

## **Have your say - Public consultation and feedback, “EU Maritime, Fisheries and Aquaculture Fund (EMFAF) 2021-2027 - midterm evaluation”**

Marine Ingredients Denmark (MID) and the Danish Seafood Association (DSA) welcome the opportunity to provide feedback on the European Commission's consultation regarding the midterm evaluation of the European Maritime, Fisheries and Aquaculture Fund (EMFAF) 2021-2027.

MID represents Danish producers of fishmeal and fish oil, with exports worth around DKK 4.5 billion in 2023. DSA represents Danish producers involved in processing and trading of fish and aquaculture products, with exports worth around DKK 30 billion in 2023. Together, MID and DSA play a crucial role in the Danish fisheries sector, connecting primary fisheries, aquaculture, and the end consumers.

### **General considerations:**

The processing industry accounts for 70-80 percent of the revenue and employment in the Danish fishery sector, yet it receives only 2 percent of the total program budget, compared to the 28 percent allocated to the fishery and aquaculture sector overall. In contrast, Spain allocates 29 percent of its budget to the processing industry, compared to the 63 percent allocated to their fishery and aqua sector overall. This imbalance creates competitive disadvantages for Danish companies, which compete with other EU companies in the same markets.

Despite challenges with fluctuating raw material supplies, the processing industry shows greater flexibility and resilience than fishing and aquaculture, due to its ability to source raw materials from various suppliers across different countries. A modern and adaptable processing industry is vital, as Danish fishers rely on it to bring their catch onto the national and global markets. There is optimism that tailored subsidies for the processing industry can be increased in the remainder of the EMFAF program period. MID and DSA have to the competent Danish authorities proposed allocating 50 million DKK per year for innovative investments, technology development, product development, generic marketing and the green transition.

### **Challenges:**

The processing industry faces significant challenges due to fluctuations in raw material supply, impacting production stability and capacity planning. The UK's sandeel ban is expected to have wide-reaching consequences for Danish industrial fishermen and fishmeal factories by limiting raw material availability.

The upcoming Danish CO2 tax, removal of quotas for energy-intensive companies, and new EU regulations on data collection for CSR and sustainability obligations further challenge the industry. Also, market driven pressure for sustainable products has increased. These requirements involve extensive reporting on traceability, emissions, fuel, value chain analyses, and statistics.



The processing industry also deals with the complexity of handling approximately 2,000 species globally, which, combined with extensive international trade, makes data collection and reporting particularly burdensome.

EU enter still more bilateral Free Trade Agreements with 3<sup>rd</sup> countries exposing EU seafood industry to a tougher competitive global market for fish and fishery products.

**Needs:**

Significant investments are needed for the green transition in the processing industry to enhance sustainability and environmental performance. Developing standardized templates and tools to help the industry meet new EU regulatory requirements for CSR and sustainability reporting is essential. New requirements for digital traceability systems for the individual operator should be in place and operating in 2026.

Campaigns to encourage fish consumption among children and young people are necessary to build future market demand. Broad and long-term marketing activities are crucial, both at a general and specific level. Additionally, enhanced export promotion efforts, beyond existing support for producer organizations, are necessary to develop new products with high market potential, such as whelks for China.

**Proposals from MID and DSA:**

We have nationally proposed that the upcoming EMFAF program allocate 50 million DKK per year specifically to the processing industry. This funding should support innovative investments, technology development, product innovation, and green transition efforts to ensure the industry's competitiveness and sustainability. Investments in modernizing processing facilities and making them more adaptable to fluctuations in raw material supply are crucial. This includes funding for advanced processing technologies and infrastructure improvements.

Still such allocation 2025-27 will only correspond app. 8% of total Danish EMFAF.

We recommend developing standardized templates and tools to assist the industry in meeting new EU regulatory requirements for CSR and sustainability reporting. This will help streamline data collection and reduce the burden on processing companies. Targeted efforts should be made to facilitate market access for Danish processing companies, particularly in China. This includes support for promotional activities to establish a foothold in new markets.

Comprehensive educational campaigns aimed at increasing fish consumption among young people are necessary. These campaigns should highlight the health benefits of fish and seafood as nutritious and affordable protein sources with low carbon footprint, as well as the sustainability of Danish fishers. Broad and long-term marketing strategies that promote Danish fish and seafood products within the EU and globally are essential. These strategies should focus on the high quality and sustainability of Danish products. In general household consumption of seafood do not meet the official recommendations.



Funds should be allocated for research and innovation projects that explore new applications of fish by-products, develop sustainable fish feed alternatives, and improve the overall efficiency and environmental performance of the processing industry.

In conclusion, MID and DSA propose the European Commission to consider our recommendations in the future setup of the EMFAF. Addressing these challenges and needs will ensure a more balanced, competitive, and sustainable future for the Danish and broader European fish processing industries.



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