

A new EU fisheries policy:

# Aligning market forces for conservation

**The Common Fisheries Policy (CFP) is up for revision. On approaching the CFP's 30th birthday, the EU imports an increasing 60 per cent of the fish consumed, excess quantities of our marine food potential is wasted, many fishing communities are economically underperforming and years of successive tightening of fisheries regulations have failed in one respect or the other. The ordinary EU consumer has put a serious question mark on the CFP performance, and the answer is probably not a continuation of present management thinking.**

The CFP was agreed by the EU Council of Ministers on 25 January 1983. Basically, the CFP is about allocation of fishing rights between Member States according to a fixed key (Relative Stability), technical conservation rules (minimum landing sizes, gear construction, by catch rules, days at sea schemes, etc.) and surveillance of national control. The Common Market Organisation and the Fisheries Fund are other elements of the CFP.

The CFP must be revised before the end of 2012. A formal proposal from the EU Commission is expected in July this year. This, the third revision, is likely to be the most important since the establishment of the CFP. The new sharing of powers between the European Parliament, the Commission, the Council of Ministers and the regional level will attract much interest. However, in the forefront of the discussion stands the senseless discard of fish.

Thorough analyses of the Common

Fisheries Policy have been carried out. Many fish stocks are overfished, fishing communities are economically underperforming and new layers of regulations have not produced the desired results of sustainable food production. Will the revision of the CFP result in a turnaround, will EU be able to set an example to follow and what conceptual approach and operative plan will set the scene for this? Most observers and authorities call for 'fundamental changes'. Denmark, Germany and the UK have produced a comprehensive and operational proposal for a fundamental change of the policy. A change where fishermen's economic interests and the need for sustainably sourced food goes hand in hand.

## Present policy in a nutshell

In most fisheries, only the fish landed in the harbour count on the quotas. If a fisher throws out smaller, lower priced specimens, he can save

his quota for the big high priced fish. If he catches a mixture of fish species, he must discard the fish for which he does not have a quota. These are just a few situations where fishers are incentivised or even obliged to discard. From a food utilisation perspective, this is intolerable, and we see that consumers and retailers turn their backs on one of the healthiest and low carbon food sources we have. This situation has led to a voluminous growth in rules regulating the fishers choice of gear and fishing method, his time at sea and where and when he should fish. While this regulation – detailed to the extreme, has led to a reduced fishing effort and some improvement in stocks, it has also reduced the opportunity for fishermen to optimise and innovate their fishery, it has increased the share of waste and it has deprived fishing communities of a sound economic result of their work.

## The principles of the New Fisheries Policy

To achieve an optimal utilisation of the resource, the individual fisherman should be accountable for his total catches, not just his landings at port. The incentive to discard less valuable fish and non-quota fish will then be exchanged with the incentive to fish selectively to avoid catching



these fish. Such a result-based Catch-Quota Management (CQM) will incentivise the fisherman to continuous innovation in technology and best practises in order to exploit the full curve of complex catch opportunities and the present layers of detailed and square rules can be gradually scrapped.

Administered on equal terms for all types of fleets it will also induce a structural change in fleets from high discarding to low discarding fleets as discards presently being paid by all fishermen in solidum will be a cost for the individual vessel henceforward.

With the freedom to plan and conduct the fishery, comes the responsibility of documenting, that the given catch quotas are respected. Electronic documentation by CCTV cameras and sensors will ensure that the authorities and the market selling the fish have the necessary guarantees.

Danish, German and UK governments have put forward their proposal for this fundamental turnaround of the current policy and the EU Commission is now considering if the proposal should form the basis for the revision of the CFP.

CQM has a number of advantages for

management and fisher. It is a voluntary choice for the fisher. A fisher accounting for all catches receives an increased vessel quota as there is no need to make a deduction for discards, rules and control can be simplified as the incentive to fish selectively is not conditioned by public regulation and control, improved data will be available for science which again will fuel the beneficial management circle starting with the biological assessment of what can be fished. In relation to markets, the fisher can now offer a documented and traced product that retailers may put on their shelves without fearing damaging press coverage and consumer reactions.

### Implementing the New Fisheries Policy

How then do we get from A to B? And what are the challenges? The CQM model is easy to understand, easy to explain and easy to formulate in legal text. CQM is voluntary; it does not change conditions per se for fishermen outside the scheme. It respects the allocation key known as Relative Stability between Member States; it is already included in legal text in the TAC/Quotas for 2010 and 2011. The first step in getting from A to B is that the EU

states the principle of full accountability and the objective of having all fish landed. The second step is to gradually open the option for fishermen to choose CQM for more and more species. Next to the formal framework, it is about incentive effects. A great number of fishermen want their trade to be respectable and they want the professional satisfaction of doing good craftsmanship – using the resource to its best. Following the speedy development in retailers demand for sustainably sourced fish and seeing Hugh's Fishfight on TV or watching the work to make London the world's first Sustainable Fish City should give a clue to the markets interest in demanding and paying for sustainably sourced fish.

CQM is not without challenges for fishermen. But they seem to be worthy ones. This management presumes that the fisher takes only the fish for which he has a quota. He cannot, as is the case today, continue a mixed fishery, discarding the species for which he does not have a quota and he will lose income if he catches too many small fish. He must use his skills to target the right fish and he must innovate to ensure steady improvements in the

way the resource is harvested. The alternative, discarding of fish is not valid any longer. The strength of the approach is that incentives and technological development will ensure a steady pull for better utilisation.

Another challenge in CQM is the availability of quotas for the vessels in need of fishing rights. It is necessary that the individual Member State in the EU ensures that fishermen can adapt their quota availability to their fleet and vice versa. On a day to day basis, quotas should be transferable between vessels in order to accommodate developing needs, and in a structural context, merging of quotas and private scrapping of vessels is needed to ensure a sound balance between fleet and fish. Denmark has a full-flown catch-share management (ITQ: Individual Transferable Quota) with powerful features; one being the pool system. In the pool system, a fisher may land fish for which he does not have a quota provided he covers his needs by buying or leasing the necessary quota after having landed the fish. Denmark has suggested that a pool facility is established on a transnational basis between Member States.

Member States management systems could benefit from introducing catch-share management, where the fishers are given a well

defined user right and an opportunity to lease, swap or sell the right. Catch share management should be seen as a tool not a conviction. It is a highly flexible instrument where national policies define the objectives and the relevant design of the system to achieve flexibility, economic performance and safeguard fishing community policies. EDF (Environmental Defence Fund) last year launched a web manual for catch share implementation now being used in the USA and introduced in the EU.

Counting all catches is one fundamental principle of the new policy and fleet and individual quota adaptability is the other. The first ensures a proper use of the resource and the latter a proper use of the fleet investments needed to take out the resource surplus.

While the New Fisheries Policy challenges fishermen on their skills to fish and to plan, the people we rely on when the stocks are assessed and the TAC's are set; the biologists, will lose a few challenges. Losing the yearly challenge of guessing how much fish is discarded is probably not a loss however, and precise data from the fisheries is going to be a major benefit in optimising the utilisation patterns and for the cooperation between fisher and scientist. Now as data should no longer be

contested, a development of participatory research where fishermen's interpretation of data enters into the process will be invaluable to both parties in advising on the productive limits of our resources.

Now, will this policy work? Next to its simplicity and logic, the strength is the extensive testing of its practical functionality. CQM was tested in a 12 month scientific trial in cod fisheries in 2009 and it was incorporated on a trial basis in practical management in 2010. In 2011, Denmark, Germany, Sweden, the Netherlands and the UK have implemented CQM as a trial in national management. Around 60 vessels participate in the scheme in 2011. The first results were reported in September 2009. This and succeeding reports have shown that the expectations are met. A workshop in Copenhagen on 17 May assessed results and prospects with a view to furthering the promising developments.

As CQM is voluntary, it can be introduced with a speed that allows for the industry to adjust and for authorities to develop and simplify regulations and controls. An option regarding the former would be to reduce and eventually remove minimum landing sizes of fish thus realising a gradual but swift discard ban



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in a way where the market can adapt to the situation of 'all fish being landed'.

### Aligning the CFP with market forces

A New Fisheries Policy is a way to align market forces for conservation. The result-based CQM approach will ensure that fishermen will avoid juvenile fish as market prices are low, and the features of full documentation will be rewarded by the market. At the same time, the forces of incentives and market powers will reduce the need for public regulation – not to forget, the need for heavy public spending on control.

### Market perspectives

Fish for food is about volume if perceived in a global context, health and obesity if seen with

European eyes and product and price differentiation if seen in relation to the particular consumer and retailers fighting for the competitive edge.

CQM and full documentation ensures full knowledge about the amount of fish caught, the catch area and the conditions related to its catch and handling. After two years of work, Denmark is now prepared to unfold a track and trace system, where all information relevant to sustainability is included and fully documented from the fish being hauled onboard until it leaves the retailer. The system allows for supplementary information to be included in order to accommodate specific market interests.

The New Fisheries Policy has the qualities to make the Lisbon treaty's principle of MSY

(Maximum Sustainable Yield) real in an ecosystem context. In terms of catch volumes, substantial increases are within reach. A sound utilisation will ensure the consumer that he can safely eat fish, and NGO's can qualify or remove their red light campaigns. Furthermore, the feature of full documentation will enable product differentiation which is not based on species and production methods but on catch area, time of year, vessel etc. Why not introduce the terroir concept in fisheries by offering a plaice caught in November on the stone reef at position n;n by a coastal gill netter?

All data from documented and traced products should be available in a database and accessible for public control, for anybody wanting to make a certification on specific product features or for the retailer with a strong brand who does not need a third-party certification but merely a guarantee of the sustainability qualities of the fish he puts on the shelves. Sustainability documentation integrated in the fishing and production process itself should give a more true and continuous picture and be less costly than third party certification.

The question now is whether the revision of the CFP will open a path for the fishing sector to go from A to B, a question that the Commission's proposal in July and the subsequent Council and Parliament discussion will give the answer to.

### Links

New Fisheries Policy: [www.fvm.dk/yieldoffish](http://www.fvm.dk/yieldoffish)

- Government agreements and papers
- Press and articles
- Video demonstrations of result based and fully documented fishery

EDF catch share manual:  
[www.edf.org/page.cfm?tagID=57607](http://www.edf.org/page.cfm?tagID=57607)



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