

REPORT

“Aquaculture in the Reform of the Common Fisheries Policy”

Chaired by **MEP Pat the Cope Gallagher**,

Chair of the “Fisheries and Aquaculture” Group of the EP Intergroup “Climate Change, Biodiversity and Sustainable Development”

And **MEP Struan Stevenson**,

Chair of the EP Intergroup “Climate Change, Biodiversity and Sustainable Development”

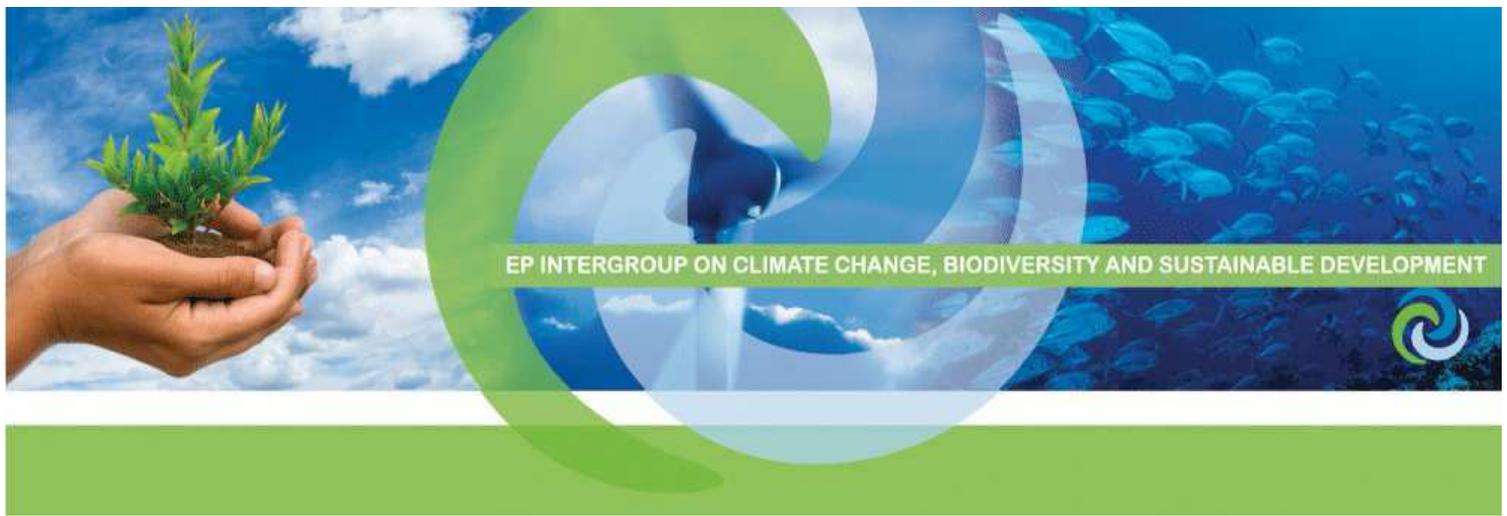
Wednesday 7th of March 2012

European Parliament, Brussels

“Innovation, professionalisation, appropriate labelling and environmental standards are the four key elements the European Commission is focusing on,” stated Commissioner Damanaki. “It is vitally important that aquaculture is fully integrated in the CFP reform.” added MEP Pat the Cope Gallagher, Co-Chair of the conference.

Bringing together over 100 participants including policy makers, the professional aquaculture sector, NGOs and scientists, the event provided solutions to boost the potential of the EU aquaculture sector. Commissioner Maria Damanaki reiterated her full support to the EU aquaculture sector. The European Commission will invite the Member States to draw up multiannual national plans for aquaculture, developed in the framework of the strategic guidelines containing the main priorities and general targets.

MEP Struan Stevenson, co-chair of the conference, called for the creation of an eco-label with the EU flag, whose management would be subcontracted by the European Commission to an external organisation. He also condemned the red tape that is proving to be a barrier to growth within Europe’s fish farming industry.



Opening session - Welcoming words and introduction by the Chairs



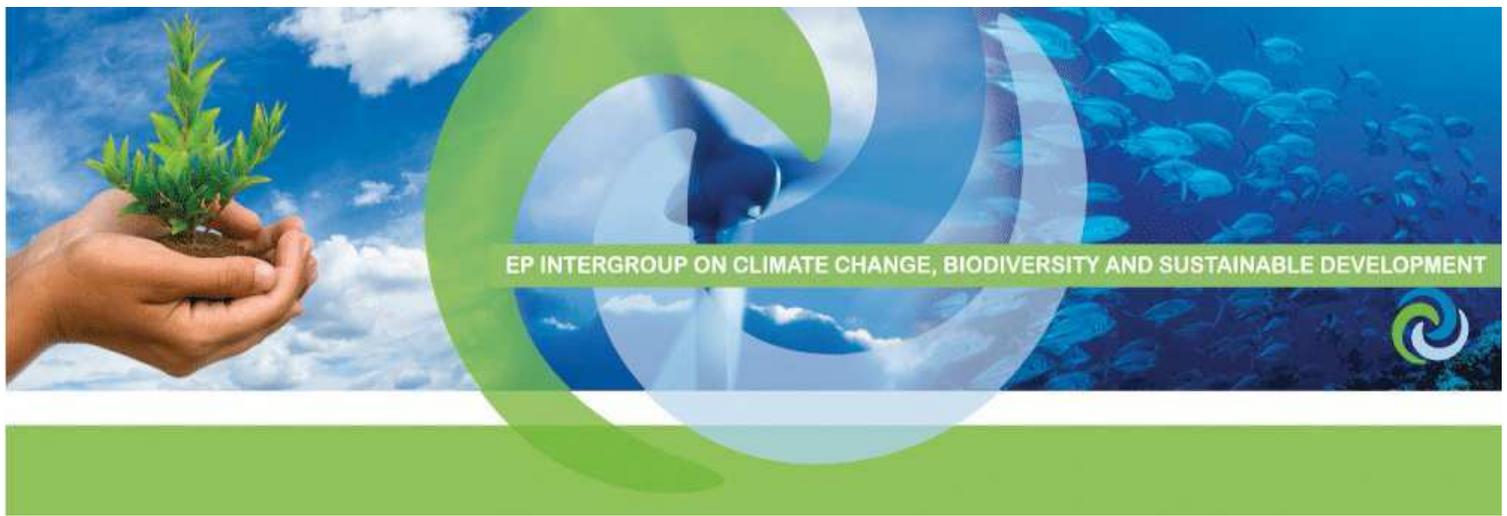
MEP Pat the Cope Gallagher (Ireland, ALDE)

The conference aims to hear the views of the industry regarding the reform of the Common Fisheries Policy (CFP). The Commissioner has promised support to boost aquaculture in the European Union (EU). Aquaculture production has significantly increased globally over the last ten years. Unfortunately, within the EU, the production has remained fairly static over the same period. Aquaculture production is very important for some rural areas where there is no other source of employment. There are 65 000 people directly employed in aquaculture. Further growth is required to meet the food demand. Aquaculture has to be fully integrated in the CFP and the proposals of the Commission for this sector are welcomed.

In 2050, we will be 9 billion people on earth; we need 42 billion extra tons of fish. Wild fisheries cannot achieve this alone. Since now, at least in Ireland, the biggest obstacle to investment in aquaculture has been licenses. There are too many stages, there must be a one-stop-shop. Even if this is not the competence of the EU, we need to send a clear message to the Member States that they need to review their procedures.

MEP Struan Stevenson (UK, ECR)

Aquaculture is a sector with great potential for expansion. Aquaculture counts for nearly half of the world fish consumption. Global production of aquaculture has increased by almost 7% in the last decade while in Europe there was only a 0.5% increase in the same



period. The EU is missing the track and falling behind. None of the initiatives have been able to change this. A number of challenges identified 10 years ago are still unsolved today. For instance, there is still a huge amount of red tape that doesn't allow this sector to develop.

The European market is still very dependent on imports. 1.6 million tons of farm products were imported in 2008 in the EU. The EU only exports a few of high value processed products and employ less people than before because of the advanced technologies and competitions with countries with lower labour costs.

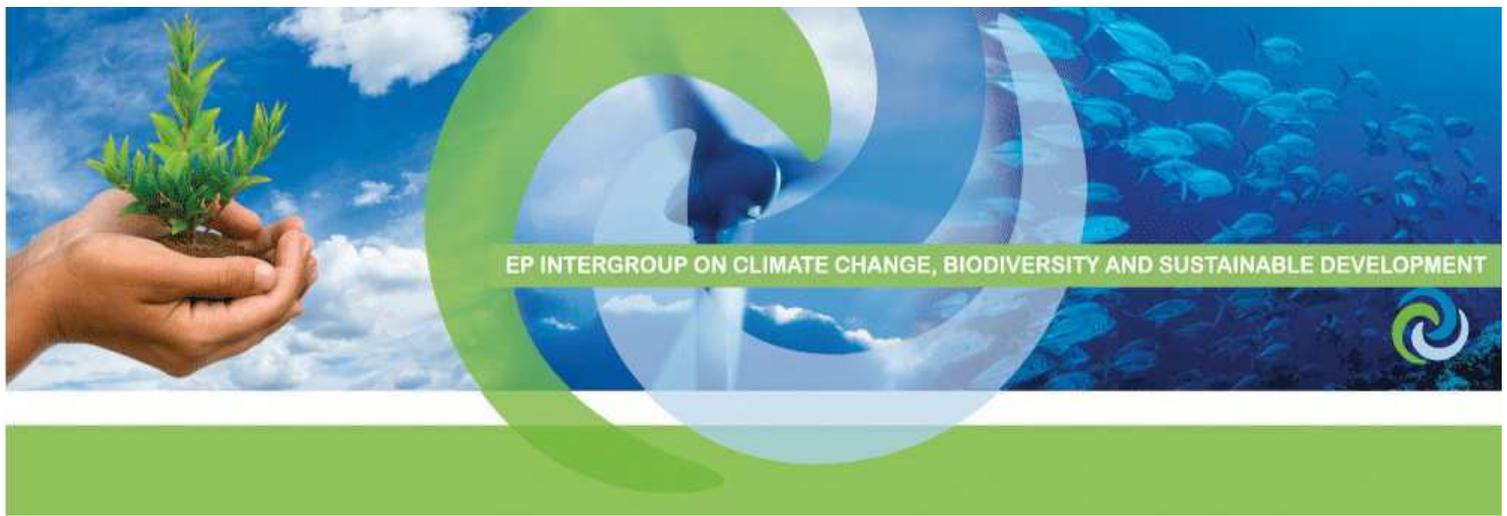
The EU has key strengths in this sector: it is the leader in technology and research, it has a strong and highly trained entrepreneurial base, the climate is appropriate for many species and high quality standards have been set. But these high standards inevitably lead to higher costs. Efforts made by the production sector are significant but the EU consumers are not sufficiently informed. This is why it is hard to establish new aquaculture farms and to convey the message that EU aquaculture produces very high quality products in an environmental and sustainable way.

Mr Stevenson advocated an EU ecolabel to improve the image of this sector and to compete on a level playing field with imports.



Opening statement by Maria Damanaki, Commissioner for Maritime Affairs and Fisheries

Commissioner Maria Damanaki reiterated her full support to the aquaculture sector. In this regard, it is important to identify the main bottlenecks. Equally important is to make



EU businesses more competitive and environmentally friendly. New jobs should be created in the sector and to make it more attractive to young investors along the coasts and inland. The value produced is very high, often just as high as wild fisheries. At the global level, wild fish bring as much money as aquaculture (FAO 2008: 94 billion dollars compared to 98 billion dollars). Unfortunately, we don't have the same balance in Europe.

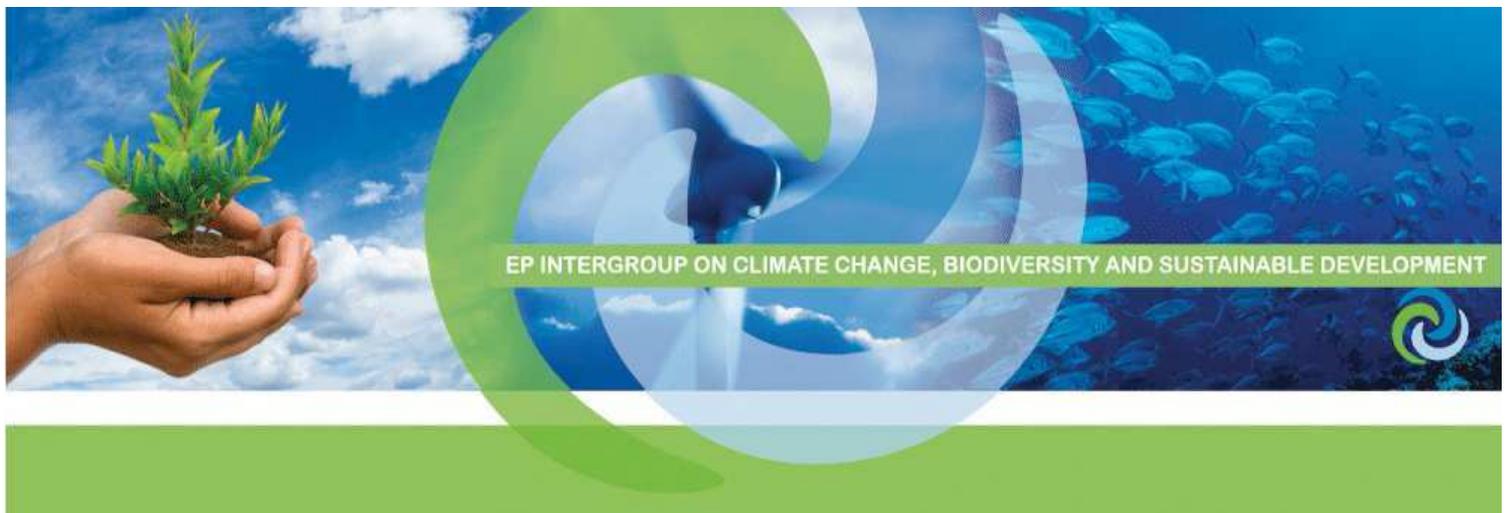
Environmental conditions in farm aquatic species are ideal. The EU produces very high quality products, following the highest standards of environmental, animal health and consumer protection rules. The reasons of the stagnation of the EU aquaculture have to be clearly identified.

The first key aspect is innovation. The Commission will support projects for new aquaculture species through the European Maritime and Fisheries Fund (EMFF). New initiatives will be promoted in this sector such as the off-shore non-food aquaculture like production of algae for the pharmaceutical or cosmetic industry or the production of biofuels. Yet, everything does not need to be rebuilt from scratch. Furthermore, the EU traditional sector should be further supported.

The new fund, with the support of the European Parliament, could finance projects to develop new techniques and products, save energy and lower the environmental impact of aquaculture activities.

The second key aspect is growth and professionalisation. We need to be able to adapt more quickly to market trends. The reform of the Common Market Organization (CMO) will reinforce Professional Organisations (Pos) and inter-branch organisations. The EU has to cooperate with the industry in order to adjust it to the market's expectations. We also need a new advisory council for aquaculture and to develop a comprehensive dialogue on the development of aquaculture.

The reform seeks to foster economic activities and stimulate Member States (MS) to create ideal conditions to foster aquaculture. The Member States (MS) will be invited to draw up national plans for the development of aquaculture. Then, the European Commission will work with them to speed up licences and cut red tape. "I will favour dialogue between stakeholders and MS in a conference we will organise later this year in



Salzburg. We will discuss in a practical way what these national plans can include.” said Commissioner Maria Damanaki.

Maritime Spatial planning from the European Commission will also allow finding new spaces for aquaculture.

Information on labels will have to become more precise. It will benefit to the consumers but also producers. We need to find the right way to express the real truth: farmed fish is fresh fish, local, traceable and sustainable food, which follows high environmental standards. To this end, the EU needs to keep high environmental, animal health and food law standards. Moreover the EU needs to promote a better training of its farmers, in particular small businesses, and to promote organic aquaculture.

The EU is also compensating farmers that do additional investments to protect the environment or those who lose a part of their production from birds or mammals attacks.

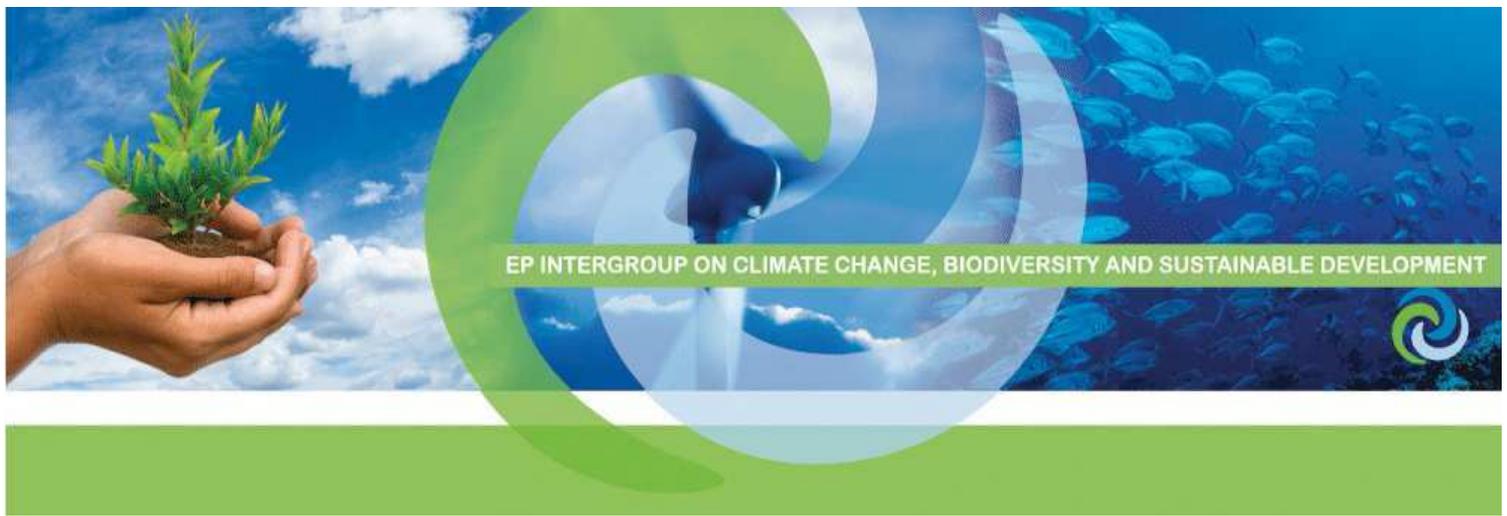
The fund will assist MS to identify and map the more suitable areas to find new locations. At EU level, strategic guidelines containing priorities and general targets should be developed. Subsequently, MS will be asked to adopt their own national plans for aquaculture. Within this new framework, MS will be able to share best practices, learn from each other and work together.

Commissioner Maria Damanaki concluded that innovation, professionalization and appropriate labelling which takes into account environmental practices must be supported. The current challenges must be turned into business opportunities.

Debate with the audience

MEP Pat the Cope Gallagher (Ireland, ALDE) said that in some countries, it can take up to 4 years to have a licence. This deters from investing in the sector.

Courtney Hough representing EATIP asked whether creating an EU wide ecolabel is possible.



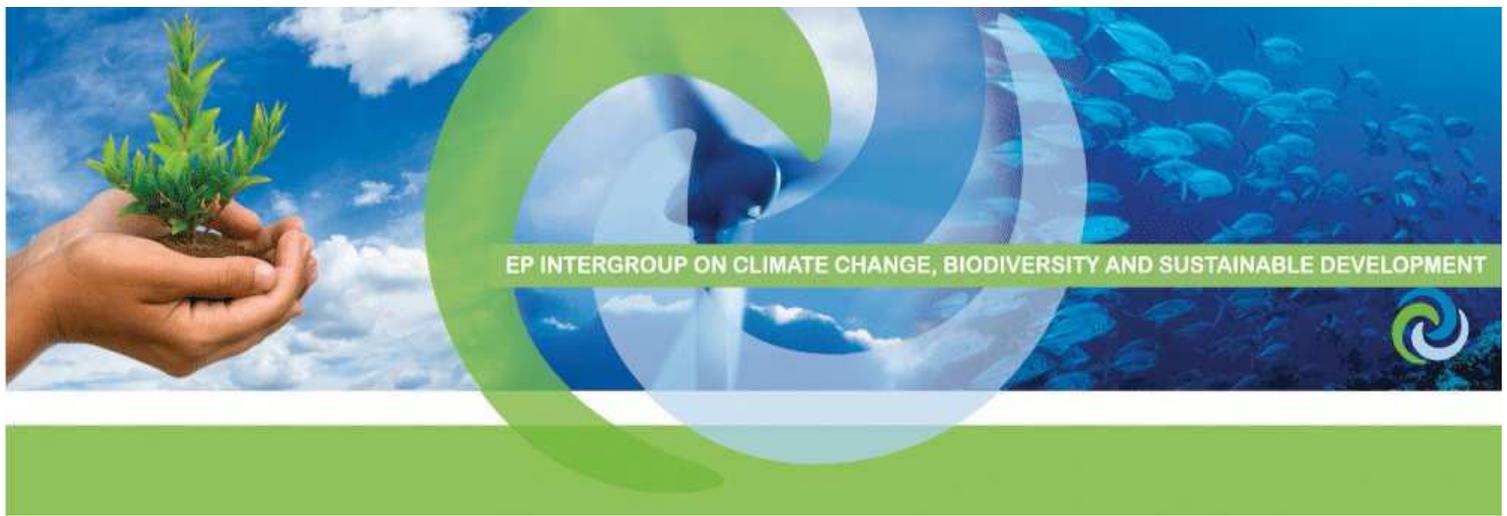
MEP Sean Kelly (Ireland, EPP) asked the Commissioner to provide more information on the new Advisory Council?

Commissioner Maria Damanaki recalled that her predecessor had made a previous attempt to develop ecolabelling projects including wild fish and aquaculture products. He failed due to legal problems. The European Commission is now trying to minimise its ambitions by trying to give precise but basic information to the consumers. The European Commission is working towards creating a harmonised basis throughout Europe (the obligatory information). Across Europe, there are some private labels, which are also doing a good job. The public sector cannot do everything. We need to have a concrete framework on obligatory information.

We need an advisory council on aquaculture. The European Commission is first trying to make a synthesis on what RACs will be in the reform. We want them to play a very important role in the regionalisation of the CFP. That is why everybody must be represented in them. The aquaculture advisory body is going to follow the same rules, but it will be based at the EU level. We need the industry, authorities, NGOs, the civil society. However, we have to be careful because we can't increase the amount of money dedicated to governance.

MEP Struan Stevenson (UK, ECR): Given the success of the MSC, we could have an EU ecolabel with an EU flag. The Commission could subcontract the auditing process to the MSC or the ASC. Everybody would be able to apply to it, even from outside the EU, enabling us to provide the level playing field we are looking for.

Commissioner Maria Damanaki reacted carefully to Mr Stevenson's proposal. It is a good idea but problems with the WTO rules might arise.



Presentations



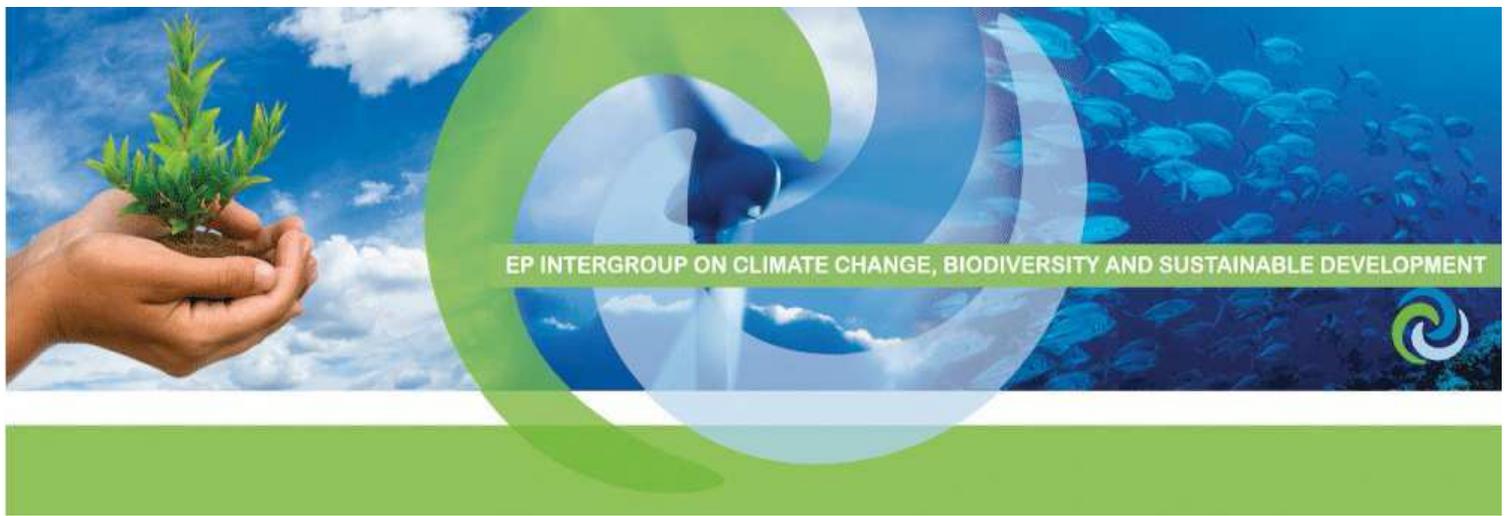
What does the profession expect from the CFP?

Arnault Chaperon, President of the Federation of European Aquaculture Producers (FEAP)

FEAP brings together 23 countries including Norway, Turkey and Croatia and 27 associations. It represents 2 million tons of fish, 5 to 6 billion euros of direct turnover and 50 000 direct jobs.

Mr Chaperon welcomed the Commission's proposals. For the first time, aquaculture appears as a pillar of the CFP and is considered as a sustainable supplier for the consumers. The EU production remains steady.

There has been a huge development of aquaculture all around the world and the EU imports 65% of the fish. We are in an absurd situation where we have the demand, the technologies required, the training facilities but nothing happened during the last ten years. Why? The EU aquaculture sector is facing decreased prices and increased costs. For instance, trout is being sold at the same price as 45 years ago. This shows the fantastic adaptability of the sector. However, we have more costs and competitors which do not follow the same rules. Mr Chaperon regretted the lack of clear vision on the long term strategy. On the contrary, we also have some good news: we have a better social image now than before; we also are greener than before. We have never stopped with



innovation and diversification. The sector needs to communicate more in order to convince the European consumers.

Mr Chaperon explained the long process to start up an aquaculture farm. If somebody wants to produce 100 tons of fish, he first has to obtain the license (2 years), build the farm (1 year) plus wait for 2 years to let the fish grow.

The sector needs a real playing field through clear and transparent information to the consumers. Half of the cod and fish we import from Norway is actually coming from China before entering the EU. Finally, there is a need for clear rules for the European aquaculture on the long term basis.



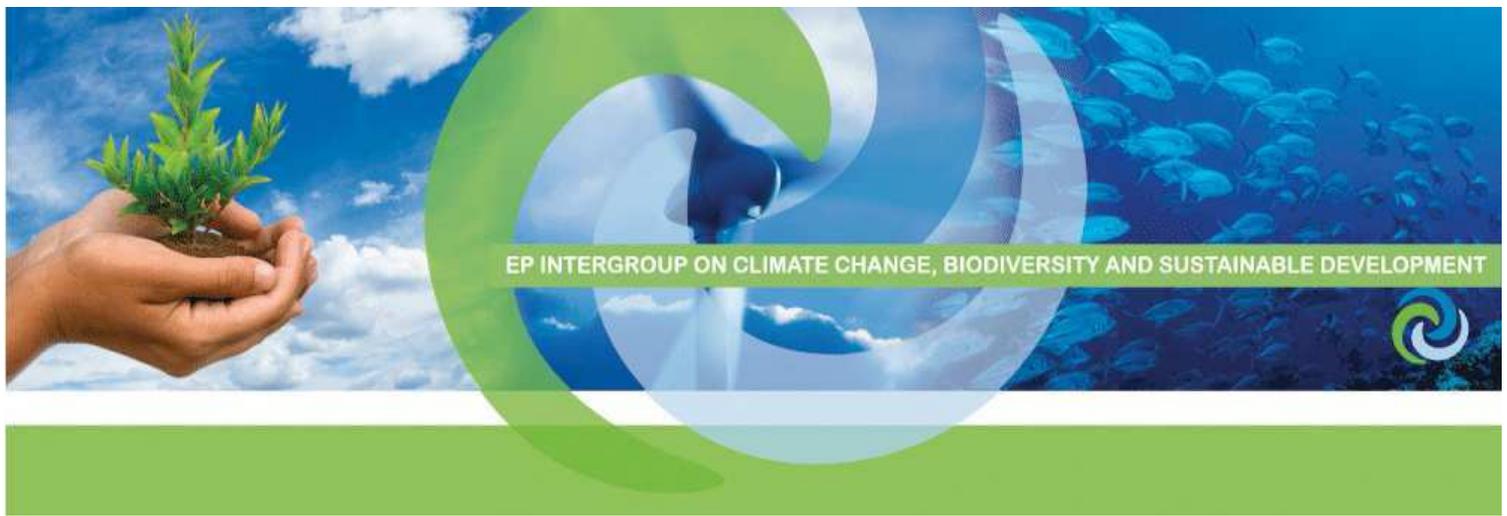
What does the profession expect from the CFP?

Richie Flynn, President of the European Mollusc Producers' Association (EMPA)

EMPA is a Federation of Pos representing 95% of all shellfish grown in the EU.

There is a growing demand, increasing imports, stagnating wild fisheries sector and increasing worldwide population who needs proteins. The CFP should support production of high quality proteins. It should also focus on balanced problems. More attention should be given to transnational dialogue. In his view, jobs, exports and most improved competitiveness are the key elements.

Furthermore, he welcomed the integration of aquaculture in the CFP. It is important to focus on the CFP to incentivise investments. Today, investing in aquaculture is very risky



because of the constant change in the sector. There are also structural issues that need to be overcome in terms of capacity and scale. The red tape is also a huge problem.

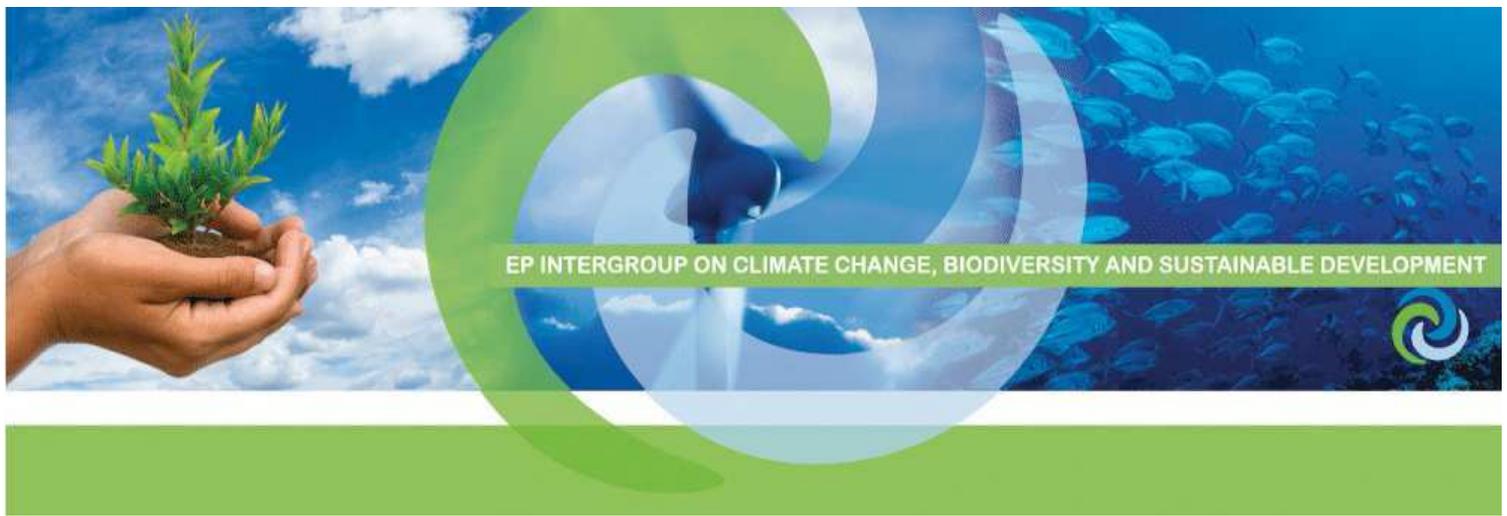
Consultation and the ability to take action in the short term are very important. Sometimes, we need quick responses for instance for problems with oysters, biotoxins, oil spills... New mechanisms in the CFP should be able to address these problems effectively and quickly.

The approach towards aquaculture in Europe is patchy and very politically influenced. Policies enacted at the EU level don't often filter down to regional or local level. Some issues come under the MS's remit such as licences. He hopes that spatial planning will bring some progress in the area of finding new locations.

There is a real problem of price definition in this sector. There are a lot of small businesses who are selling to a very concentrated retail sector. That is why prices decreased.

Initiatives to develop new products are welcome but the marketing of the EU products should be supported to confront to European consumers who just want cheap quality fish.

He concluded by identifying two options: either the deficit of seafood supply in the EU will be made up by the EU industry, or we are going to buy imports.



Our vision of the sector

Courtney Hough, General Secretary of FEAP and the European Aquaculture Technology and Innovation Platform (EATIP)

EATIP is part of the project aiming to establish where we think we are heading in the next 10 years. More than 300 people were involved in developing the opinions.

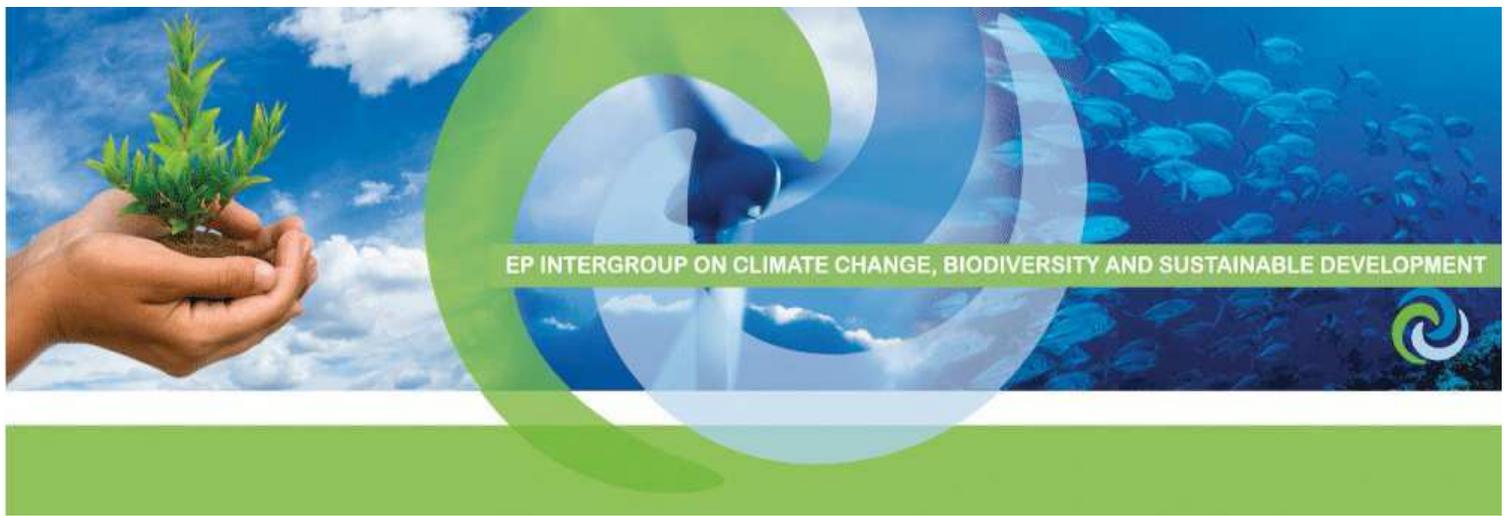
The need for aquaculture:

The contribution of fisheries and aquaculture to the world food supply is only 2% now. If we look at what the FAO forecasts for fish requirements compared to meet requirements related to the growth of population, for 8 billion people, we will need 7 million tons more fish for the global market. In the EU, we have a market of 13 million tons of seafood of which 4.2 comes from fisheries, 1.3 comes from aquaculture and the remaining 9.4 million tons comes from imports. It is interesting to note that one of the major exports is fishmeal to Norway, which obviously comes back as salmon.

Possibilities for growth:

If fisheries remain stable and the EU wants to decrease imports to 50% of demand, an extra 3.6 million tons of aquaculture will be needed in Europe. Is that realistic? In the last ten years, the base of the growth of EU aquaculture in terms of value is 8 million euros.

Aquaculture in 2030:



Aquaculture has to use good governance, provide consumers with high quality products at an affordable price. New technologies have to be integrated throughout the entire value chain. We have to establish predictability and proved output performance at every production stage. We have reach a level of sustainable feed production. We have been integrating better in the environment. We need to manage better the knowledge we handle to keep up with the time and that the communication is effective, not only with the consumers but also with the policy makers. Furthermore, there is a need to create some favourable conditions to develop a strong EU aquaculture through a level playing field both inside and outside Europe.

“We now need to reconcile people’s wishes with policy-making. Where can the development take place, how much production, which impact, what support?” Mr Hough asked. The EU aquaculture wants to provide jobs, added value, to contribute to local economies and to increase the food security in Europe becoming a dynamic component of bioeconomy and develop our high potential for innovation (ex: algae).



FIFO & Carbon Footprint

Prof. Sachi Kaushik, INRA

Prof. Kaushik stated that one of the biggest issues is that feeds for aquaculture have been relying on fish meal and fish oil. From 23 million tons of fish is dedicated to produce 5 to 6 million tons of fish meal and about 1 million tons of fish oil. 50% of this meal and 90% of this oil is used for aquaculture. Fish oil is mostly used for salmonids. Over the last ten



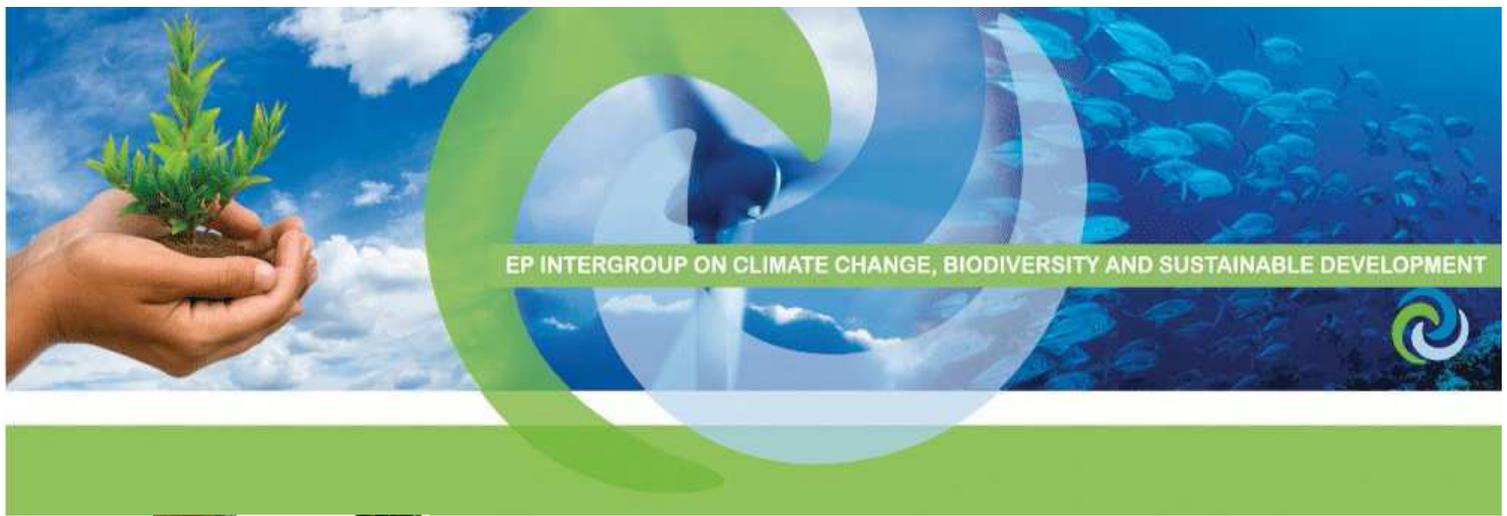
years, the sector has innovated a lot and the amount of feed has been significantly reduced thanks to alternative oils.

The concept of FIFO: “Fish in, fish out” refers to the quantity of wild fish needed to feed aquaculture fish. Depending on the season, on the kind of oil and fish produced, FIFO varies from 20 to 25% for FM, from 5 to 20% for FO. For ten years, some aquaculture co-products have also been used for aquaculture purposes. Aquaculture is an efficient animal production system. In the case of salmonids, production has been increasing sharply and the FIFO rate passed from 4 to 1 to nearly 1 to 1.

“We could ask ourselves why not trying to reach PIPO: “Plants in, Pisces out”? We could even use less marine ingredients. As a nutritionist I think we should not speak about ingredients to grow fish but focus on nutrients.” Prof. Kaushik said.

Carbon foot print can be measured through different data bases. You only need 1.8 to 2.3 kg of CO₂/kg for salmon, compared to 16-40 CO₂/kg for beef. The feed efficiency is the most important step to focus on in order to reduce the carbon footprint.

Looking at the different impact factors on the environment (land competition, water use, acidification, eutrophication, global warming protection, toxicity), reducing FIFO would reduce our impact on marine environment but not the carbon footprint. That is why, besides carbon foot print, we must look at the Life-Cycle analysis (LCA).



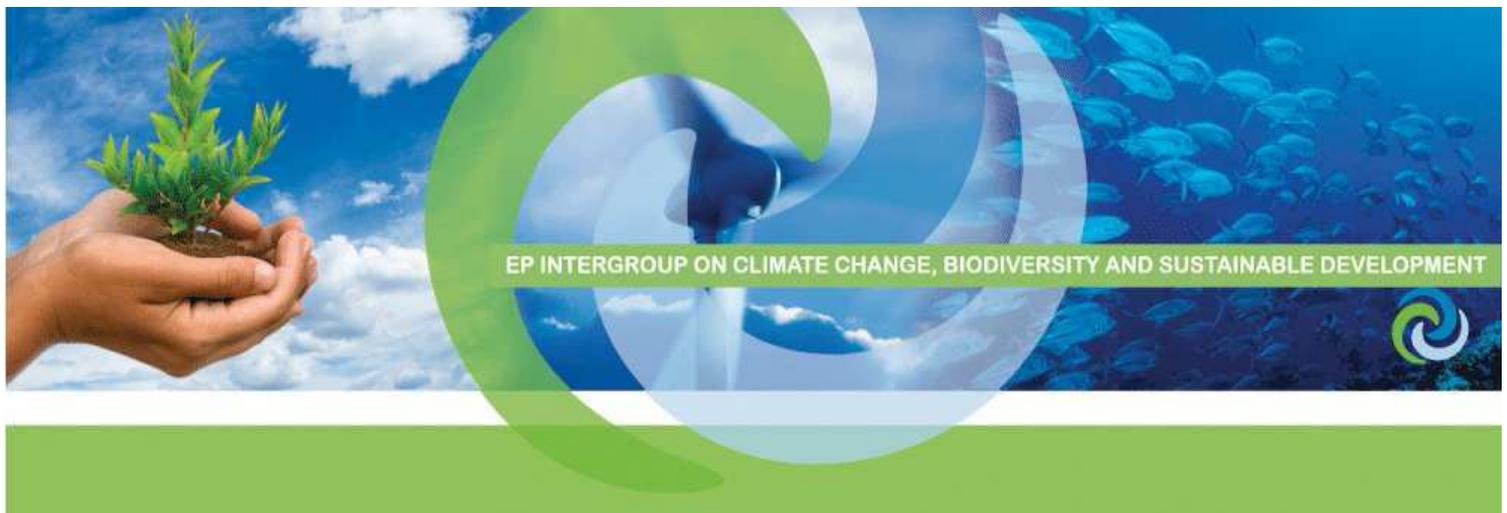
Level-Playing Field for the profession

Gustavo Larrazábal, President of EATIP

The EU aquaculture production has remained steady over the last 20 years. The 2002 EU strategy for aquaculture was too weak. Although the revised 2009 strategy was more focused, the real challenge is still to achieve sustainable growth. To this end, we need to be able to invest.

The main challenges are as follows:

- Which model does the EU need? Do we want imports or EU production? Who is going to decide on the supply model? Do we have to rely on imports? It is becoming difficult to compete with imports. We need to transpose our stringent EU rules on the imported products. European producers will never be able to have a competitive model without a level playing field. It also affects the global position of aquaculture as a sustainable producer of high quality and safe food. Not all imported products can provide the same level of technical and social guarantees.
- Level playing field means that EU Member States need to have a legal framework that guarantees genuine equality for all its citizens. Application of EU law and national justice is not the same all over Europe. EU MS must interpret EU legal obligations in the same way (Natura 200 and MSFD). Finally, European producers must be able to compete on equal rules with Third countries.



With regard to feed ingredients, Third countries can now use raw materials that are forbidden in the EU (cannibalism and GMO ingredients).

Regarding food safety, traceability in Third countries starts at the phase of processing, whereas in the EU, it starts at the birth of the animal. Microbiotics forbidden in Europe are being used as well (not possible to analyse all imports).

Furthermore, Third countries have the possibility to inject water and protein mixtures in their animals without having any requirement to provide information to the consumers.

Labelling of products is too often insufficient or unreliable. This situation does not allow the consumer to make informed and responsible purchasing choices. Moreover, very often some defrosted products are presented as fresh ones.

Animal welfare represents additional costs for European producers. Environmental mitigation measures need to be homogenous inside the EU. Working conditions, salary levels, safety at work and training should be added to the price of the products.

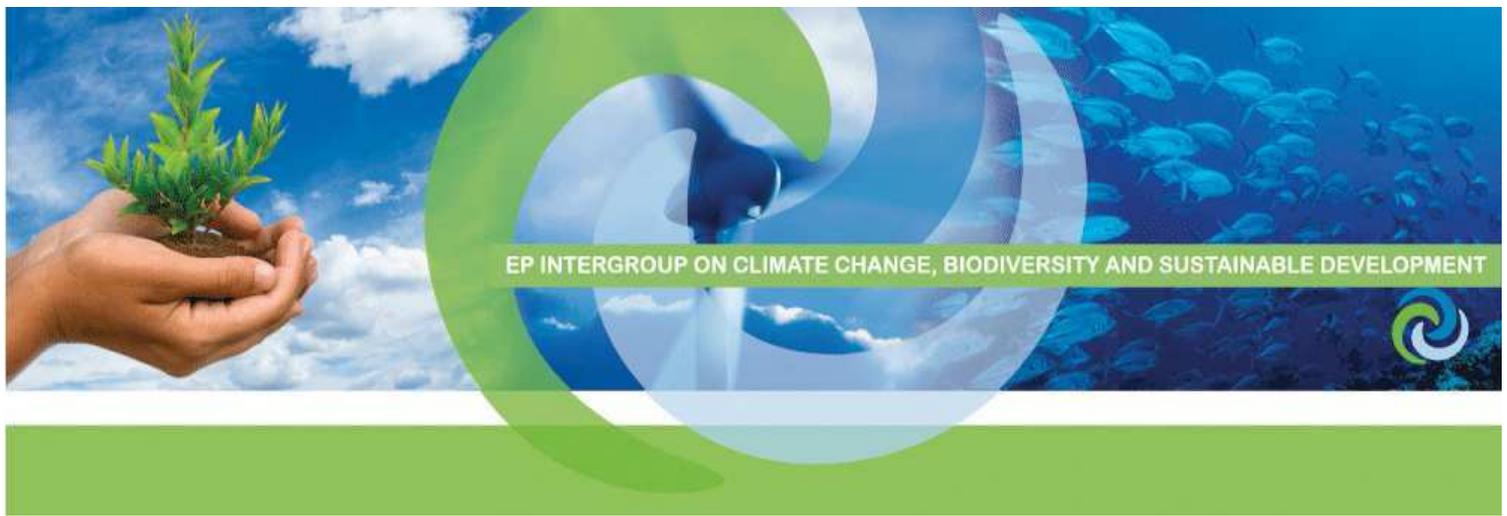
Finally, marketing needs more transparency in the value chain.

Is it a matter of free trade vs level playing field? How can we win? The real challenge for EU aquaculture is to achieve an economic growth by being competitive and profitable.

Reactions from the floor and exchange of views

Javier Ojeda, Spanish aquaculture producers organisation (Apromar) identified good governance as one of the key issues for the future of aquaculture. Although ACFA has been existing for 20 years and despite the possible establishment of an advisory committee, permanent debates with European Parliamentarians are needed.

MEP Struan Stevenson (UK, ECR) underlined the importance of the meetings organised by the Intergroup, which is an important interface with the MEPs.



MS have always been complaining about the lack of interest on aquaculture. Now, they complain because the Commission wants to take care of it. For 10 years, we have been struggling so that aquaculture becomes a priority for the Commission.

Where in the reform you would like to see changes for a level playing field?

Richie Flynn, EMPA is convinced about the necessity to achieve a level playing field towards imports but also inside the Community. Length of licences, administrations in charge, processes are so different from country to country.

MEP Struan Stevenson (UK, ECR): Before a fish farmer can sell one fish, he needs to comply with more than 400 regulations from 6 different DGs of the European Commission, national, regional, and local regulations.

Question from the floor: When we talk about aquaculture, we don't talk about a reality which is very diverse. There is a marine aquaculture, but also traditional aquaculture and fresh water aquaculture.

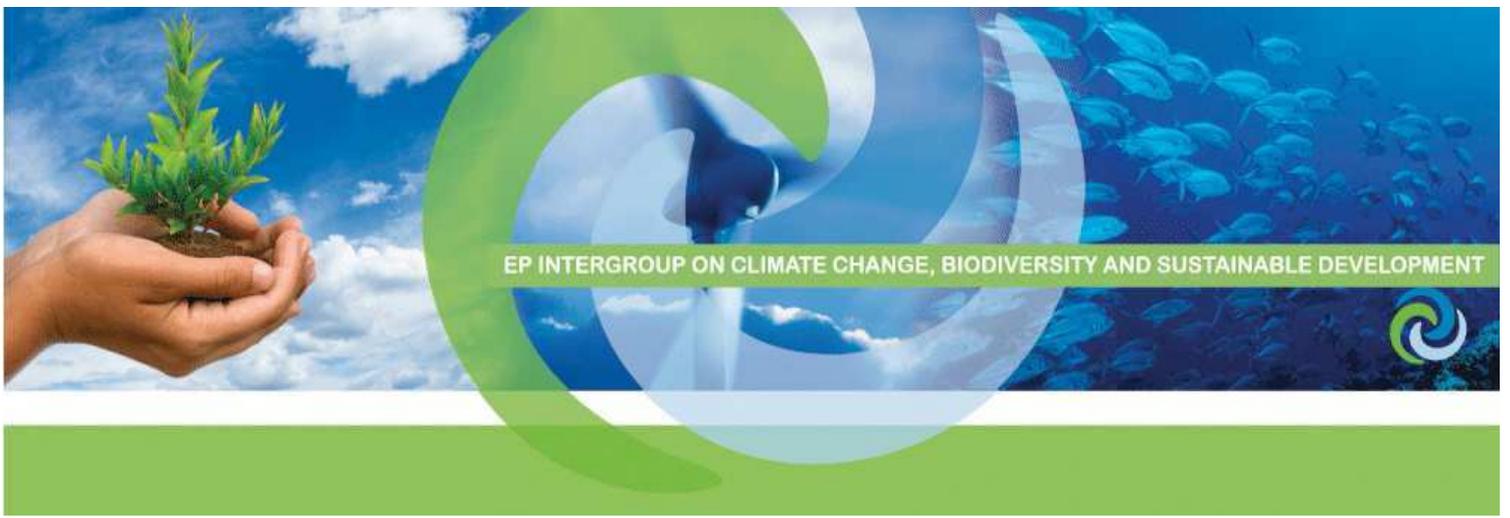
Courtney Hough from EATIP thinks that aquaculture is under the same umbrella but there are very different aspects. The CFP is not perfect, but it is already much better than before.

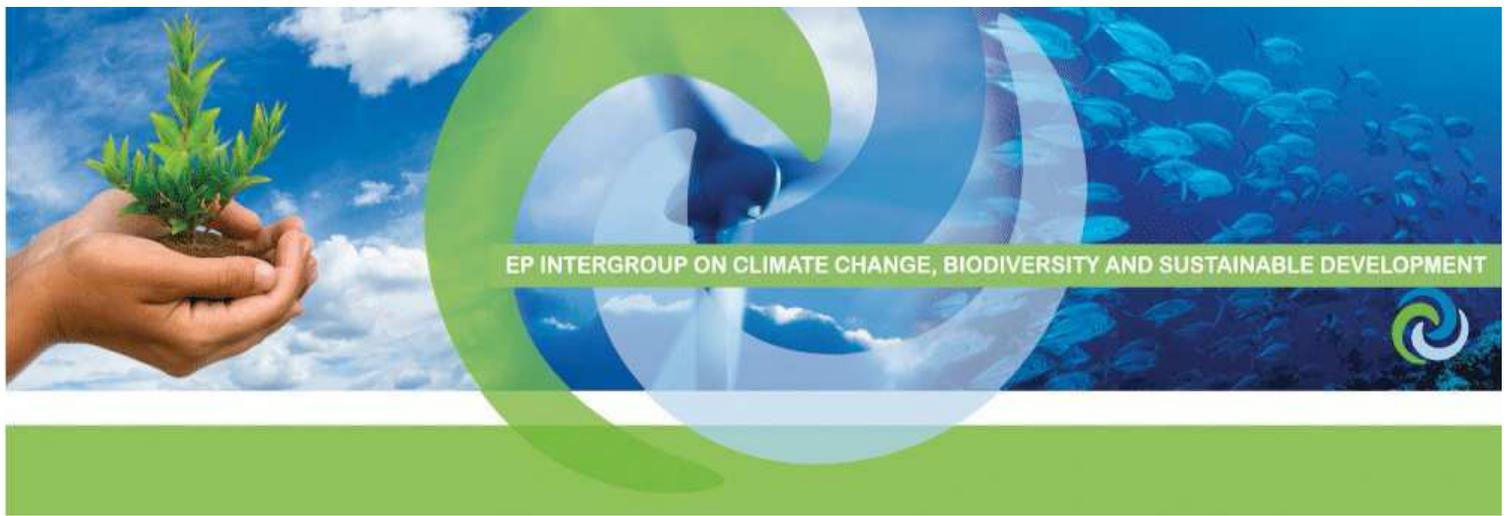
MEP Struan Stevenson (UK, ECR): In this CFP reform, MS will have to provide national plans for aquaculture. We don't want to be prescriptive. He urged his colleagues to prompt MS to adopt ambitious national plans.

Conclusions by the Chairs

MEP Pat the Cope Gallagher (Ireland, ALDE)

National plans will be very important. It is essential that Member States draw up ambitious national plans.

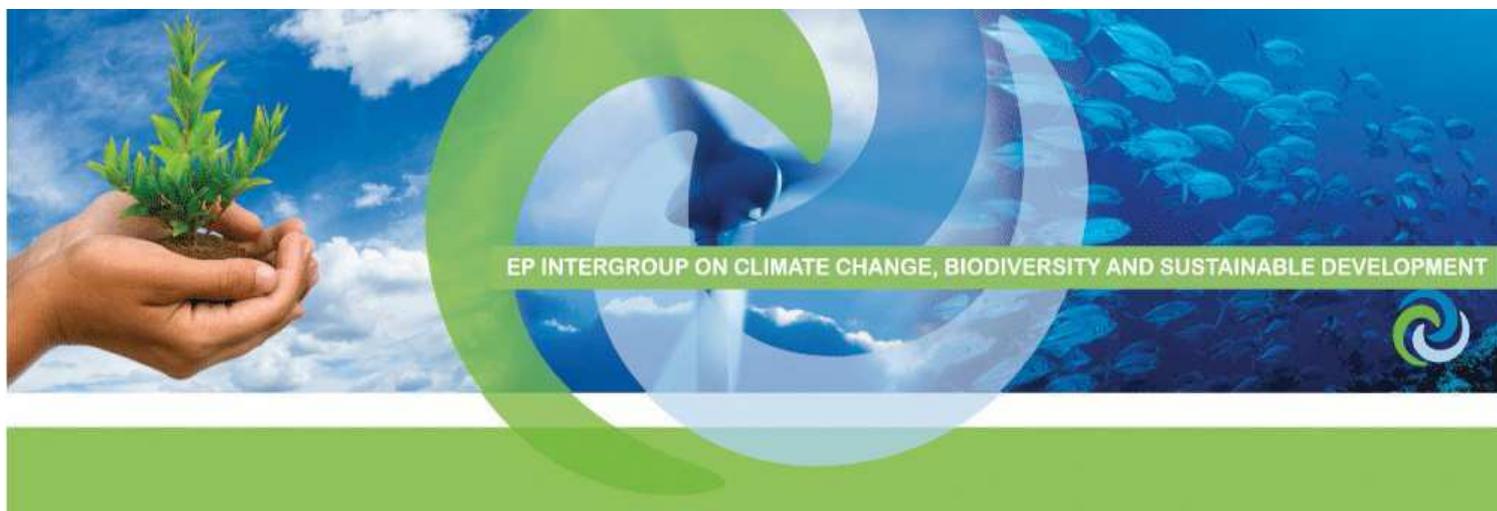




List of participants

European Parliament

Alexandros	Brakoulis	EFD group
Maria	Constanga Freitas	Assistant
Sean	Kelly	MEP
Albert	Dess	MEP
Ana	Echeverria	Assistant to MEP Chatzimarkakis
Inigo	Echeverria-Torres	S&D group
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Loic	Forgeois	Assistant to MEP Cadec
Pat the Cope	Gallagher	MEP
John	Griffith	Assistant to MEP Higgins
Tanja	Hallew	Assistant to MEP Kostinger
Chris	Davies	MEP
Olmos	Marcitllach	Assistant to MEP Sanchez Presedo
Maria Do Ceu	Patrao Neves	MEP
Vasilios	Mylonas	S&D group
Nikolaos	Salavrakos	MEP



Christine	Van Dijk	Dutch delegation EFD Group
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Struan	Stevenson	MEP
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European Commission and other European Institutions

Florentina	Cruz	EC Commissioner for Maritime Affairs and Fisheries
Maria	Damanaki	

Philippe	Moguedet	DG RTD
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Nila	Petralli	DG RTD
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Stamatis	Varsamos	DG RTD
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Embassies and Permanent representations

Julianna	Camacho	Mission of the USA to the EU
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Carolina	Diaz	Embassy of Colombia
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Eric	Duport	Embassy of Colombia
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Trisari	Dyah Paramita	Embassy of the Republic of Indonesia Union Permanent Representation of the Czech Republic
Petra	Fort Rathouska	

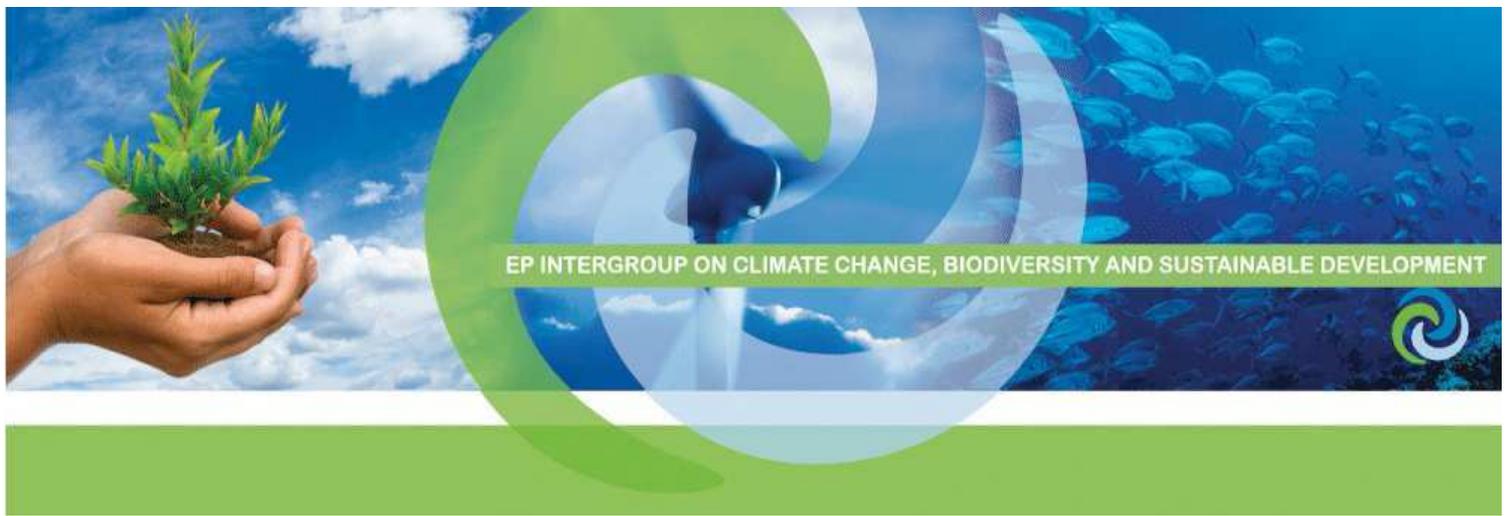
Gaston	Funes	Argentinean Mission to the EU
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Alan	George	Embassy of Sierra Leone
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Paula	Hippolyte-Bauwens	ECS Embassies and Missions to the EU
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Savvas	Kafouris	Permanent Representation of Cyprus to the EU
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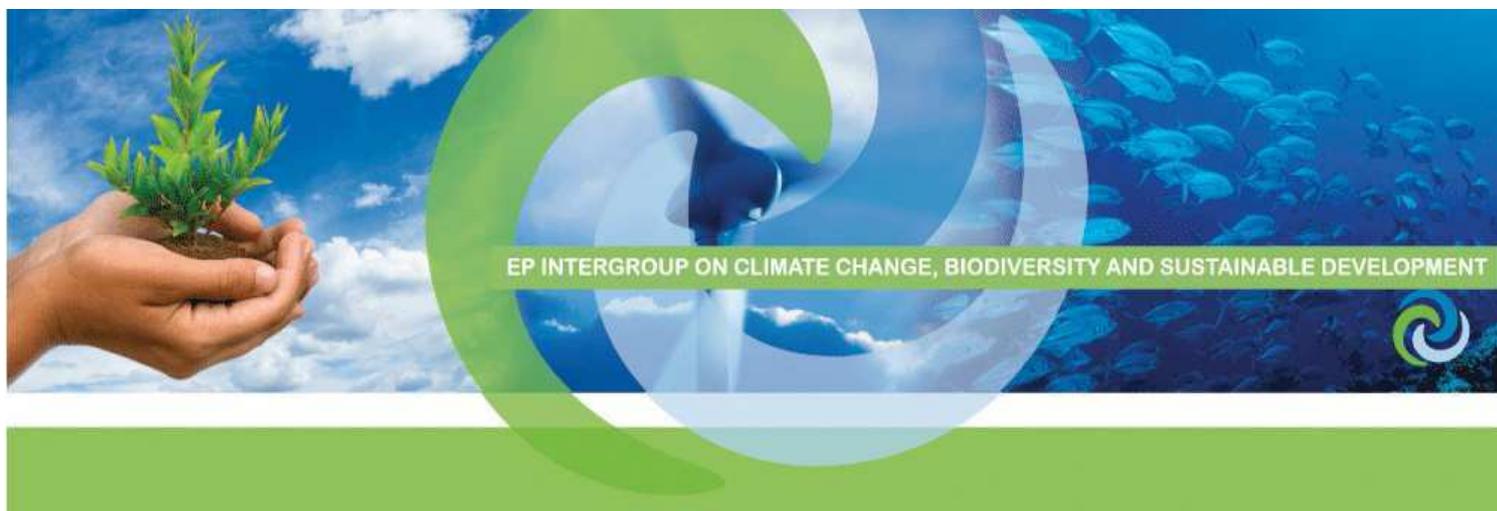
Katarina	Karctagova	Permanent representation of Slovakia
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Christian	Kargbo	Embassy of Sierra Leone
Lefter	Klimi	Albanian Mission to the European Union The Mission of the Russian Federation to the EU
Vasily	Lavrovskiy	
Sangman	Lee	Mission of the Republic of Korea to the EU
Niamh	O'Donnellan	Iceland mission to the EU
Haggai	Onguka	Embassy of Kenya
Vassilis	Papadopoulos	Permanent Representation of Cyprus to the EU
Victoria	Pauwels	Embassy of Colombia
Russell	Phillips	Australian Embassy
Rodrigo	Rivera	Embassy of Colombia
Limtrajitt	Vacharee	Royal Thai Embassy
Lavrovskiy	Vasily	Russian mission to the EU
Stéphane	Vrignaud	US Mission to the EU
Gaku	Yoda	Mission of Japan to the EU

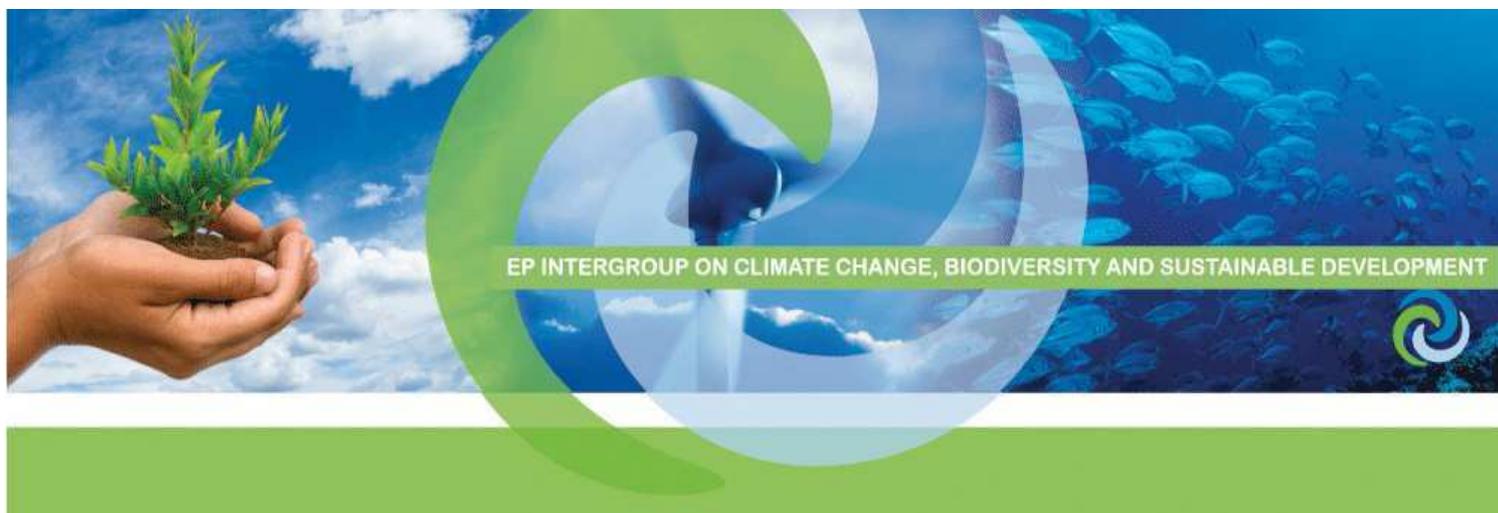
Stakeholders

Feneis	Bernhard	VDBI, Germany
Marte	Borhaug	The Brussels Office
Roxana	Bucioaca	IUCN

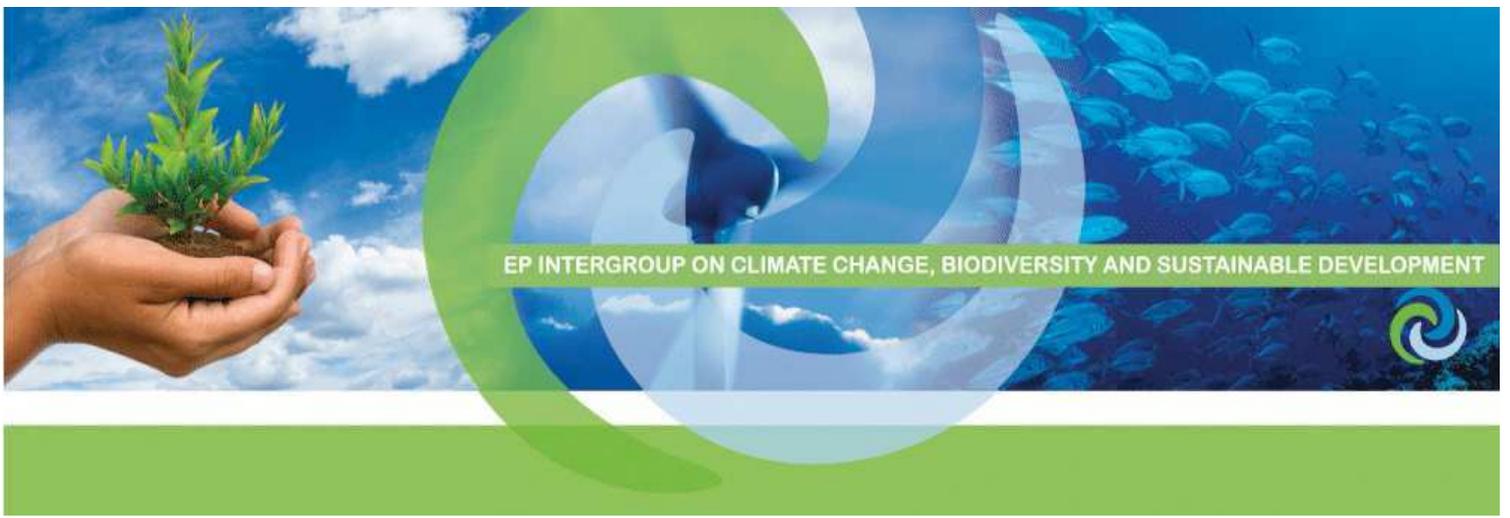


EP INTERGROUP ON CLIMATE CHANGE, BIODIVERSITY AND SUSTAINABLE DEVELOPMENT

Liz	Cassidy	Welsh Government EU Office President of the Federation of European Aquaculture Producers
Arnault	Chaperon	
Samuele	Cofano	Net European Consulting
Fabrizio	Conforti	
Nils	Courcy	Independant
Elizabeth	Cousin	Euralia
Sasja	De Bruyne	Afdeling Landbouw- en Visserijbeleid
Marleen	Dehasque	FEAP
Miguel-Damien	Desnerck	DESNERCK MEDIA Ltd
Rebecca	Diggle	Scottish Government
Ana	Dijan	Association of National Advertisers (ANA) Representative of the province Zeeland in Brussels
Alexandra	Djuricanin	
Christian	Ducarme	Conseil de Filière Wallonne Piscicole President of the European Mollusc Producers' Association
Richie	Flynn	
François	Fontaine	Service Public de Wallonie
Susanne	Gruber	Vertretung des Freistaates Bayern bei der EU
Bruno	Guillaumie	European mollusc producers' association
Courtney	Hough	FEAP and EATIP Vertretung des Landes Baden-Württemberg bei der EU
Beate	Huonker	



Andrew	Jackson	IFFO
Monica	Jacobs	IUCN
Christina	Jankowski	Grayling
Sachi	Kaushik	INRA
Sadasivam	Kaushik	INRA
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Gustavo	Larrazabal	EATIP
Laura	Maiz-Tome	IUCN
Martin	Mojzis	Liaison Office of Kosice Region
Dominick	Moxon-Tritsch	IFTF
Pascal	Ntahom	PASOAF
Javier	Ojeda	APROMAR
Benjamin	Pallard	PACA region
Nathalia	Prieto	Centre Balears Europa
Manuela	Ripa	Representation of the State Saarland to the EU
Raul	Rodriguez Sainz Rozas	Organización Productores Piscicultores
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