | Europêche | Member |
| Arthur Yon | FROM Nord | Member |
| Bruno Guillaumie | European Molluscs' Producers Association (EMPA) | Member |
| Carlos Ruiz Blanco | ANFACO-CECOPESCA | Member |
| Christine Absil | Good Fish | Member |
| Emiel Brouckaert | European Association of Fish Producers Organisations (EAPO) | Member |
| Felicidad Fernández | ANFACO-CECOPESCA | Member |
| Gaëtane Le Breuil | European Fishmeal | Member |
| Guus Pastoor | Visfederatie | Member |
| Jacopo Pasquero | Conxemar | Member |
| Jaroslav Zieliński | Polish Fish Producers Association (PFPA) | Member |
| Javier Barón | Spain | Observer |
| Javier Ojeda | Federation of European Aquaculture Producers (FEAP) | Member |
| Jean-Marie Robert | Les Pêcheurs de Bretagne | Member |
| Jennifer Reeves | Marine Stewardship Council | Member |
| Jens Mathiesen | Danish Seafood Association | Member |
| Jérémie Souben | FEDOPA | Member |
| Julien Lamothe | Association Nationale des Organisations de Producteurs (ANOP) | Chair |
| Linda Zanki Duvnjak | Ribarska Zadruga Friška Riba | Member |
| Malgorzata Kieliszewska | Poland | Observer |
| Katarina Sipic | EU Fish Processors and Traders Association (AIPCE) / European Federation of National Organizations of Importers and Exporters of Fish (CEP) | Member |





Market Advisory Council

| Representative | Organisation | Role |
|----------------------------|---|-------------|
| María Luisa Alvaréz Blanco | Federación de Asociaciones Provinciales de Empresarios Detallistas de Pescados y Productos Congelados (FEDEPESCA) | Member |
| Marine Cusa | Oceana | Member |
| Massimo Bellavista | COPA COGECA | Member |
| Maximilian Schwarz | Market Advisory Council | Secretariat |
| Patrick Murphy | Irish South & West Fish Producers Organisation (IS&WFPO) | Member |
| Paul Thomas | European Association of Fish Producers Organisations (EAPO) | Member |
| Pedro Reis Santos | Market Advisory Council (MAC) | Secretariat |
| Pierre Commère | Association Des Entreprises de Produits Alimentaires Élaborés (ADEPALE) | Member |
| Poul Melgaard | Danish Seafood Association | Member |
| Quentin Marchais | ClientEarth | Member |
| Raúl Prellezo | STECF | Expert |
| Riccardo Pelani | COPA COGECA | Member |
| Rosalie Tukker | Europêche | Member |
| Sean O'Donoghue | Killybegs Fishermen's Organisation (KFO) | Member |
| Sergio López García | OPP Burela | Member |
| Stefan Meyer | Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V. | Member |
| Thomas Kruse | Danish Fishers PO / Danish Pelagic PO | Member |
| Xavier Pires | ALIF | Member |

