



A Strategy to Support Aquaculture in front of the Coronavirus Emergency

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The European fish farming sector is facing a severe and unexpected challenge due to the coronavirus pandemic that is putting at risk its capacity to continue providing fish to the markets. The situation is extremely serious due to the adoption of sanitary and protectionist measures by all governments of Europe while trying to minimize the spread of COVID-19. This document provides a bold outlook with European wide solutions to favourably overcome this situation.

OBJECTIVE

Assure the provision of fish to the markets through the normal functioning of the European fish farming industry, avoiding at the same time the risk of collapse of the sector.

STRATEGY

Considering the specific characteristics of fish farming the single way to reach the objective is through the adoption of urgent, powerful and extraordinary measures at EU level to prevent the coronavirus emergency from having irreversible negative impact on the normal operation of individual fish farms. This document provides a two-step solution in which both phases are to be adopted.

Step 1

Providing Liquidity to Fish Farms

Target: *Prevent liquidity problems from affecting the payment of normal operating costs (salaries, feed, oxygen, transportation, etc.) through:*

- a) Immediate activation of de *Minimis* state aid and raising of its ceiling to 120,000 €.
- b) Unlocking EMFF money. Including:
 - Simplification of the administrative procedures.
 - Application of pre-financing procedures as opposed to the current reimbursement system.
 - Making operational costs (like fish feed), and damages caused by the Emergency, eligible.
 - Allowing direct financial support for fish farms.
 - Provide guarantees that will facilitate the access to short-term capital from the banking system.
- c) Other measures:
 - Providing additional sources of financing beyond the EMFF, including the freezing of the payment of instalments to tax offices, social security institutions and banks loans, for several months.
 - Further empowering of Producer Organisations through their Production and Marketing Plans. Including the raising of their limit of expenditure to 12%, the pre-financing limit to 100 % and other capacities in their Production and Marketing Plans like the implementation of temporary storage mechanisms.

Step 2

Managing the farmed fish stocks

Stock management is the biggest challenge faced in this crisis by fish farming companies. Growth of the fish can be slowed down but not halted. Uncontrolled biomass increase has an initial impact on the capacity to keep the stock alive and healthy but also builds up a posterior price collapse risk for once the markets are fully open again. Sales of fish through the Horeca channel have completely disappeared and retail for fresh fish has slowed down.

Target: *Avoid problems on managing the biomass stock and posterior market collapse.*

The biomass in each fish farm must be culled to prevent surpassing the holding capacity of the farms. Innovative and viable ways to manage the biomass are to be implemented but all require harvesting of fish. The solutions are:

- a) Storing the fish out of the water: filleted (or not) and frozen. Temporary storage mechanisms have existed in the past in the fisheries sector and are today used for agricultural products. They are the most reasonable mechanisms for this moment for farmed fish even though procedural and technical issues require solving.
- b) Diverting fish sales to public procurement (public canteens, hospitals, military, etc.).
- c) Purchasing of the excess fish production directly by the European Union.