REFORM OF THE COMMON FISHERIES POLICY

This response is sent on behalf of the Food and Drink Federation, which represents the UK’s food and drink manufacturing industry – the country’s largest manufacturing sector. Our membership includes some 30 companies accounting for about 85% of UK fish processing capacity, with a value of around £2 billion a year. These are major added-value processors and brand owners, as well as co-producers for retailers and the food service sector. As a trade association, we strongly support responsible sourcing of fish and have a good record of working with UK and other regulatory authorities to promote sustainable fishing practices and improved fisheries management. We are major importers of fish and through our European association (AIPCE) have consistently taken a leading role in supporting measures to combat Illegal, Unreported and Unregulated (IUU) fishing.

The FDF broadly supports the vision for European Fisheries in 2020 set out in the Commission’s Green Paper. But fisheries are a renewable resource with enormous potential to contribute to future food security in a world where demand is likely to double by 2050 and where agriculture will face severe challenges from the effects of climate change and shortages of land, water and energy. We therefore believe that CFP reform needs to look further ahead and at this wider context. This means putting a corresponding future value on fish stocks and ensuring that they are responsibly managed with the aim of maximising long term yields and as an integral part of the marine ecosystems on which they depend. This will also have to be done in ways which minimise wastage, save energy and generally promote efficient resource use, at sea and on land.

This will require a radical change of approach, taking account of the supply chain as a whole and the wider consumer interest, in addition to the needs of those who currently earn their living directly from the exploitation of a common natural resource.

This means:

- prioritising the sustainable management of fisheries to the highest international standards;
- focussing on meeting the EU’s future food needs (in terms of safety, quality, nutritional value, affordability and security of supply).

Question 1 - What, if any, are the other failures of the CFP and which elements are successful and should be retained?

The factors identified by the Commission have all undoubtedly contributed to the present situation where the EU, despite having some of the most potentially productive fishing grounds in the world, is unable to meet the majority of even its current consumption needs from its own resources or to sustain the livelihoods of many of those engaged in the industry. Although this is often characterised as “too many boats chasing too few fish”, the imbalance between catching capacity and what stocks will bear is arguably more of a symptom than a cause of these problems. With modern technology, a relatively small number of boats can
inflict substantial damage on vulnerable stocks if not properly regulated. What matters is the effort deployed, the gear used, the areas and species targeted, the control arrangements and responsibility for enforcement and sanctions. Policy has to be coherent, across all these different variables, and consistent as between all the operators and authorities concerned. In mixed fisheries, with vessels flying different flags and operating under different national quotas, all these difficulties risk being further compounded.

Two further failures which need to be added to the Commission’s list are:

- lack of effective communication between policy makers and the industry, between the industry and scientists, between the Commission and Member States and with the wider public.
- lack of political will, especially in the Fisheries Council, to take hard decisions looking beyond short term negotiating objectives based on national interest.

Nearly 30 years on, the CFP is still the prisoner of the political compromises struck at its inception, based on historic access rights and fishing patterns rather than the conservation needs of stocks themselves. It is neither centralised enough to manage a common resource under a single authority, nor devolved enough to confer a real sense of ownership or responsibility on the various participants.

**Question 2 - Which targets are the best for the CFP to use to measure the attainment of sustainable stocks by 2020?**

The long term management aim has to be the maintenance or rebuilding of stocks to levels consistent with the maximum sustainable yield (MSY) concept. Unfortunately there are not always sufficient data to provide reliable assessments and the measurement and recording of landings does not give a full picture of fishing mortality, particularly in mixed fisheries. The adoption of a common target date for achieving MSY across all stocks is also somewhat arbitrary, given the various different circumstances involved. This would tend to argue for an approach based on individual management plans for specific fisheries, using a range of methods as appropriate, including catch (rather than landing) quotas, effort management, use of more selective gears, closed areas and some form of transferable rights to provide economic incentives for more responsible behaviour.

**Question 3 – What is the best way of overcoming the uncertainty created by the annual EU fisheries negotiations and enabling the fishing industry to plan for the long term?**

It is difficult to discuss decision making procedures in isolation from the management tools to which they relate. Annual negotiations of themselves create an element of uncertainty as they necessarily contain the possibility of changes of direction or policy. When coupled with a system of nationally allocated quotas there is also an inbuilt risk of creating a “race to fish”, not least to avoid a “use it or lose it” consequence in the following year. None of this is conducive to longer term management or rational economic behaviour on the part of operators.

**Question 4 – What is the best way for the CFP to deliver a social element, whilst promoting a more efficient and profitable fishing industry overall?**

This is a complex issue which exposes some of the contradictions in the present CFP. The presumption appears to be that dependence on fishing should itself be a criterion for some
form of special treatment or support, particularly in the case of smaller-scale, less efficient vessels – the rationale being that such activity is intrinsically less damaging to stocks than fishing carried out by more commercially viable operators. But in many cases it is past overfishing which is the cause of decreased profitability, resulting in structural overcapacity and a perverse incentive to fish harder or indulge in practices such as high-grading or discarding to try to maintain income levels. Collectively, large numbers of smaller vessels can also inflict significant damage on vulnerable stocks and this effect is compounded when public funds are used to improve vessel performance rather than to diversify into other activities. There are also risks that markets may be distorted by certain types of intervention, supported prices providing the incentive to catch more and perpetuate inefficient catching methods and further economic decline. Any social element of the CFP must therefore be completely decoupled from fisheries management and aimed at supporting communities in ways which do not compromise conservation policy or broader resource efficiency objectives. Sustaining employment in the fishing industry should not be an aim of a reformed CFP. Other policy instruments need to be considered to deal with the social consequences of this.

Question 5 – How should the CFP be changed to help integrate fisheries management with management and conservation of marine resources and marine environment?

Fish stocks are an integral part of wider marine ecosystems, not least in terms of food chains. Fishing is by no means the only cause of mortality. Natural predation, pollution, ocean temperature changes and oxygen and acidity levels all have significant impacts and are often interlinked. There are examples of stocks remaining stable despite intense fishing pressure and of others which continue to decline even though closures and other rigorous management plans are in force. This all points to the need for a much greater research effort to understand these interactions and to devise strategies which are mutually reinforcing in terms of promoting the health of ecosystems and the viability of fish stocks. The CFP must therefore consider issues other than catch levels and be based on a broader approach to resource management in ecosystem terms.

Question 6 – How can we improve the type of data on fish stocks and the fishing industry, and the way we collect it, for fisheries management under the CFP?

The quality of the evidence base is crucial to successful fisheries management, particularly in the context of the wider challenges referred to in question 5. Given the longer term strategic importance of fisheries in relation to future food security, there is a clear case for a step change in public funding to support improved data collection and research justified by current market failure. Much greater use also needs to be made of other information sources, such as data collected by fishermen themselves and evidence from observers on vessels in addition to traditional research voyages. Data also need to be looked at in the context of other variables in marine ecosystems, an area where computer modelling would seem to have substantial potential. There also needs to be improved communication between fisheries scientists, policy makers and industry and other stakeholders, to promote greater shared understanding and to pool knowledge. This has to be a top priority for a reformed CFP, judged in relation to the potential future benefits rather than the current economic performance of the sector.

Question 7 – What is the best way for everyone with interests in fisheries to work together to deliver sustainable fisheries and at what level?

As the Green Paper makes clear, current policy objectives are not clearly prioritised, resulting in both confusion and tension between different elements, notably the relationship between
ecological sustainability and economic and social criteria. It is, however, increasingly apparent that without substantial improvement in the management of the resource there will be no economic or social future for anyone in the industry. Encouraging a greater sense of collective responsibility and engagement in tackling these challenges is therefore a priority in its own right. The key to this would appear to be both more active involvement in decision making processes and changes to management measures which promote a greater sense of ownership, such as a transferable rights system. It is difficult to see how this can be done without further decentralisation and regionalisation, within generally agreed principles and high level objectives. This approach must, however, embrace the whole supply chain, not least to help overcome the frequent current disconnect between catching operations and the needs of processors, retailers and consumers. This should also help fishermen to gain a better understanding of the importance of quality and continuity of supply, as well as the need to maximise efficiency throughout the value chain.

**Question 8 – How can we best develop long-term management for all fish stocks, taking account of variations in fisheries and environmental factors?**

This question is closely linked to questions 5 and 6. A pre-requisite for long term management has to be a sound evidence base, together with a consensus on the high level objectives and principles of the CFP. But there also need to be mechanisms for responding to shorter term variations according to local conditions and circumstances, hence the need for a more decentralised approach to management within these guiding criteria.

**Question 9 – How can processors, retailers, restaurants and consumers help to ensure that fish sold in the EU comes from sustainable fisheries?**

Processors and retailers are already leading this agenda, supported by consumers and NGOs in respect of traceability and certification schemes. Fish caught in accordance with a properly managed CFP ought not to need third party certification as to their sustainability, which is itself a measure of the improvement still to be made in terms of public confidence in a reformed policy. There also needs to be increased awareness that the market for fish is a global one and that international trade has a legitimate and important role in balancing supply and demand, complementing regional conservation policies by ensuring that consumption needs are met so that markets are not lost if catches need to be reduced. FDF members also fully support efforts to tackle IUU fishing and are actively working with UK and other authorities to ensure successful implementation of the new EU regulations from 1 January 2010.

**Question 10 – How can we best use the European Fisheries Fund or other means to help deliver a reformed CFP?**

As highlighted in response to question 6, a top priority for future public financial support is the need for improved research to provide a better and more robust evidence base for fisheries management, integrated with improved understanding of marine ecosystems more generally, including impacts of climate change. This is currently an obvious area of market failure and the scale, complexity and wider importance of the issues go well beyond what the industry itself could be expected to fund. Similarly, as explained in response to question 4, any public financing of socio-economic measures has to be decoupled from fishing operations in order to avoid compromising resource management objectives and should ideally be aimed at encouraging diversification or the development of alternative economic activities. Experience has also shown that direct aids to reduce capacity through decommissioning are both
expensive and ineffective in reducing fishing mortality. They can also serve to increase the efficiency of the remainder of the fleet, thus increasing pressure on stocks. Modernisation grants also work against conservation objectives by improving performance or reducing operating costs. Restructuring and capacity reduction are best achieved through economic drivers, which will in themselves also promote energy saving and other forms of efficiency gain.