

# CFP Reform 2002

ANALYSIS OF EU FISHERIES POLICY REFORM PROPOSALS AND COMMUNICATIONS



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## *A STRATEGY FOR THE SUSTAINABLE DEVELOPMENT OF EUROPEAN AQUACULTURE (COM(2002)511)*

*States should promote responsible development and management of aquaculture, including an advance evaluation of the effects of aquaculture development on genetic diversity and ecosystem integrity, based on the best available scientific information. (FAO Code of Conduct on Responsible Fisheries, 1995)*

### **Introduction**

In September 2002, the European Commission presented its 'strategy for the sustainable development of European Aquaculture'. The Strategy is the first Commission (indeed, EU) policy directed exclusively at the growing EU aquaculture sector which is now valued at €2.5 billion per year.

The strategy responds to criticism of the lack of a coherent EU policy for this sector, particularly one addressing environmental and sustainability issues. Despite references to the EU Sustainable Development Strategy, however, the aquaculture strategy is clearly aimed at *sustained growth* rather than *sustainable development*, as underlined by the twin aims of increasing employment by 8,000 to 10,000 jobs by 2003; and increasing growth to 4 per cent year on year.

In many ways the document provides a sweetener for an industry braced for job-losses following the main CFP reform proposals. At the same time, there is acknowledgment on paper at least that increased employment can only be secured over the long term if other issues, including land-use conflicts, marketing and product promotion, and governance are addressed.

### **Analysis of the issues**

The strategy presents an analysis of the EU aquaculture sector, identifying key growth areas since the 1970s. Production has increased sharply from 642,000 tonnes in 1980 to 1,315,000 tonnes in 2000, largely as a result of rapid increases in the production of fin-fish reared in sea cages. While the EU still produces just 3 per cent of global production, it dominates the world market in terms of trout, sea bass, sea bream, turbot, as well as mussel production.

According to the Commission's diagnosis, future prospects for the sector are

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broadly as follows:

- Freshwater fish – low demand has meant that the market value of fresh farmed fish is low, as compared to production costs. Demand is not expected to increase either, unless marketing initiatives can reverse this trend. There are also environmental constraints associated with this type of intensive production, notably high water demand and emissions.
- Marine mollusc farming – this sector is spread throughout the EU’s coastal areas, in some cases generating important economic activity. There is some potential to develop the technology to farm a larger range of species, according to the Commission. Algal blooms or other local problems are increasingly affecting profitability, however.
- Marine fish farming – is technically the most complex farming method. This sector was highly profitable until the 1990s but has since suffered from rapid production increases, causing excessive supply and associated price reductions. This has been a particular problem for seabass and seabream from the Mediterranean. The sub-sector ‘also suffers from environmental problems linked to intensive production, where fish is fed on industrial feed.’

Despite environmental constraints facing all sub-sectors, the Commission nevertheless sees significant scope for continued growth.

### Objectives

‘In the next ten years aquaculture must reach a status of a stable industry which guarantees long term secure employment and development in rural and coastal areas, providing alternatives to the fishing industry, both in terms of products and employment.’  
(Aquaculture strategy)

The strategy states clearly that the ‘first, ambitious’ objective is to secure increased employment, particularly in fishing dependent areas, by between 8,000 and 10,000 full-time jobs between 2003 and 2008. Delivery of this objective is reliant on a number of ‘sub-objectives’:

- increasing the production growth rate to 4 per cent per year, with particular attention given to mollusc production, new species, organic production and environmental certification;
- resolving conflicts for space, so as not to hinder production;
- promoting market development – including new markets, and real time market data to ensure more stable and higher priced supplies; and
- improving governance of the sector.



The two other main objectives are: to ensure that products are healthy, safe and of good quality, as well as promoting high animal health and welfare standards; and to address the negative environmental impacts of the industry, through legal and voluntary measures.

While all three objectives are supportable, the impression is that employment and continued growth in the sector will always be the first priority, even though at a local level, it may be best to avoid further growth in order to meet environmental objectives, or to support other economic activities, such as tourism.

### Actions

According to the Strategy, 'the EU has a vast armoury on aquaculture'. Nevertheless, the strategy contains an extensive list of measures to improve performance of the sector, in economic and environmental terms.

To *increase production*, a new set of priorities for FIFG spending is suggested. In the past, uncontrolled expansion in the sector, often supported by public aid, has disrupted the market. The Commission therefore favours public aid being directed at modernisation and diversification of existing installations rather than the creation of new ones, and at training, monitoring, research, clean farming technologies and improvements in traditional farming activities.

Diversification is a top priority, with an emphasis on species dependent on primary production such as herbivorous fish, molluscs and seaweeds. Rather surprisingly, another Commission priority is the introduction of 'genetic improvement programmes'. It is unclear whether these would also comprise research on genetically modified fish, still a contentious issue with European consumers. Alternative feed sources are also to be explored, to allow further development of carnivorous fish farming.

The issue of '*competition for space*' is to be addressed through a combination of measures, including greater use of offshore rafts and lines for molluscs, and greater use of offshore cage technology. Importantly, the Commission notes that future aquaculture development should be based on Integrated Zone Strategies and Management Plans, considering aquaculture in relation to other existing and potential activities and taking account of their combined environmental impact.

The strategy deals with certification issues to some degree, and from the perspective of increasing production, market development and governance, as follows:

- Organic production - existing standards for production, labelling and inspection for organic farming (Regulation 2092/91) should be extended to aquaculture. This is likely to be unpopular with independent accreditation and certification bodies that have set their own standards; Regulation 2092/91 has already created complications for some of them.



- Quality labelling – aquaculture producers should, according to the strategy, take advantage of EU schemes for product marketing by using official quality marks available. Until now, only three aquaculture products have been labelled as such.
- Environmental Management and Audit - the aquaculture sector is not yet making use of the voluntary EMAS scheme which requires an organisation to adopt an environmental policy containing commitments to continuously improve its environmental performance and to comply with all relevant environmental legislation. The Commission recommends companies register, pointing to potential cost savings and market advantage.
- The Commission also notes that more specific labels for ‘environment friendly aquaculture’ may be envisaged. The Commission will investigate if special EU provisions are needed, or whether labels would be better developed by the industry, based on voluntary Codes of Best Practices.

Finally, in relation to governance, codes of conduct and EMAS registration are encouraged. The respective roles of governments and the private sector are to be redefined, and stakeholder participation and consultation in policy planning further developed. However, it is not clear what policy planning process stakeholders should participate in.

### **Environment-specific actions**

According to the 2001 EC Biodiversity Action Plan for Fisheries, many environmental impacts from aquaculture ‘could be mitigated by integration of aquaculture into coastal and catchment area management and effective utilisation of the feed. ...More environmental concern surrounds the effect of escapees and spread of disease and parasites. Particularly in salmon aquaculture there exist diversity threats to the multitude of river stocks of Atlantic salmon which are partly mixing with and partly being replaced by farm escapees.’

The strategy outlines a set of new or amended standards to mitigate some of the negative environmental impacts from aquaculture. Notably, the Commission promises to, respectively, ‘study’ and ‘examine’ the inclusion of intensive fish farming within the scope of the nitrates from agricultural sources Directive 91/676 and the Integrated Pollution Prevention and Control Directive 96/61. The latter is particularly noteworthy, since it would require aquaculture installations to be covered by a single integrated permitting regime aimed at attaining ‘a high level of protection for the environment taken as a whole’. The Commission may also elaborate specific guidelines in support of environmental impact assessment of aquaculture projects, in line with existing legislation.

However, only voluntary or ‘soft’ measures are proposed for many of the most critical issues. The Commission notes the potential problems associated with the capture of wild fish which are then used for tuna ranching, as well as threats posed by escapees, alien species and genetically modified organisms. In all cases, no specific measures are set out. In relation to tuna ranching, the Commission



promises to 'take this into account in relevant fishery management initiatives'. Various research efforts are referred to, including research on the potential risk of transgenic fish and on the threats to wild salmon caused by farm escapees. Guidelines are being developed to minimise salmon escapees, with the Commission merely stating that it 'will examine' the need for compulsory rules. Member States are 'encouraged' to adhere to the ICES Code of Practice on the Introduction and Transfer of Marine Organisms.

### **Conclusions**

Despite the title of the strategy, it is difficult to get a sense of how the sector is to develop, apart from growing continuously and diversifying into new species and markets. The strategy does give considerable attention to environmental impacts associated with the sector. The responses, particularly those aimed at reducing escapees, introduction of alien species and genetic impacts, seem rather limited, however. There is also no indication of how the strategy will be delivered, how implementation will be monitored and assessed, and whether it will be revised if necessary.

In order to create a clearer picture for the future of EU aquaculture, the strategy does call for future developments to be placed within Integrated Zone Strategies and Management Plans. Such plans would provide the basis for a more coherent and long-term approach to local or regional development of the sector. They would also provide the basis for strategic environmental assessment of national or regional aquaculture developments, so that environmental impacts are avoided as far as possible.