



# The Role of Producers' Organisations in the Sustainable Development of Aquaculture

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## **Acronyms/ Terminology**

AAC	Aquaculture Advisory Council
APOs	Associations of POs
CFP	Common Fisheries Policy
CMO	Common Market Organisation
EMFF	European Maritime and Fisheries Fund
EMFAF	European Maritime, Fisheries and Aquaculture Fund
EU	European Union
MA	Managing Authority
MS	Member State (of the EU)
PMP	Production and Management Plan
PO	Producer Organisation

## **Introduction - Background**

The reformed Common Fisheries Policy (CFP) and the Common Market Organisation (CMO) encouraged the creation of aquaculture Producer Organisations (POs) and enhanced their responsibilities with a view of contributing to the objectives of those policies and promoting sustainability, food security, growth and employment through the management and implementation of collective actions.

POs can be defined as any entity that has been formed and is controlled by producers in a specific sector to jointly pursue one or more of the objectives listed in the CMO Regulation, whether or not the entity is formally recognised. POs can take various legal forms, including cooperatives, associations or commercial organisations in which aquaculture producers are shareholders.

POs are expected to carry out a complex exercise, namely, to develop and submit for approval to their managing authorities' Production and Marketing Plans<sup>1</sup> (PMPs), whereas the European Maritime and Fisheries Fund (EMFF) allows for public financing for the development and implementation of the PMPs<sup>2</sup>.

The PMPs contain mandatory measures to ensure the environmental sustainability of aquaculture activities<sup>3</sup> and provisional market-oriented measures to strengthen farmers' market position. In brief, it could be identified as a "sustainability plan" for aquaculture.

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<sup>1</sup> Regulation EU No 1379/2013 on the common organisation of the markets in fishery and aquaculture products

<sup>2</sup> Regulation EU No 508/2014 on the European Maritime and Fisheries Fund

<sup>3</sup> Commission recommendation on the establishment and implementation of the Production and Marketing Plans, 2014/117/EU

Recently, the European Commission (EC) adopted two strategic policies: the European Green Deal to address climate change and environmental degradation and the Farm to Fork Strategy for a fair, healthy and environmentally friendly food system.

POs are also a key element in achieving the objectives of these strategies. Farmed fish and seafood generate a lower carbon footprint than animal production on land<sup>4</sup>, and POs can elaborate the PMPs collective measures to further improve the carbon footprint of aquaculture operations and to assist the transition to a sustainable food system that will deliver affordable foods, improve the incomes of primary producers, improve environmental and animal welfare, and reinforce the EU's competitiveness. Furthermore, the situation faced by the aquaculture sector due to the outbreak of COVID-19 has demonstrated the value of PO for collective action<sup>5</sup>.

Within this context, it is necessary to further enhance the responsibilities of POs and provide the necessary financial support to allow them to play a more meaningful role in the day-to-day management of aquaculture, while respecting the framework defined by objectives of the CFP, CMO, Green Deal and Farm to Fork strategy.

According to data available from the EC, in 2021, more than 210 POs were recognised by EU countries under common EU-wide rules<sup>6</sup>. Out of the 210 POs, only 34 are related to aquaculture (16%), a figure that demonstrates a very low uptake from the aquaculture sector. More specifically, 12% (26 POs) of the total recognised POs represent finfish aquaculture (marine and fresh water), and almost 4% (8 POs) represent shellfish producers.

The objective of this recommendation is to:

1. Present the enhanced role of aquaculture POs in promoting the sustainable development of aquaculture and contributing to the objectives of strategic European policies.
2. Provide feedback on the difficulties faced by existing POs in implementing their PMP or on individual stakeholders to set up a PO.
3. Propose actions that encourage the creation of POs and their effective contributions to the sustainable development of aquaculture.

### **The role of POs in promoting the sustainable development of aquaculture**

Within the framework defined by the objectives of the CFP, CMO, Green Deal and Farm to Fork strategy and the Strategic guidelines for more sustainable and competitive EU aquaculture for the period 2021 to 2030, POs are expected to perform functions to promote and ensure sustainable aquaculture activities. The main reasons for individual producers to set up new or join existing POs are as follows:

- Strengthening the **market position** of farmers through increased market access (*e.g. production planning, joint selling and supply, price stabilization, level playing field, communication and promotion, self-regulatory initiatives including setup of quality signs*)

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<sup>4</sup> A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system, COM(2020) 381 final

<sup>5</sup> Strategic guidelines for a more sustainable and competitive EU aquaculture for the period 2021 to 2030, COM(2021) 236

<sup>6</sup> [https://ec.europa.eu/oceans-and-fisheries/fisheries/markets-and-trade/seafood-markets\\_en#ecl-inpage-40](https://ec.europa.eu/oceans-and-fisheries/fisheries/markets-and-trade/seafood-markets_en#ecl-inpage-40)



- Provide technical assistance to the members to improve the quality of the final product and/or the efficiency in production.  
(e.g. through better access to technical knowledge, risk management mechanisms)
- Improve the **governance** of aquaculture  
(e.g. participation in policy making, reduce administrative burden, promote spatial planning for aquaculture and guarantee food supply and security, ensure monitoring and data collection of the aquaculture sector).
- Establish conditions for the **sustainable growth** of aquaculture through improved **environmental performance**  
(e.g. assessment and monitoring of the environmental impact of aquaculture activities, promote best practices to improve animal health and welfare, promote the sustainable exploitation of fisheries resources, improve carbon footprint)
- Promote the **competitiveness of EU** aquaculture production  
(e.g. improve market intelligence to link aquaculture with market demands, engage in R&D activities to shape a high-performance aquaculture industry)
- Promote a **level playing field**, particularly with imports from third countries  
(e.g. application of sustainability, production and social standards equivalent to those which apply to Union products).
- Improve the sector's **social acceptability**  
(e.g. raise public awareness about aquaculture and its products, improve consumer information with notification and labelling).

### Current challenges

The latest available figures<sup>7</sup> concerning the implementation of the CMO and EMFF provisions demonstrate a low uptake related to the creation of POs and the implementation of PMPs. The commitment rate across the EU of the total allocated budget from the EMFF for the implementation of the PMP, according to the most recent FAME report, was 34.4%, and the absorption rate was 29%. Further, only 11 POs benefited from the provisions to set up a new PO.

The main reasons behind this are legal uncertainties and financial difficulties, including the following:

1. Existing aquaculture associations and/or independent producers face difficulties in transforming or setting up a new PO under the CMO due to the complex recognition framework, which varies between Member States (MS). In certain cases, OPs are obliged to place in the market the productions of their Members, or they have to comply with legal restrictions at the national level that are irrelevant to the objectives of the CMO and prohibit the setup of a PO.

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<sup>7</sup> [https://ec.europa.eu/oceans-and-fisheries/system/files/2020-12/emff-implementation-report-2019\\_en.pdf](https://ec.europa.eu/oceans-and-fisheries/system/files/2020-12/emff-implementation-report-2019_en.pdf)

2. The implementation of the complex set-up and recognition framework of POs requires the employment or outsourcing of specialized knowledge and expertise, which in many cases is not affordable for family-owned farms and SMEs of the fragmented aquaculture sector in the EU.
3. The financial support for the creation of POs and the implementation of PMPs also varies greatly between MS. As the PO's main activity is not exclusively linked to selling production, the support offered under Article 66 of R508/2014 limits the access of POs, which could apply to cooperatives or similar entities. There is confusion about the eligibility criteria for certain actions.
4. There are legal uncertainties regarding the eligibility period and the advance payments of eligible actions. In certain cases, the approved PMPs were implemented only to a partial extent using their own funding.
5. The lack of a concrete framework to create and fund a transnational PO.
6. The late approval of the EMMF created confusion about the eligible period of actions implemented by the POs.

Within this context, the actual effectiveness of the approved PMPs for the period 2014–2020 might be lower than the expected one<sup>8</sup>. Additionally, certain collective actions require a few years to prove their effectiveness.

## **Recommendations**

The AAC considers that Aquaculture POs are key to achieving the objectives of the CFP, the CMO, the Green Deal and Farm to Fork strategy. To strengthen the competitiveness, effectiveness and viability of the POs, the AAC proposes that the EC:

1. Conducts an assessment analysis about the implementation of the CMO/EMMF related to the POs provisions and provides further guidance to the MS to achieve homogeneous implementation and harmonize the criteria for the creation of the POs and the funding of their PMPs.
2. Organizes training sessions and develops a dedicated space to exchange best practices and know-how between POs, associations and producers, disseminating how to improve the effectiveness of existing POs and encourage the creation of new POs.
3. Creates an inventory of measures that have been deployed from aquaculture and fisheries POs to improve the quality of the PMPs and contribute effectively to the objectives of the CFP, CMO, Green Deal and Farm to Fork strategy.
4. Provides further guidance for the creation of transnational associations of POs to allow synergies of actions implemented by a group of POs and effectively address challenges that cannot be dealt with at the national level (e.g. the establishment of a level playing field, EU-wide educational campaigns).

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<sup>8</sup> Interim assessment of the implementation of Production and Marketing Plans, ISBN: 978-92-79-64117-6



## *Recommendation on the Role of POs in the Sustainable Development of Aquaculture*

5. Facilitates prepayments from the EMMF to encourage own initiatives to set up and recognize aquaculture POs.
  
6. Introduces a timely EMFAF 2021–2027 to enable optimum support for POs.



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