Response of the Pelagic Freezer-trawler Association (PFA) to the publication '*Dangerously Efficient Industrial Fishing: The Threat of Multinational Dutch Fishing Companies to European Small-Scale Fisheries*' by the Transnational Institute (TNI)

General

1. The Pelagic Freezer-trawler Association (PFA) represents Dutch companies and their foreign subsidiaries in the pelagic freezer-trawler fishing sector. The PFA's members include the companies that are the main subject of this publication. We find it extremely disappointing that neither TNI nor the authors have engaged with us while writing the report. By foregoing any kind of factchecking with those responsible for the fisheries concerned and for its management and governance, including but not limited to the European Commission, the International Council for the Exploration of the Sea (ICES) and the Dutch government, TNI and the authors have opted for a one-sided, biased narrative. TNI has stated to the PFA that indeed it had consciously chosen just one perspective, namely that of French small-scale fishers, and that the report is intended for adult education purposes, but made to fit with the beliefs of the target audience mentioned. The result is a series of misconceptions and inaccurate, fact-free and scientifically unsupported statements. This is all perhaps unsurprising given that one of the authors is a spokesperson for Pleine Mer, an organisation that has repeatedly and aggressively attacked Dutch pelagic fishing companies and their subsidiaries, in particular France Pélagique. In any case, we consider such a subjective approach to research and education unsound and in direct contradiction with TNI's claim to be non-sectarian and its mission to deliver "rigorous research, reliable information, sound analysis".
2. We thank TNI for offering us the opportunity to write a formal response to its publication. This is an important step towards reaffirming our initial impression that TNI is a well-respected NGO that wants to work on issues and engage with other stakeholders in a serious manner. We firmly believe that we can only further improve fisheries management through dialogue, not by squaring off against each other and basing oneself on hear-say and unverified claims. It is absolutely unacceptable to have our members wrongly portrayed as actively pushing for higher catch levels at the expense of the environment and as wilfully undertaking illegal and unreported fishing as well as disregarding the landing obligation.
3. The main assumptions of the report are that the catching capacity and efficiency of pelagic freezer-trawlers are in direct conflict with small-scale local fishers and are dangerous for marine ecosystems and fish populations. However, the reality is different.

Pelagic and small-scale fishing

4. When describing the various fisheries, as in the introduction and boxes 1 and 2, it is important to paint a full picture. Basically, there are two forms of pelagic fisheries: fresh trawlers and freezer-trawlers. The nets

and (acoustic) technology used by both types of vessels is exactly the same. The difference is in their processing capacity and their daily catching capacity. The Scottish, Irish, Norwegian, Icelandic, Faroese, Danish and Swedish pelagic fleets land the fish fresh in ports for further processing and freezing on land. Therefore these vessels have very short fishing trips of only a few days during which they catch very large quantities per day. The Dutch, French, English, German, Polish and Lithuanian pelagic fleets, which consist of PFA members, freeze and store the fish on board, at sea, immediately after catching. Their fishing trips are therefore longer (2-3 weeks in general; not "two months" - page 8) and their catch per day less, as it is limited to what they can process and freeze per 24 hours.

5. The size of a pelagic freezer-trawler (currently ranging between 55 and 144 metres) is therefore not a reflection of the catching capacity. As said, such trawlers have an on-board processing plant and cold storage facility in which the fish is sorted, frozen, packaged and stored. It makes up about 75% of the vessel's length.
6. In the EU member states and the UK 94 large-scale pelagic fishing vessels are active. Adding Norwegian, Icelandic and Faroese pelagic fisheries - which target the same pelagic stocks – this number is more than doubled to 214. The 17 freezer-trawlers of the PFA members represent 8% of the entire European large-scale pelagic fleet.

	number #	average engine power KW	total engine power KW			average length (LOA) m	average Gross Tonnage GT	total Gross Tonnage GT		
Norway	84	3.810	320.075	64%	38%	66	1.872	157.213	62%	33%
Iceland	20	4.597	91.930	18%	11%	74	2.512	50.244	20%	11%
Faroe Islands	16	5.565	89.041	18%	11%	76	2.828	45.251	18%	9%
Non-EU pelagic fleet (ex-Russia)	**120**		**501.046**	**100%**	**59%**			**252.708**	**100%**	**53%**
Great Britain	24	5.021	120.498	35%	14%	72	2.661	63.874	28%	13%
Denmark	27	2.212	59.722	17%	7%	55	1.274	34.404	15%	7%
Ireland	18	2.277	40.984	12%	5%	57	1.241	22.340	10%	5%
Netherlands	6	6.207	37.240	11%	4%	117	6.022	36.134	16%	8%
Germany	4	4.708	18.832	5%	2%	99	4.885	19.541	9%	4%
Poland	2	10.886	21.771	6%	3%	107	7.762	15.523	7%	3%
Sweden	7	2.283	15.978	5%	2%	52	1.036	7.250	3%	2%
Latvia	2	5.149	10.298	3%	1%	102	4.393	8.785	4%	2%
Lithunia	1	9.840	9.840	3%	1%	136	9.499	9.499	4%	2%
France	3	2.861	8.584	2%	1%	88	2.622	7.866	3%	2%
EU pelagic fleet	**94**		**343.747**	**100%**	**41%**			**225.216**	**100%**	**47%**
Pelagic fleet NE Atlantic	**214**		**844.793**			**70**		**477.924**		

source: fishfacts.fo

7. It is a false assumption that PFA members "are undermining European small-scale fisheries". Pelagic freezer-trawlers operate outside the coastal areas and target pelagic species such as herring, mackerel, horse mackerel, blue whiting and sardines (not tuna or anchovy), primarily in the North-east Atlantic Ocean. That means they target different stocks, on different fishing grounds and for entirely different markets to those of local inshore fishers. Whereas for example small-scale Channel and Southern North Sea fishers target high-value species (including non-quota species but not exclusively, as is suggested on page 10) for the fresh market in the EU and the UK, our frozen pelagic fish finds its way predominantly to markets outside Europe, only for human consumption. On a daily basis, PFA members provide food security

to millions of people in developing countries through high-quality, high-protein, healthy and affordable fish. It is precisely the relatively low price that pelagic fish fetches on the market in comparison to the fish caught by the artisanal and demersal fleets, that makes it imperative that pelagic fishing is large-scale and highly efficient. For example, the history of the herring fishery in the Netherlands, Belgium and France shows that a decrease in demand and prices, combined with rising costs of inputs and maintenance, led to the fishery no longer being feasible and profitable for small-scale fishers.

Environmental impact

8. Our target species do not live in, on or dwell close to the seabed. These pelagic fish form large and homogeneous shoals that live and migrate much higher up in the water column. Therefore, pelagic fishing does not interact with seabed habitats at all (as opposed to "Midwater trawling creates very little damage to the seabed.") and has very low by-catch rates.
9. By-catch reports for the Dutch and German pelagic fleets, drawn up by independent observers on board our vessels, are publicly available on the website of Wageningen Marine Research (e.g. the 2017-2018 report[1]. The reports contradict the unsubstantiated claim (box 2, based on another biased report by Seas At Risk) that "Pelagic trawling, especially by large vessels can catch large quantities of under-size fish and it is also known to impact vulnerable species such as dolphins, turtles and seabirds. Moreover, discarded bycatch in this case has a high mortality rate." In addition, since the landing obligation was implemented in 2015 no discarding is allowed on pelagic vessels.
10. The statement that "Due to the trawling of heavy and large nets, the method is also relatively fuel-intensive" (box 2) is wrong. On the contrary, with fishing on shoals being efficient and aided by new engine technology, pelagic fishing is nót fuel-intensive per kilo of product. Many independent studies have given evidence that the carbon footprint of pelagic fisheries is the lowest of all animal protein productions, including all fisheries. A recent study concluded that "most seafoods (21 out of 37) are more nutritious than beef, pork and chicken", that "pelagic species such as herring and mackerel [are] among the top performers" in terms of low levels of greenhouse gas emissions ("Crustaceans, flatfishes, scallops and oysters had the highest climate impact") and that "Seafoods with the lowest climate impact and highest nutritional score (e.g. sprat, herring, mackerel and perch) should be promoted in dietary advice" (Hallström et al., 2018, in Journal of Cleaner Production[2]). Another recent study came to a similar conclusion: "Capture fisheries predominantly create greenhouse gas emissions, with small pelagic fishes generating lower emissions than all fed aquaculture, but flatfish and crustaceans generating the highest" (Gephart et al., 2021, in Nature[3]). The Greenpeace report that is referenced on page 8 of the TNI publication ("Greenpeace created a list of fishing vessels that cause the most pressure on the environment […] Six out of twenty vessels were owned or operated by P&P and Cornelis Vrolijk)" should be seen as purely ideological.

[1] https://www.wur.nl/nl/Publicatie-details.htm?publicationId=publication-way-353633343030
[2] https://www.sciencedirect.com/science/article/pii/S0959652619313162)
[3] https://www.nature.com/articles/s41586-021-03889-2

Stock management

11. Instead of size, power or technology it is of course quotas that dictate the overall catching capacity, also in distant waters. That pelagic TACs and quotas can appear quite large is simply because these stocks consists of large shoals that are widely distributed and very abundant. The target species of pelagic freezer-trawlers are overall well-researched and well-managed quota species. It is nothing more than suggestive to state that "in 2019 43% of known fish stocks in Europe are overexploited" whereas this publication is about pelagic fishing companies only and independent ICES data show that the fishing pressure on the stocks fished by the PFA's members is well-adapted to the aim of Maximum Sustainable Yield (MSY). Where there is a case – such as with Northeast Atlantic mackerel – in which the total catch exceeds the scientific advice, it is not the EU or the UK that is setting higher quota than agreed, but other coastal states such as Norway and the Faroe Islands. Indeed, in 2021 Norway and Faroe Islands have decided to unilaterally increase their quota shares in the agreed mackerel TAC with 55% each, while the EU and UK pelagic fleets (including the PFA vessels) stayed within their quota shares which were agreed in 2014.[4]
12. Pelagic fishing operations are based on Total Allowable Catches (TACs) derived from science, which also takes into account natural and biological factors, and strictly within allocated quotas. It is plainly untrue that "By winning the support of the authorities, P&P and Cornelis Vrolijk have secured more and more fishing quotas and pushed for higher total allowable catch, even at the expense of the environment" (page 8). They are not "fuelling overfishing" (page 6). Instead the PFA and its members advocate and lobby for sustainable fisheries and actively contribute to fisheries science through their own high-quality research programme. After all, fewer fish means less fishing. We take the same position, as does the European Commission as negotiator for the EU, in the context of bilateral, trilateral and multilateral negotiations with other European Coastal States in which TACs for shared and jointly managed stocks are set and distributed.
13. The distribution of fishing opportunities between EU member states (page 8) is not part of the deliberations in the Agriculture and Fisheries Council of the EU. The distribution is based on a fixed key ('relative stability') that dates back to 1983 (the start of the Common Fisheries Policy).
14. The industry, including the PFA and its members, works together very well with NGO's and scientists in the Pelagic Advisory Council (PelAC), an official stakeholder-driven advisory body that produces advice on TACs and overall stock management to the European Commission. All PelAC members take the scientific advice produced by ICES, the independent scientific body responsible for advice on fisheries management, very seriously, generally following this advice and if desired taking an even more precautionary approach than the Commission and ICES. All stakeholders involved in the PelAC will vouch for the integrity of this process. During the 15 years of its existence consensus was reached for virtually all PelAC recommendations. Full

[4] See joint EAPO/Europêche joint press releases: http://eapo.com/UserFiles/EAPO21-24%20-%20EAPO-Europeche%20press%20release%20re%20Norway%20s%20unilateral%20mackerel%20quota%20increase.pdf and http://eapo.com/UserFiles/20210902%20-%20EAPO-Europeche%20press%20release%20re%20mackerel%20overfishing%20.pdf

minutes of all PelAC meetings, including its recommendations, can be accessed on its website[5].

15. "Pelagic fish stocks are not "dwindling" (page 16). The biggest problems are in fact to be found in the demersal stocks. Independent ICES information and advices give insight into the state of pelagic stocks[6].

Lobbying

16. The description of what happens at and around the meetings of the Agriculture and Fisheries Council in December and other meetings related to the setting of fishing opportunities is largely based on biased, ill-informed reports by Seas At Risk rather than facts obtained from the institutions itself. It is a blatant lie that PFA members "have managed to permeate these closed-door decision-making spaces" (page 8). As the Council Secretariat will be able to point out, the Agriculture and Fisheries Council meeting is only accessible for ministers and officials, and industry nor NGO's nor any outsider has ever had access to the Council deliberations. Very tight security protocols are in place, and rightly so. In the past some industry members who were writing for professional fisheries media had press accreditation and as such were welcome in the Council building's press room, which however is far removed from the inaccessible meeting rooms in another, secured part of the building.
17. It is equally untrue that "the CEO of P&P was regularly part of the EU delegation on bilateral talks about quota-setting with Norway" (page 9). Industry representatives are never part of any official EU delegation in international negotiations. They are invited to attend the annual meetings on the bilateral EU-Norway fisheries agreement in the margins, but their presence is limited to observer status during plenary talks. It is noteworthy that the EU takes a stricter approach than Norway, which does include its industry representatives in the official Norwegian delegation. A rough estimate is that for the EU and Norway combined up to 50 industry representatives tend to attend.
18. The act of lobbying, advocacy or representation is not unusual or immoral. Every self-respecting organisation will do so on a regular basis, and the publication to which this is a response is an example as good as any. Of course it makes total sense that ministers, the European Commission and other politicians and governments wish to continuously be aware of the position of the fishing industry and of any relevant information it may be able to offer, just like they will always consider carefully the positions of any other stakeholders. Both industry and NGO's are in direct contact with decision-makers and make sure these decision-makers have their positions in writing. That the PFA and its members "were in close contact with the fisheries minister of the Netherlands" (page 9) is neither surprising nor wrong. Of course it is entirely up to ministers whether they wish to meet with stakeholders in the margins of a Council meeting. In nearly all cases this is for explaining the outcome of the Council only. The location of such a meeting, while taking into account restrictions to access and which can be anything from a hotel lobby to online, has little relevance other than convenience for the minister.

[5] www.pelagic-ac.org
[6] www.ices.dk

19. The Dutch prime minister did not threaten the Faroese government that their fisheries reform "would have consequences for the free trade agreement between the EU and the Faroe Islands" (page 9). It is clear from the publication of the relevant files through a transparency procedure that he suggested to help negotiate a better trade agreement with the EU, which is something the Faroe Islands had been asking for many years. This was all about promoting a level playing field and addressing the situation in which Faroese companies are allowed to take 100% ownership of EU fishing companies, but not vice versa, and more in particular the Faroese fisheries minister's plans to legislate for forced expropriation of foreign ownership.

Quota management

20. The terms "quota grabbing" (page 6) and "quota hopping" (page 11) are suggestive and unjustified. The acquisition of quotas in other EU member states is legal and happens only when both sides agree to it. All take-overs by fishers and fishing companies are the result of companies, including their fishing rights, being offered up for sale. The fact that British, French, Belgian and German fishing rights that were made available were not acquired by fellow countrymen but by others like the PFA's members is down to entrepreneurship and the latter being willing to take a business risk.
21. In pelagic fishing, it is an economic necessity to apply economies of scale due to the very large volumes involved and tough international competition in the seafood market. Small-scale fishers could never reach this level of scale and therefore do not pursue pelagic fishing activities. As pelagic and small-scale fisheries do not compete for the same stocks, the distribution of fishing rights cannot create this direct competition either. Growth, consolidation and economies of scale are the normal workings of any economy and apply to every sector, indeed even to the NGO's ecosystem.
22. Dutch producer organisations (PO's) do not "distribute [fishing rights] among their members" (page 10). The individual quota rights (Individual Transferable Quotas, ITQ's) are owned by their members, not by the PO's, which have no right to decide which fisher gets the ITQs. These are distributed directly to the fishers by the ministry. The choice of the Dutch government, backed by parliament, for an ITQ system was made to prevent overfishing. Whatever one's opinion is about rights-based management systems, in any case fishing companies cannot be blamed for being part of whichever system put in place by their government.
23. PO's in the Netherlands have the task to manage the quotas, which includes ensuring that fishers do not exceed their quotas. Common ways to prevent this are the transferring of quotas within the PO from one fisher to another or the swapping of quotas between PO's, including from other EU member states. After its introduction in 1993, this system of co-management has ended the occurrence of exceeding of quotas. Fishing within allowed quotas is the rule in the Netherlands. All reports by control authorities and by the European Commission confirm this.
24. The suggestive statement that Dutch PO's "are biased towards industrial interests" is nonsensical. Within the boundaries of their formal role of monitoring and managing the quota uptake and of the objectives of the Common Fisheries Policy, of course every PO serves the interests of its members. That is what by definition they are set up for and paid for by their members. This is the whole reason for their existence.

25. The statement that Dutch PO's "are not representative of the fishery sector as a whole" (page 10) is equally nonsensical. There are relatively few small-scale fishers in the Netherlands. Crucially, non-pelagic fishers are not underrepresented in the Netherlands, being organised in ten producer organisations. For obvious reasons, non-pelagic fishers are not members of the pelagic PO, just as it would make no sense to have more than "only one producer organisation for pelagic fish" (page 10) when there are three Dutch pelagic fishing companies. One will find that the alleged conflict of interests between smaller-scale and larger-scale fisheries is absent from the fisheries debate in the Netherlands, even though every segment of the industry is very vocal in general.
26. Indeed, the "40-year-old trawler Sandettie […] continues fishing under the new name Dzintarsaule, and now operates under the flag of Guinea-Bissau". However, the vessel was sold outside the Cornelis Vrolijk/France Pélagique group.

Public funding and fishing capacity

27. The Dutch pelagic fishing companies are family businesses that have their roots in local communities in which they continue to invest heavily. Investments elsewhere also benefit local economies and it would be unfair to blame national and local governments for supporting this.
28. For many years now it has been impossible to directly subsidize ship-building through the European Maritime and Fisheries Fund. France Pélagique's Scombrus vessel (criticised on pages 11-12), is one example of a ship that has been built without any subsidy at all. It was the first new-build in the French pelagic fleet for many years, and which concerned a large investment in the improvement of social and environmental standards, by a company that employs only French fishers. The examples given of direct subsidies (page 12) are either outdated ("in 2009", "between 1994 and 2006") or misleading. In the latter category fall the "subsidies to P&P for building the Euro-Baltic processing factory in East Germany", which when being more precise were part of financial injections by the German government in the fishing value chain in the former German Democratic Republic after the unification of Germany, with the aim of incentivizing much-needed economic development. For P&P this was in fact a risky investment, with the factory being very far away from where the herring comes from and being at a competitive disadvantage to factories in Scandinavia and Scotland.
29. When stating that there has been "overall increase in the fishing capacities of the EU fleet" (page 12), it should also be noted that the number of vessels and the total capacity of the PFA members' fleet has actually been reduced.
30. The use of the European Maritime and Fisheries Fund (page 12) is delegated to the EU member states; the Dutch envelope is small and is dedicated to research projects. None of those subsidies can be seen as direct economic/financial support to companies.
31. The EU does not allow for "fuel subsidies for the European fishing fleet" (page 12), such as for example China does. What is applied in the EU and elsewhere in the world is an exemption on fuel tax. This fiscality

is not reserved for one (large-scale) segment of the fleet; it applies to all fishers worldwide and to all fishing vessels, large and small. Vessels run by NGOs such as Greenpeace also benefit from this tax exemption.

32. The example of pulse fishing (page 12) has nothing to do with pelagic fishing[7] and is no more than suggestive writing. That said, it should be pointed out that pulse fishing is by no means a "destructive method"; this is a political statement that finds no grounds in science. The source given here is biased: Mr Le Manach works for Bloom, an NGO that lobbied the European Parliament very aggressively with the aim to ban pulse fishing in the EU. This was a purely political and fact-free campaign. The independent advice by ICES, thé scientific marine research body for the North Atlantic Ocean and North Sea, on the effect of pulse trawling on the marine ecosystem tells a different (positive) story[8].
33. The Marine Stewardship Council (MSC) actually helps small-scale fishers financially to deal with the "high costs" of MSC certifications (page 12). That money comes from companies involved in the larger certified fisheries' (such as pelagic fisheries) value chain via the royalties paid to MSC for use of the MSC logo.

Technology and efficiency

34. It is a false assumption that sustainability is not helped by high levels of efficiency and technological improvements (page 13). On the contrary, it is high efficiency that means that our pelagic fishery has such a low impact on the environment (see above under 'Environmental impact'). The state and management of pelagic stocks compared to that of other stocks is a point in case. In any case, relating the state of fish stocks to capacity and technology only, without taking into account the role of maximum fishing opportunities (see above under 'Stock management'), is simply faulty.
35. "Fuel efficiency and refrigeration" (page 13) have made it possible to make fewer fishing trips (see above under 'Pelagic and small-scale fishing') and thereby reduce environmental impact.
36. The example of pulse fishing (page 13) has nothing to do with pelagic fishing (see above under 'Public funding and fishing capacity').
37. Access for pelagic "foreign-owned trawlers in the 12-mile inshore zone" is in general not allowed, with only very few exemptions as stated in the Annex of the Common Fisheries Policy. Again, pelagic fishing target different stocks, fishing grounds and markets than small-scale fishing (see above under 'Pelagic and small-scale fishing').

Compliance with EU and international law

38. Several allegations of illegal practices are made (pages 14-15) for which no proof was found nor action was taken. TNI nonetheless presenting the PFA's members as guilty is simply unacceptable in a rule-of-law society.

[7] www.pulsefishing.eu
[8] https://www.ices.dk/sites/pub/Publication%20Reports/Advice/2020/Special_Requests/nl.2020.03.pdf

39. “Accusations of high-grading made about P&P vessels” were never proven. High-grading has been banned from 2010 and the PFA members’ vessels have fully complied with this ban.
40. The case brought up by Greenpeace against the Jan-Maria trawler (“logbooks indicate that 1500 tons of herring were discarded” was dropped by the German authorities after a thorough research – they could not find any evidence.
41. The “1.585 tonnes of illegally caught fish” was in fact fished by the vessel in question, the Maartje Theodora, within quota – the actual problem was a technical error in reporting mesh size in the logbook.
42. The “bribe and tax evasion scandal” concerns the Icelandic company Samherji only (and is still under investigation), not P&P. P&P and Samherji have never collaborated in Africa. Moreover, P&P has never been involved in the management of the Saga vessel as it was no longer part of Atlantex’s operations when P&P became a shareholder of this Polish company.
43. There is no law against pelagic trawlers “fishing in the UK’s marine protected areas”. As almost all MPAs are designed for the protection of seabed habitats, pelagic fishing is allowed in them. The UK authorities have consistently confirmed this many times[9]. The “fishing 632,000 kg of mackerel in British marine protected areas” would therefore have been unproblematic as well. However, this did not concern fishing in an MPA but in the so-called mackerel box. This area is closed for mackerel fisheries in certain parts of the year, but not at the time of the fishing mentioned. No illegal fishing took place and all catch was reported correctly. Although “Cornelis Vrolijk’s Frank Bonefaas was charged £102,000”, ultimately the Court accepted the company’s explanation that a technical error had been made in not reporting the vessel’s intention to enter, and its entry into the mackerel box[10].
44. No evidence is presented for “P&P and Cornelis Vrolijk fish illegally and underreport their catch so as not to exhaust their quotas”, “discarding at sea continues” and “pelagic companies notoriously underreport their catches during this weighing process”, with publications by biased outsiders the only sources given. The PFA’s members do not overfish, neither in European waters nor in “far flung fishing grounds”. Their catch reporting is in line with EU regulation and they have fully complied with the landing obligation from its entry into force for pelagic fisheries in 2015.
45. The “infringement procedure against the Netherlands for breaking EU fishery control regulations” criticizes supervision by the Dutch authorities. It does not say anything about non-compliance by the pelagic fleet.
46. In the end, there are advantages for inspection and control purposes of having only a small number of large vessels.

Pelagic Freezer-Trawler Association, 7 December 2021

[9] E.g. https://deframedia.blog.gov.uk/2019/10/31/defra-response-to-greenpeace-press-release-about-marine-protections

[10] https://www.cornelisvrolijk.eu/news_39_15_Persbericht%20Overtreding%20meldingsplicht.html