AT A GLANCE

Requested by the PECH committee
Study in Focus

European Parliament

Impacts of the COVID-19 pandemic on EU fisheries and aquaculture

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The **Fisheries** and **aquaculture** were among the food sectors most **immediately impacted** by COVID-19. Initially, most countries tried to ensure **health** and **safety**, by closing **ports**, quarantining **foreign vessels**, closing open-air fish **markets**, disin-fecting **ports** and fishing **boats**, providing **masks** for workers and raising awareness about **sani-tary measures**. At the same time, several measures were taken to ensure **social protection** and guarantee decent **working conditions** for fishers and fish farmers. Other measures were taken to ensure the continuity of **food supply**, such as expanding **home deliveries** and **direct sales**, and supporting national and local production through **consumer awareness** campaigns.

This study

analyses the effects of COVID-19 on the EU fisheries and aqua-culture sector from March to December 2020. It provides policy recommendations to strengthen the sector's resilience to shocks, and to address current vulnerabilities in view of potential similar events.

Main observations

The **closure of the hospitality industry** led to a **demand reduction** for fishers and fish farmers. Fishers targeting **high-value species** intended for the hospitality industry were hit hard, while fishers targeting **low-value** species or species intended for industrial purposes and retail consumption were not particularly affected. Fishers throughout the EU responded by **fishing less** to limit low prices and to contain costs, and by **diverting their sale channels** from the hospitality industry to retail, and also developing **direct sales** and **home deliveries**.

In 2020 EU **first sales of fish products decreased by 8 % in volume and 12 % in value** compared with the previous year. Prices also went down, although the decline in volume was sharper. Sales fell dramatically in the early weeks of the pandemic but gradually recovered starting from the third quarter of the year.

The net profit of the fleet is thought to have decreased by 13 % compared with the average of the previous three years. **Employment** is estimated to have **dropped by almost 20 %.**

The pattern observed in the **aquaculture sector** is very similar to that of fisheries: farmers selling to retail did not experience particularly negative impacts, while farmers selling to the hospitality industry **saw a dramatic fall in sales and profits**. What is completely different, though, is how fisheries and aquaculture reacted to the initial shock. Initially fish farmers decided to keep growing their produce or to stock it to avoid a plunge in prices, hoping to sell it shortly afterwards. When they realised that demand would not recover any time soon, they had to find alternative market channels as well. Some initial estimates point to a **17 % reduction in sales volume** and an **18 % reduction in total income,** with a particularly harsh impact on the shellfish segment.

There was a clear **plunge in extra-EU-27 imports** in April and May 2020, but then they picked up, and by the end of the year, there was only a minimal 1 % decrease in volume compared with the years before, whereas the 7 % decrease in value was more significant. This can be regarded as a **net benefit to EU consumers**, although cheaper imports put **pressure on the domestic production**, which was already facing challenges due to reduced demand.

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Processed food boomed during 2020, especially in the early days of the pandemic, when consumers entered into panic mode and hoarded non-perishable foodstuffs.

Some high-value products, such as oysters, lobster and caviar, are typically eaten in restaurants, so their **consumption decreased**, as did their prices. The household consumption of **fresh products** also decreased. **Online sales** and **home deliveries increased considerably**, indicating a structural change in consumer habits.

Compared with 2019 the sales of **unprocessed** fisheries and aquaculture products **decreased** in 2020 by 12 % in France, 9 % in Spain, 5 % in Italy and 3 % in Germany (see Figure 1). However **retail sales** actually **increased**, while sales through **foodservice and institutional** channels **decreased**.

Conclusions and policy recommendations

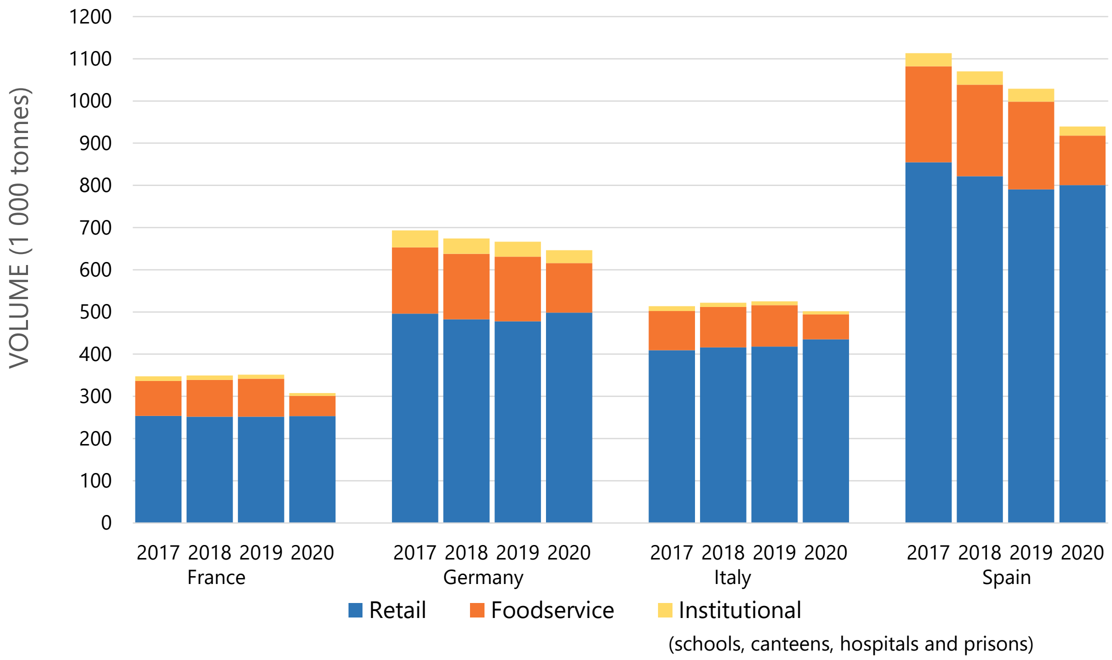
The vast majority of disruptions of COVID-19 on the sector took place at the onset of the pandemic. The entire supply chain experienced a marked recovery through the second half of 2020. However, with lower prices and higher transaction costs, **the profitability of the entire value chain decreased**, with the notable exception of retail.

The "better-than-expected" response of the sector was the product of operators' resilience, as well as of EU and national governments enacting mitigation measures. **In 2020, the EU Member States spent nearly EUR 80 million** from their EMFF budget for COVID-19-related operations.

Key areas for action at EU and national level to strenghten resilience of the sector:

1. **Designate** fishers, fish farmers, processors and distribution workers as **essential.**
2. Establish **exceptions** to travel restrictions for **migrant workers.**
3. Explore the possibility of **banking fishing quotas** for one year to the next.
4. Increase **transparency** on volume of catch and species in advance of its landing in a port
5. Optimise the **cash flow of transfers** of support measures.
6. Introduce a **storage mechanism** in case of shocks.
7. Implement local **promotional campaigns**.
8. Strengthen databases and **market intelligence** tools.

Figure 1: Sales of unprocessed fisheries and aquaculture products in France, Germany, Italy and Spain by channel, 2017-2020



Source: Euromonitor International, Fresh Food, 2021

The present note is based on the study *Impacts of the COVID-19 pandemic on EU fisheries and aquaculture* , authored by: Alessandro PITITTO, Diletta RAINONE, Valentina SANNINO (COGEA); Tanguy CHEVER, Lucas HERRY, Sibylle PARANT, Safa SOUIDI (AND International); and Marta BALLESTEROS, Rosa CHAPELA, José L. SANTIAGO (CETMAR).
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