

**FEDERATION OF EUROPEAN
AQUACULTURE PRODUCERS**

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Press Release

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Subject: The FEAP is concerned with the slow unfolding of compensation aid for fish farmers suffering losses because of the war in Ukraine and rising production costs

“Fish farms cannot stop their activity and wait for the storm to pass”

Production costs in fish farming have massively increased since mid-2021. The aftermath of the covid crisis and the war caused by the unjustifiable Russian invasion of Ukraine have sent input costs skyrocketing. Market sale prices have also increased but to a much lesser degree, and fish consumption has seen a decline in most Member States. The critical cost situation of fish farming is in principle similar to other economic activities, however, a key difference is that fish farms cannot stop their activity and wait for the storm to pass. Fish stocks need to be continuously fed and cared for, so the higher costs have to be coped with in any case. Large and small European fish farming undertakings risk their survival in the coming months. Specific public aid for the aquaculture sector has still today not reached its theoretical beneficiaries.

Fish farming in Europe is a very diverse sector that produces more than fifteen different species through a variety of farming systems, both in fresh and marine waters. A sector comprised mainly of micro and small primary production enterprises, each of which is affected by this crisis with different degrees of intensity.

The common impacts are over-the-scale prices of feed for farmed fish, the unavailability of some feed raw materials like the organic ones, skyrocketing energy prices, overpriced liquid oxygen, transportation costs, and the inflation rate that affects packaging materials, maintenance, and labour.

“Cheaper animal protein other than fish is favoured in crisis time even if of lesser quality. This is an undesirable trend from a food security perspective as it is low-income families who decrease more their consumption of this nutritious and healthy food.”

Higher costs have certainly driven to higher first sale prices of the fish, and higher final consumer sale prices, but this has happened in an asymmetric way. Sale price increases have been proportionally lesser than the surge on production cost. Nevertheless, consumers have difficulties to afford those fish sale price increases and consumption of aquatic products has already declined in the majority of Member States. Cheaper animal protein other than fish is favoured in crisis time even if of lesser quality. This is an undesirable trend also from a food security perspective as it is low-income families who decrease more their consumption of this nutritious and healthy food.

The European Commission was quick to propose compensation schemes at the beginning of the crisis and these were immediately adopted by the European Parliament and the EU Council. On March 2022 a Temporary Crisis Framework was approved to support the economy. Also on March the Commission activated new crisis measures to support the fishery and aquaculture sectors in the context of Russia's invasion of Ukraine. It arrived through the crisis mechanism of the European Maritime, Fisheries and Aquaculture Fund (EMFAF) aiming to bring immediate relief to operators through financial compensation for their economic losses and additional costs. This would enable Member States to grant financial compensation to operators for income foregone due to the market disruption, as well as storage aid to producer organisations. And finally, on April the Commission brought forward a second package of crisis measures through a legislative amendment to the European Maritime and Fisheries Fund (EMFF) allowing for additional crisis measures to support the EU fishery and aquaculture sectors.

Nonetheless, the FEAP highlights that seven months into the Ukraine war crisis none of the supposedly urgent compensation money has yet reached any fish farmer in the European Union. The reasons for this can be traced down to the complexities of managing this aid at national and regional levels, besides an overcautious approach of the managing authorities to delivering the compensation.

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Compensation aid rules for fish farmers have been established considering a certain maximum amount of money per company. A failed attempt of fish farmers has been to obtain compensation aid for each farm and not per fish farming company. Most fish farming undertakings own and manage several sites at the same time. The established procedure makes the available amounts of aid insufficient in most cases.

The current critical situation of European Union fish farmers in the midst of this crisis is harsher than should be because of the unfavourable legal framework for this activity that hinders entrepreneurship and investment. This situation makes them less resilient and

more vulnerable to this type of shock. Efforts to make fish farming profitable again have failed because of the overcautious implementation of European environmental laws at national and regional levels. A solution to this would pass through the establishment of legally binding targets on aquaculture production per Member State.

About the Federation of European Aquaculture Producers

The Federation of European Aquaculture Producers is an organisation that represents the European fish farming profession and is based in Brussels. FEAP is composed of 24 national fish farming associations from 23 countries, both EU and non-EU. The combined yearly production of FEAP members surpasses 2,5 million tonnes of nutritious, safe, delicious, and environmentally sustainable fish.

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Federation of European Aquaculture Producers' projects and positions***



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