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REPORT

FROM THE COMMISSION TO THE COUNCIL

on the results obtained through the operation of the intervention system,
and on the measures taken by producers' organizations, within
the framework of the common fisheries policy.

(situation as at 1st February 1974)

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Report
from the Commission to the Council

on the results obtained through the operation of the intervention system, and on the measures taken by producers' organizations, within the framework of the common fisheries policy.

Article 12 of Council Regulation (EEC) N° 2142/70 on the common organization of the market in fishery products¹ lays down that the Commission shall submit to the Council a report on the results obtained through the operation of the intervention system introduced by this Regulation and on measures taken by producers' organizations.

This report is set out below in three parts;

- I. Summary of the most important Community provisions,
- II. Survey of the present situation in the Community and in the individual Member States,
- III. Conclusions.

I. The most important Community provisions relating to state intervention and producers' organizations

1. State intervention on the market

Article 11 of the aforementioned Regulation stipulates that the Member States shall, through state bodies, buy in fresh or chilled sardines and anchovies where the prices for these products remain below the intervention price fixed by the Council for three successive days.

This buying-in through state bodies was incorporated into the Regulation at the time in order to enable measures for regulating the market to be also taken in those fields where producers' organizations which could carry out this task did not yet exist or where it was expected that the formation of such organizations would prove difficult.

¹OJ N° L 326, 27 October 1970, p. 5.

2. Private market interventions practised by producers' organizations

A. General remarks

The first sentence of Article 2(1) of Council Regulation No 26 applying certain rules of competition to production of and trade in agricultural products stipulates that Article 85(1) of the Treaty does not apply to such of the agreements, decisions and practices as form an integral part of a national market organization or are necessary for attainment of the objectives set out in Article 39 of the Treaty. The formation and operation of producers' organizations in the fishing industry were greatly facilitated by the second exemption specified in this provision, since the agricultural policy has assigned an important role in that industry to producers' organizations which satisfy the requirements set out in Article 5 of Regulation (EEC) No 2142/70 and in Regulation (EEC) No 170/71².

These requirements, which apply only to certain stages of the economic process and to certain products, include the disposal of products through the organization and the application of common rules on production and marketing.

Accordingly, agreements on the formation of the organizations and - bearing in mind that only certain stages of the economic process and certain products are involved - agreements on the disposal of products through an organization and on the formulation or application of rules on production and marketing are amongst the measures provided for by the common agricultural policy and applied in respect of the fishing industry in order to attain the objectives of Article 39 of the Treaty (see 5th recital to Regulation (EEC) No 2142/70).

Such agreements should, therefore, be looked upon as necessary to the attainment of those objectives.

¹O.J. of 20 April 1962, p. 993/994

²O.J. n° L 23 of 29 January 1971, p. 11

However, agreements concluded at other stages of the economic process or in respect of products which are not covered by the Community provisions relating to producers' organizations, and also agreements which might be concluded by these organizations with buyers of agricultural produce or with sellers of production requisites, are not exempt from application of Article 85(1) of the Treaty.

Article 86, on the other hand, is applicable in its entirety to producers' organizations since no exemption exists regarding its application.

B. Recognition of producers' organizations

(i) Requirements for recognition

Recognized producers' organizations in the fishing industry should strive to implement measures which ensure the rational operation of the fishing industry and improve selling conditions for their products. They are voluntary associations of fishermen or ship-owners engaged in fishing whose members undertake to dispose of their products (fresh, chilled, frozen, salted, dried and smoked fish, as well as crustaceans and molluscs, which fall within tariff heading Nos. 03.01, 03.02 and 03.03 of the Common Customs Tariff) through producers' organizations, or to sell their products according to the common rules adopted by the organization in question¹. The producers' organizations must, for their part, fulfil certain requirements in order to be recognized², amongst which the following deserve special mention: they must show that they are sufficiently active economically, and they must formulate production and marketing rules, fishing plans, quality standards and conditions relating to sales effected by themselves and their members³.

(ii) Exclusive recognition of a producers' organization

Under the Accession Treaty the provision that Member States may grant a producers' organization in the fishing industry exclusive recognition in respect of a given economic area, if the producers' organization in question is considered to be representative of production and of the market in that area, was incorporated into the common organization of the market in fishery products. Producers who are not members of the producers' organization which has been granted such recognition, and who unload their products within the economic area in question, may be required by the Member States to comply with the common production and marketing rules of that organization⁴.

In applying such a system it would be necessary to specify the actual provisions concerning the exclusive recognition by modalities of application for which, a legal basis must still be created in basic Regulation (EEC) n° 2142/70 on the common organization of the market in fishery products.

¹Art. 5 of Regulation (EEC) No 2142/70, OJ No L236 of 27 October 1970, p.5.

²Art. 2 of Regulation (EEC) No 170/71, OJ No L 23 of 29 January 1971, p.11.

³Regulation (EEC) No 1939/72, OJ No L 207 of 9 September 1972, p.10.

⁴Art. 7a of Regulation (EEC) No 2142/70, OJ No L236 of 27 October 1970, p.5.

C. Measures enabling producers' organizations to stabilize the market

The fact that a large number of producers jointly plan catches and sales, and comply with common rules, which may include price agreements, governing the offer and sale of their products through their organization signifies market stabilization within the meaning of Community legislation relating to the common agricultural policy.

As with other market organizations, that for fishery products also incorporates its own special market-regulating system, namely the system of withdrawal prices¹.

This system provides that the producers' organizations may fix withdrawal prices below which they shall not sell the products supplied by their members. The destination of the withdrawn products must be fixed by the producers' organization in such a way as not to interfere with normal marketing of the product in question. Normal marketing means marketing for human consumption. Most fish withdrawn from the market are used as animal feed, mainly in the form of fish meal.

The application of withdrawal prices is left to the discretion of the producers' organizations¹, as are the choice of the types of fish and the level of withdrawal prices. Community provisions do, however, provide that for each product a maximum level may be fixed for the withdrawal price. These maximum levels have not yet been fixed. If the products withdrawn from the market are amongst the eleven which are of greatest importance to the Community's fishing industry ("basic products"), namely herring, sardines, redfish, cod, eel fish, haddock, whiting, mackerel, anchovies, plaice and shrimps and prawns, the producers' organizations must pay an indemnity to their members for the products withdrawn; if they supply withdrawal prices to other products, payment of an indemnity is not compulsory.

¹Art. 7 of Regulation (EEC) No. 2142/70, OJ No L236 of 27 October 1970, p. 5.

D. Possibilities for granting aids

The importance attached to producers' organizations under the common agricultural policy is also illustrated by the fact that provision is made for granting them special aids, which are described in greater detail below.

(i) Starting aids

In order to encourage the formation of producers' organizations the Member States can make aid available which is calculated on the basis of a fixed percentage of the value of production marketed but may not exceed a given level^{1,2}. These starting aids are financed up to a ceiling of 50% by the European Agricultural Guidance and Guarantee Fund (EAGGF). Moreover, they are available only to those producers' organizations in the fishing industry which were established and recognized after the entry into force of the common fisheries policy. In making this stipulation the Council's intention was to prevent aid from being given again to organizations with a market-regulating function which already existed in some Member States, which were formed partly with the help of national aids, and which in the meantime had been operating satisfactorily.

However, Member States may still maintain the aids granted to organizations which were established before the entry into force of the common fisheries policy, if the aids help those organizations to comply with Community provisions or facilitate their activities as producers' organizations and if they do not exceed, and are not granted for a longer period than the starting aids.

(ii) Structural aids

In order to improve the efficiency of producers' organizations Member States may, under the common structural policy for the fishing industry, grant aids to promote technical and economic progress in the preservation and processing of fishery products if such aids help to adapt production and marketing conditions to market requirements³. It should be remembered

¹ Art. 6 of Regulation (EEC) No 2142/70, OJ No L 236 of 27 October 1970, p.5.

² Regulation (EEC) No 457/72, OJ No L 54 of 3 March 1972, p.31.

³ Art. 9 and 10 of Regulation (EEC) No 2141/70, OJ No L236 of 27 October 1970, p.1.

that in November 1973 the Commission submitted to the Council the proposal for a Regulation concerning common rules laying down conditions for granting national aid under the common structural policy for the sea-fishing industry¹. This proposal empowers the Member States to grant aids exceeding the specified maximum to members of producers' organizations and to producers' organizations as such.

Furthermore, on the basis of Council Regulation (EEC) n° 2722/72² on the financing of conversion projects in the salt cod-fishing industry, members of producers' organizations may, under certain conditions, receive subsidies from the EAGGF not exceeding 25 % for projects which involve conversion measures concerning the production, processing and marketing of salt cod.

iii) Financial compensation in the case of application of the community withdrawal prices

Member States grant financial compensation to those producers' organizations which apply the Community price of withdrawal³ for 11 basic products. This compensation is calculated - without taking into consideration the level of indemnity paid by those producers' organizations to their members - on the basis of the relationship between the withdrawal price and the guide price. The financial compensation does not integrally cover the difference between the level of the withdrawal price and a fixed standard value. This last value is represented by the nett receipts obtained for products withdrawn and destined for ends other than human consumption. This system has been retained in order that producers assume personally a limited financial risk, and that they are thus encouraged to adapt efficiently their production and marketing to market conditions.

The amounts of financial compensation payed by Member States are re-embursed by EAGGF. (The expenses of EAGGF⁴ for financial compensation paid since the entry into force of the common market organization until December 1973 is shown in Annex 1).

iv) Loans for intervention funds

In the first five years following the creation of intervention funds by producers' organizations the Member States may grant them loans on special terms to cover part of the costs which they expect to incur under the withdrawal price arrangements.

¹ Doc. N° R 2713/73 (AGRI 732) of 10 November 1973.

² Regulation (EEC) N° 2722/72, OJ N° L 291 of 28 December 1972, p. 30

³ Art. 10 (1) (a) of Regulation (EEC) N° 2142/70, OJ N° L 236 of 27 October 1970

⁴ Art. 10 of Regulation (EEC) n° 2142/70, OJ N° L 236 of 27 October 1970, p. 5.

II. The present situation

1. State intervention on the market concerning fresh or chilled sardines and anchovies

Since 1971, buying-in operations by state bodies have never taken place. The principle reasons are the relatively high level of market prices, and in Italy the absence of public buying organizations (See pp. 39 - 44).

2. The producers' organizations

A. In the Community

The structure of producers' organizations in the fishing industry varies a great deal from one Member State to another and also within individual Member States, particularly as regards the size of vessels belonging to the members of an organization and, consequently, the catches, and as regards the fish, crustaceans and molluscs marketed by them. This diversity of structure has become particularly important in connection with a question essential to the recognition of producers' organizations, namely, what criteria may be used to judge whether an organization is sufficiently active economically. The fishing fleets are therefore divided into five categories as shown in Table 1, and the corresponding yearly minimum catch is fixed according to catch possibilities¹.

¹Regulation (EEC) No 1939, OJ L 207 of 9 September 1972, p. 10.

Table 1

Minimum catches for each type of fishing ¹

Type of fishing	Minimum annual catch (landed weight)
1. Distant-water fishing (average time at sea: more than 22 days,	Fresh fish 15 000 t or
	Frozen sardines 5 000 t or
	Frozen tunny 2 500 t or
	Other frozen products 15 000 t or
	Salted fish 10 000 t
2. Middle water fishing (average time at sea: 9 to 22 days)	Fresh tunny 1 000 t or
	Other fresh products 15 000 t or
	Salted fish 10 000 t or
3. Near-water fishing (average time at sea: 2 to 9 days)	Shrimps and prawns 500 t or
	Other fish 2 000
4. Inshore fishing (average time at sea: less than two days)	Sardines, anchovies, mackerel 800 t or
	Other fish 200 t
5. Specialized fishing	Freshwater fish 50 t or
	Oysters 200 t or
	Mussels 500 t

¹Regulation (EEC) N° 1939 O.J. L 207 of 9.9.1972, p. 10.

On 1 February 1974¹, as is shown in Annex 2, there were twenty-seven recognized producers' organizations in the Community :

1 in Belgium
13 in Germany
10 in France
2 in the Netherlands
1 in the United Kingdom.

There was, in addition, an association of seven producers' organizations in Germany.

When broken down according to types of fishing they are distributed as follows :

Distant-water fishing	: 2 in France, including one for frozen fillets and one for frozen tunny;
Middle-water fishing	: 1 in Germany for fresh fish, 4 in France, including 3 for fresh fish ² and one for long-finned tunny;
Near-water fishing	: 8 in Germany for fresh fish, 2 in France for fresh fish, crustaceans and molluscs;
Inshore fishing	: 4 in Germany for shrimps and prawns, 1 in France for fresh fish;
Specialized fishing	: 1 in France for oysters
Total	: 1 23

In addition, there are four organizations which practise several types of fishing: 1 in Belgium, 2 in the Netherlands and 1 in the United Kingdom.

Thus twenty-three of the twenty-seven producers' organizations each practise one type of fishing; their activities extend only to the production and marketing of a given product (e.g. oysters, frozen tunny) or a given group of products (e.g. fresh fish). This demonstrates that amalgamations take place more easily when the interests of the parties concerned converge as regards both the structure of the member undertakings and that of production.

¹ After the date referred to in this report another three producers' organizations have been recognized, namely one in Germany, one in France and one in the United Kingdom (see pages 22, 37 and 43) so that the number of producers' organizations in the Community amounts to 30. It is foreseen that in Denmark a producers' organization will be recognized on 1st July 1974.

² One organization also markets herring salted at sea.

The activities of the producers' organizations in Belgium and of the two in the Netherlands cover middle-water, near-water and inshore fishing. The producers' organization which has been formed in the United Kingdom is even more heterogeneous; its members include ship-owners active in distant-water and middle-water fishing, individual fishermen, ship-owners in the near-water fishing sector and also an association of coastal fishermen.

Consequently, the products landed by these mixed producers' organizations also differ. The Belgian organization markets fish, crustaceans and molluscs but in their fresh (unprocessed) state. The two organizations in the Netherlands and the one in the United Kingdom also market frozen fish and frozen fillets in addition to fresh products and the two in the Netherlands also market salted herring.

The question of to what extent producers' organizations in the fishing industry can influence developments in the most important sectors of the industry is dealt with below.

Fresh fish

In the Community as originally constituted the fishing grounds for the producers' organizations for fresh fish are the coastal waters in the Atlantic, the North Sea and the Baltic Sea.

Several producers' organizations operate in most areas. An exception to this are the coastal waters off Northern France and Belgium where hitherto, apart from fishermen who are not members of organizations, only one producer's organization from each country has been operative.

As is shown in Table 2, producers' organizations are, therefore, more important in the western and northern regions of the Community as originally constituted than in other regions.

Table 2 indicates for the different Member States, the total landings, landings by producers' organizations, the products covered by Community or private withdrawal price arrangements, and the quantities of basic products for which a Community or private withdrawal price has been fixed, in relation to total landings of fresh fish.

Table 2
Landings of fresh fish in the EEC
(for human consumption)

1971

- ' 000 metric tons of
landed weight -

	Landings by producers' organizations						
	Total landings	Total	= % of 1	Products covered by withdrawal price arrangements	= % of 1	Basic products ¹	= % of 7
	1	2	3	4	5	6	7
France	392	315	80	253	69	233	59
Netherlands	151	151	100	121	80	121	80
Germany	205	170	83	60 ² 110 ²	29 ² 54 ²	192	94
Belgium	51	51	100	51	100	35	68
Italy	252	-	0	-	0	93	37
EEC (6)	1 051	676	64	595	58	673	64
Denmark	298	-	0	-	0	212	71
United Kingdom ³	870	280	32	232	27	720	83
Ireland	59	-	0	-	0	47	80
EEC (9)	2 278	956	42	827	37	1 652	73

¹Herring, sardines, rodfish, cod, coalfish, haddock, whiting, mackerel, anchovies, plaice, shrimps and prawns.

²The Seefisch-Absatz-Gesellschaft has its own intervention system.

³Estimate.

The quantities of fresh fish marketed through the producers' organizations account for approximately 42% of the Community's total landings. This low figure is due to the fact that only one producers' organization, in the United Kingdom, could be recognized in the three new Member States during the short period which has elapsed since their accession. The organization concerned already existed on similar lines and needed only to adapt itself to Community provisions. It is therefore to be expected that time will see the formation of other producers' organizations in these three countries.

In the Community as originally constituted fresh fish marketed through producers' organizations account for 64% of total landings, with the figure for each Member State varying from 0% in Italy to 100% in Belgium and the Netherlands; between those extremes come Germany with 83% and France with 80%¹. These figures, of course, do not refer to overall market supply, a large proportion of which is accounted for by imports (15 % in the Community as originally constituted). None the less, in the fishing ports at least, the influence of the producers' organizations is of importance, particularly since most of the imports in question are landed in commercial ports and so do not often have a direct effect on producer prices in the fishery ports.

¹For other details : see pages 20-43.

Frozen products

Table 3 compares the total production of frozen products in the Community, broken down into whole products and fillets, with that of the producers' organizations.

Of the total of 450 000 metric tons of frozen products, 173 000 metric tons, or 38 %, were marketed through the producers' organizations. The corresponding figures for whole fish are the following : total production 197 000 metric tons, of which 89 000 metric tons, or 45 %, marketed through the producers' organizations; for fillets : total production 253 000 metric tons, of which 84 000 metric tons, or 33 %, marketed through the producers' organizations.

The freezing of salt-water fish (including tunny) at sea is completely in the hands of the producers' organizations, with the exception of sardines in France where the vessels in question are owned by a Moroccan company and some of the frozen sardines are delivered to the processing industry in Morocco and some to that in France.

In Germany producers' organizations in the near-water fishing sector produce on land fillet or frozen products on their own or on rented premises from fish landed by their members.

It is not excluded that in other Member States producers' organizations are reverting more and more in their marketing plans to the processing of their catches in order to improve their marketing opportunities and to ensure that in the event of excess supply, products need not be processed into fishmeal.

Table 3

Production of frozen fishery products in the EEC
1971

-'000 metric tons
product weight -

	Total production at sea and on land	Quantity produced by producers' organizations	= % of 1
	1	2	3
France	74.6	35.7	48
of which sardines	10.9	-	-
tunny	22.1 ⁴	22.1	100
fillets	23.6	13.6	58
whole fish	18.0	-	-
Netherlands	13.4	5.8 ⁵	43
of which whole fish	5.8	5.8	100
fillets	7.6	-	0
Germany	94.7	72.3 ¹	76
of which whole fish	10.7	6.0	56
fillets	84.0	66.3 ²	79
Belgium	3.4	-	-
whole fish	3.4	-	-
Italy	56.1 ⁶	-	-
whole fish (Dentex) and cephalopods	54.9	-	-
Ireland	3.2	-	-
of which whole fish	2.6	-	-
fillets	0.6	-	-
Denmark	55.3	-	-
of which whole fish	11.9	-	-
fillets	43.4	-	-
United Kingdom ³	149.6	59.6	39
of which whole fish	55.4	55.4	100
fillets	94.2	4.2	4
Total	450.3	173.4	38
whole fish	196.9	89.3	45
fillets	253.4	84.1	33

¹Including 69 300 metric tons produced by the Seefrostvertrieb-Gesellschaft mbH, a producers' organization recognised under German law

²Including some 3 000 metric tons produced on land by recognised producers' organizations

³estimate ⁴1972 : 36 000 metric tons. ⁵1972 : 12 000 metric tons.

⁶1972 : 55 000 metric tons of which 10 000 metric tons by fillets

Crustaceans

Of total landings in the Community of approximately 81 000 metric tons of crustaceans approximately 21 % or 16 700 metric tons are marketed by producers' organizations. The Community withdrawal price arrangements for the basic product "shrimps of the Crangon genus" are applied in respect of only about 8.6 % of total landings, and even then only in the Netherlands and the Federal Republic, although this type of shrimp and prawn accounts for 19 % of total landings (see Table 4). The only producers' organization in Belgium does not apply the withdrawal price arrangements to shrimps and prawns since there is never any problem in selling these crustaceans, which are in great demand in Belgium, at very high prices.

Producers' organizations in France also apply withdrawal prices to Norway lobster and crabs.

In this sector too the reason for the small number of producers' organizations in existence is to be found in the fact that, with the exception of shrimps and prawns of the Crangon genus, the products in question are mainly products for which there is a high demand and which are easily marketable.

Table 4
Landings of crustaceans in the EEC

1971

- '000 metric tons
landed weight -

	Total landings	Landings by the producers' organisations				Basic products (shrimps of genus Crangon)	= % of 1
		Total	= % of 1	Quantities subject to withdrawal price arrangements	= % of 1		
	1	2	3	4	5	6	7
<u>France</u>	25.5	7.0	27	-	-	2.5	10
of which shrimps and prawns	3.1	0.4 ¹	13	-	-	-	-
Norway lobster	8.5	4.6 ¹	54	-	-	-	-
crabs	11.8	2.0	20	-	-	-	-
<u>Netherlands</u>	4.3	4.3	100	4.2	99	4.2	99
<u>Germany</u>	6.7	3.6	54	2.8	42	6.6	99
<u>Belgium</u>	1.8	1.8	100	-	-	0.9	50
<u>Italy</u>	14.3	-	-	-	-	-	-
of which shrimps and prawns	5.5	-	-	-	-	-	-
Norway lobster	1.7	-	-	-	-	-	-
<u>Ireland</u>	3.4	-	-	-	-	-	-
of which Norway lobster	1.8	-	-	-	-	-	-
<u>Denmark</u>	5.8	-	-	-	-	0.2	-
of which shrimps and prawns	4.6	-	-	-	-	-	-
Norway lobster	1.2	-	-	-	-	-	-
<u>United Kingdom</u>	19.0	-	-	-	-	1.2	6
of which Norway lobster	11.9	-	-	-	-	-	-
shrimps and prawns	1.7	-	-	-	-	-	-
Total	80.8	16.7	21	7.0	8.6	15.6	19

¹ Estimate

Molluscs

As can be seen from Table 5, the production of molluscs in the Community, which totals approximately 360 000 metric tons, consists predominantly (some 312 000 metric tons or 60 %) of mussels.

The most important producer countries, which each produce more than 100 000 metric tons, are France and the Netherlands. Whilst production in France and Italy consists of several kinds of shellfish and cephalopod, that in the Netherlands consists almost exclusively of mussels.

Molluscs are marketed through recognized producers' organizations only in France and even then in quite small quantities. One organization in Brittany markets oysters and other organizations in the inshore fishing sector market scallops and octopus. Mussel producers in France sell their products to dispatching companies whose cleaning basins and dispatching facilities must be recognized by the national health authorities. This marketing channel creates automatically a concentration of supply. The dispatching companies operate independently.

In the Netherlands the Produktschap voor Vis en Visprodukten has taken over responsibility for the sale of mussels following the temporary failure of the plan to form a producers' organization.

In the Federal Republic there are three mussel producers' organizations recognized under German law, which have their own regular customers.

Hitherto, producers' organizations have not been formed in this sector apparently because independent companies have no difficulty in selling these much prized products.

Table 5

Production of molluscs in the EEC

1971

-'000 metric tons landed weight -

	Total production	Quantity produced by producers' organizations	= % of 1
	1	2	3
<u>France</u>	114.7	2.0	2
of which oysters	34.0	1.5	4
mussels	39.8	-	-
cephalopod	12.5	-	-
scallops	17.0	-	-
<u>Netherlands</u>	111.9	-	-
of which mussels	110.9	-	-
<u>Germany</u>	5.6	-	-
of which mussels	5.6	-	-
<u>Belgium</u>	-	-	-
<u>Italy</u>	58.1	-	-
of which mussels	18.2	-	-
cephalopod	23.3	-	-
<u>Ireland</u>	6.7	-	-
of which mussels	4.6	-	-
<u>Denmark</u>	32.1	-	-
of which mussels	28.9	-	-
<u>United Kingdom</u>	32.1	-	-
of which mussels	4.7	-	-
cockles	13.0	-	-
scallops	9.0	-	-
Total	361.2	3.5	1

B. In the individual Member States

i) Belgium/Luxemburg

There is only one producers' organization in Belgium, the Reeders-Centrale S.V., Ostend which was established in 1954 and had already applied intervention rules similar to the Community withdrawal price system before the common fisheries policy entered into force. It has 255 members with 283 fishing vessels. The members include 176 individual fishermen or 283 family units and 79 companies. (One fisherman with one vessel does not belong to this producers' organization.)

The most important fishing grounds for Belgian vessels are the coastal waters and the North Sea as well as the waters around Iceland, off the West of Scotland and around Ireland. The organization markets all the products landed in Belgium by its members and applies the Community withdrawal prices to the basic products landed by members with the exception of shrimps and prawns. Furthermore, it has also fixed its own withdrawal prices for all other types of fish used commercially, amongst which sole, ray, and dogfish (huss) are the most important. All landings are sold by auction.

The Reeders-Centrale guarantee its members indemnities, which are paid out of a fund fed by contributions equal to a given percentage of the value of products landed by members.

Table 6 gives the total landings in Belgium, the quantities marketed through the producers' organizations and the quantities to which withdrawal prices apply, broken down according to product.

Table 6
Landings in Belgium

1971

-'000 metric tons landed
weight -

Total landings	Landings by the producers' organizations				Basic products ¹	= % of 1	
	Total	= % of 1	Quantities subject to withdrawal price arrangements	= % of 1			
1	2	3	4	5	6	7	
Fish, fresh	50.9	50.9	100	50.9	100	34.5	68
Fish, frozen	-	-	-	-	-	-	-
Fish, salted	-	-	-	-	-	-	-
Fillets, frozen	-	-	-	-	-	-	-
Molluscs	0.0	0.0	-	-	-	-	-
Crustaceans	1.8	1.8	100	-	-	0.9	50

¹Herring, sardines, redfish, cod, coal fish, haddock, whiting, mackerel, anchovies, plaice, shrimps and prawns.

ii) Denmark

In December 1973 two fishermen's organizations in Denmark merged with a view to forming a producers' organization.

This organization has asked for recognition which will be granted on 1 July 1974 under the name of "DANSKE FISKERES PRODUCENTORGANISATION" in Aarhus. It will apply the common withdrawal price system to cod, haddock and plaice. Its activities will cover the whole of Denmark.

iii) Germany

In Germany, there is one producers' organization for middle-water fishing¹, along with 12 for inshore and near-water fishing 8 of which are in Schleswig-Holstein, one in Hamburg and three in Lower Saxony. Seven of the producers' organizations for near-water fishing have merged into one recognized association.

a) Middle-water fishing

Seefisch-Absatz-Gesellschaft mbH (SAG), Bremerhaven, today consists of thirteen shipping companies which together operate 66 trawlers, 17 of which are not in service at the moment. It is active in the port of Bremerhaven, Cuxhaven Hamburg and Kiel; its landings total approximately 110 000 tons of fresh fish including a very small quantity of herring. The fishing grounds are the waters of the North Atlantic, i.e. the North American coast, the waters round Greenland, Iceland and off Norway.

The landings are sold by auction and do not undergo processing. SAG was founded in 1959. The arrangements for regulating the market, which had been applied since 1 July 1960 and were similar to the withdrawal price, were replaced in October 1972 by a new price system, the "basic price system". The selling prices at a first auction must not fall below the various basic prices fixed for each type of fish according to its category of freshness and size. Products not sold at that price are put up for sale to any interested parties at a second auction and invoiced. The difference between the basic price at the first auction and the price reached at the second auction, which must not be lower than a second basic price, is refunded to the buyer only when he shows that the products in question have been processed (chilled, salted, etc.) and exported to non-member countries.

¹ After the date referred to in this report the producers' organization named "SEEFROSTVERTRIEB GMBH" at Bremerhaven has been recognized on 3 April 1974.

SAG applies a system of calculation in which each ship-owner is indemnified in such a way as if the percentage of the landings unsold offered to SAG was identical with the percentage of the total unsold.

b) Near-water fishing

As yet the only association of producers' organizations active in this sector is the Vereinigung der deutschen Kutterfisherei GmbH, which counts among its members seven producers' organizations recognized under EEC law of which one has its headquarters in Hamburg and the remaining six are on the Baltic coast of Schleswig-Holstein. The association itself has its headquarters in Hamburg; in conformity with the supra-regional nature of its aims; it is active in all the areas covered by its members. All the associated producers' organizations apply to their products the EEC withdrawal prices for the period during which the latter are valid and pay their members indemnities out of a central intervention fund fed by contributions out of the proceeds from sales of the products.¹

¹Description of this association in the near-water fishing sector must include mention of two companies which are important customers of the organizations.

The first one is Nordfisch GmbH, Kiel, which was established by the cooperatives in Schleswig-Holstein, with the exception of those in Heiligenhafen and Travemünde, in conjunction with a number of industrial undertakings. This company has facilities for processing herring and cod. By filleting the herring bought from the near-water fishing cooperatives, it performs a preliminary function for industry. Nordfisch informs the cooperatives of its requirements and the cooperatives give priority to meeting these requirements but do not offer preferential terms. Any fish which remain after the requirements of regular customers (industry and commerce) and of Nordfisch have been met are offered for sale by the cooperatives to other buyers. Any fish which then remain are advertised for public sale and offered for intervention.

The second company is Kutterfischverwertung Travemünde, Lübecker Bucht, Finkenwerder GmbH, whose activities particularly affect the marketing of cod. Its main factory is in Hamburg and it has subsidiaries in Cuxhaven and Kiel. It buys fish both at auctions and directly from the cooperatives, and processes them into frozen fillets. Close contact exists between this company and the cooperatives, and this has helped to improve market stabilization.

The "Fischverwertung Lübecker Bucht - Erzeugergemeinschaft eGmbH¹" in Travemünde has 158 members and 38 vessels, which in 1972 landed approximately 6 800 metric tons of fish, of which herring and cod accounted for 50% and 40% respectively. The cooperative's members include fishermen from Travemünde, Niendorf, Haffkrug and Lubeck-Schlutup. It offers 50% of its herring catch to Nordfisch." The "Kutterfischverwertung" company is responsible for marketing the cod.

The "Fischverwertung Heiligenhafen - Neustadt - Erzeugergemeinschaft eGmbH" in Heiligenhafen has 74 members and 47 vessels sailing from Heiligenhafen and Neustadt. In 1972 approximately 7 600 metric tons of fish were landed, made up of around 80% cod and 20% herring from the Baltic and the North Sea. "Kutterfischverwertung" markets the cod.

The "Fischer-Genossenschaft Fehmarn - Erzeugergemeinschaft eGmbH" in Burgstaaken, Fehmarn, has 35 members and 31 vessels, which in 1972 caught some 5 400 metric tons of fish, consisting of approximately 60% herring and 40% cod, in the Baltic and the North Sea. The amount of small consumer herring which the fishermen are allowed to land is prescribed before they put to sea, and any small herring caught in excess of that amount are processed into fish meal. Some vessels are engaged in catching only the basic products for fish meal, which are landed in Cuxhaven. The indemnity which the cooperative pays its members for any type of fish not sold at the withdrawal price is in accordance with the individual member's catch of that type of fish expressed as a proportion of total landings of the fish in question.

The "Fischverwertung Kieler Förde - Erzeugergemeinschaft eGmbH" has 121 members and 65 vessels, which operate predominately in the Baltic. In 1972 some 11 800 metric tons of fish were landed, of which cod accounted for 85%, and herring and salmon the rest. Almost all the fish is sold by auction in Kiel, the main buyers being Nordfisch and Kutterfischverwertung.

The Fischverwertung Kieler Förde will shortly merge with another recognized producers' organization, the "Kieler Fischer-Genossenschaft eGmbH" with 92 members and 56 vessels, which in 1972 landed some 3 600 metric tons of fish. A section of the Kieler Fischer-Genossenschaft has, however, set itself up in Büsum (North Sea coast) as an independent producers' organization and intends likewise to seek recognition as a producers' organization under EEC law.

¹eGmbH = Registered Limited Company.

The "Maasholmer Fischer-Genossenschaft eGmbH" in Maasholm has 101 members and 50 vessels, Its fishing grounds are in the Baltic, from which in 1972 it landed some 4 700 metric tons of fish, of which 55% were herring and 40% cod. Here again, Nordfisch and Kutterfischverwertung are the most important buyers. The Maasholmer Fischer-Genossenschaft is also an exporter of sprats and herring to Denmark.

The large number of members compared with the number of fishing vessels is explained by the fact that most vessels have several owners (e.g. members of a family). Furthermore, the organization counts amongst its members a number of coastal fishermen who fish in groups with baskets and fixed nets and land their catches in one vessel.

The largest producers' organization for near-water fishing is the "Erzeugerorganisation Finkenwerder Hochseefischer eGmbH" with 64 independent, vessel-owning fishermen and the same number of vessels. Its activities are focussed mainly on Hamburg, which is the organization's headquarters. Its members land approximately 14 000 metric tons of fish, mainly white fish such as turbot, sole and plaice. The fish are caught almost exclusively in the North Sea and around 50% are landed in Hamburg and Cuxhaven. All landings of fish are sold to industrial or commercial buyers by Kutterfischverwertung on the basis of a service contract, either by auction as fresh fish or after being processed into frozen fish. In 1972 24% of landings by this producers' organization were marketed by Kutterfischverwertung as frozen fish.

The seven producers' organizations described above apply the Community withdrawal prices and are members of the Vereinigung der deutschen Kutterfischerei GmbH.

The "Kutterfisch eGmbH" in Cuxhaven has a membership of 33 entrepreneurs with, at the moment, 29 middle-water fishing vessels. The organization is active in Cuxhaven, where it disposes of its catches of fish and herring, which total approximately 10 000 metric tons, by auction. It applies the official withdrawal prices but does not pay any indemnity to its members.

(c) Inshore fishing

This fishing sector includes, above all, prawn and shrimp undertakings. Whereas the sector of the fishing industry concerned with consumer fish has already achieved a very advanced degree of integration, many difficulties still face the German prawn and shrimp industry, which is centred exclusively on the North Sea coast of Schleswig-Holstein. The fishermen belonging to cooperatives show a greater willingness to work together, whilst the other fishermen have, on the basis of national rules on market structure, attached themselves to private marketing firms.

At the moment there are three producers' organizations recognized under EEC law in this sector. One association of producer's organizations which was established in 1971 cannot be recognized as long as only 50% of the local shrimp and prawn fishermen are members because of the difficulties described above, and in view of this fact it is unable to carry out its functions satisfactorily.

The Fischereigenossenschaft (Erzeugergemeinschaft der Krabbenfischer Nordfrieslands) eGmbH, Husum, has 42 members and 39 vessels. In 1972 it produced approximately 1 200 metric tons of shrimps and prawns, some of which were marketed by the producers' organization itself and some on the basis of supply contracts with other local firms. Before

The "Holsatia-Fisherei-Genossenschaft - Erzeugergemeinschaft eGmbH" in Friedrichskoog has 33 members and 33 vessels. In 1972 it produced some 750 metric tons of prawns and shrimps for human consumption. Its products are marketed in a way similar to that in Husum. This organization also applies the Community withdrawal price.

The "Fischer-Genossenschaft Tönning und Umgebung eGmbH, Tönning," has 38 members and 36 vessels and in 1972 produced approximately 800 metric tons of shrimps and prawns for human consumption. Of this total the cooperative marketed approximately 40 %, whilst the remainder was produced by members who were not compelled to offer their products to it but could sell them to other local firms. This producers' organization, too, will apply the Community withdrawal prices.

The "Erzeugergemeinschaft der Krabbenfischer Elbe-Weser o.V." was established in order to sell shrimps and prawns. Its membership comprises 49 fishermen with 49 vessels. Its sphere of activity covers the area between the mouths of the Elbe and the Weser and included the ports of Wremen, Dorum, Spieka and Cuxhaven. Its catches total between 800 and 900 metric tons and are taken from the coastal waters off these ports. This producers' organization disposes of its shrimps and prawns on the basis of long-term contracts concluded with processing undertakings. All the shrimps and prawns intended for consumption are boiled on board. The organization does not apply the Community withdrawal price. It fixes, if necessary, levels of production.

Table 7 gives the total landings in Germany, the amounts marketed through the producers' organizations, and the quantities to which common withdrawal prices apply, broken down according to product categories.

Table 7

Landings in the Federal Republic of Germany

1971

'000 metric tons landed weight

	Total	Quantities produced by producers' organizations				Basic products ¹	= % of 1
		Total	= % of 1	Products subject to withdrawal price arrangements ³	= % of 1		
	1	2	3	4	5	6	7
Fish, fresh	205.0	170	83	60	29	192	94
Fish, frozen	6.0	72,3	100	110 ²	54 ²	-	-
Fillets, frozen	63.3			-	-	-	-
Fish, salted	1.5	-	-	-	-	-	-
Molluscs	5.6	-	-	-	-	-	-
Crustaceans	6.7	3.6	54	3.6	54	6.6	99

¹Herring, sardines, redfish, cod, coalfish, haddock, whiting, mackerel, anchovies, plaice, shrimps and prawns.

²Special intervention system applied by 'Seefisch-Absatz-Gesellschaft'

³Of which 69 300 metric tons accounted for by the Seefrostvertrieb - Gesellschaft mbH, a producers' associated recognized under German law.

d. Producers' associations recognized under German law

A description of the producers' organizations in the Federal Republic would be incomplete if mention were not made of those "producers' associations" recognized under German law, more particularly the Law on the Adjustment of Agricultural Production to Market Requirements (law on market structure) of 16 May 1969¹. The aim of this law is to improve the market structure. Adoption of this law became necessary as a result of the extraordinarily rapid pace at which the restructuring of the food industry and food retailing in the Federal Republic was progressing since this restructuring created a situation in which a concentrated demand for agricultural products coincided with an unsatisfactory supply structure.

There are many parallels between the Community rules governing producers' organizations in the fishing industry and the law on market structure the most important of which are the following. The law on market structure provides for exemption from the competition provisions contained in the German Cartels law in so far as the fixing of prices between the members of a producers' association is concerned. Membership too is drawn from the same groups, namely producers of fish, crustaceans and molluscs. Furthermore the law also provided for the granting of starting aids similar in level and scope to those set out in Regulation (EEC) No 2142/70². The tasks of both forms of amalgamation are also very similar as are their marketing roles. As regards the producers' organizations, it must be mentioned that market intervention is still permitted and that the resultant expenditure is, under certain conditions and up to a certain ceiling, reimbursed by the EAGGF.

However, under the law on market structure investment aids can also be given to producers' associations for initial investment and, under certain conditions, to the food trade industry.³ It must be noted that associations of producers created on the basis of national legislation can continue to exist parallel to the organisations of producers provided for under community rules. However, if these associations would wish to benefit from community assistance, they must transform themselves into producers' organisations, which implies that they lose the advantages provided for in the national legislation.

¹ Federal Law Gazette I, p. 423

² Producers who are members of a producers' organization conforming to Regulation (EEC) No 2142/70 cannot be, for the same products, members of a producers' association recognized under the German law.

³ These national measures are subject to the common rules of competition in this sector.

Of the producers' associations recognized under German law mention should be made of the "Seefrost-ertrieb-Gesellschaft mbH, (SVG)" Bremerhaven, which is active in distant-water fishing and which markets all the products processed at sea (in 1973 they totalled approximately 78 000 metric tons composed mainly of frozen fillets and, to a lesser extent, salted fish). SVG forecasts total production of 100 000 metric tons in 1975. The twelve shipping companies which are members of SVG are almost all members of the "Seefisch-Absatz-Gesellschaft", which is recognized under EEC law. SVG currently operates thirty-eight vessels.

In the inshore fishing sector there are a number of producers' associations which fish for shrimps and prawns and also for mussels; they do not yet, however, meet the requirements governing recognition under EEC law.

The association of producers in the specialized fishing industry faces the same problems here as in the inshore and near-water fishing industries, namely a large number of producers widely dispersed throughout the Federal Republic : there are hardly any places where several undertakings are established.

The main freshwater products are trout and carp.

In spite of growing foreign competition the large- and medium-sized trout farms have hitherto faced no difficulties in marketing their products and, by mistake, have not felt any incentive to form producers' organizations. Small undertakings, which do have difficulty in marketing their products, have hitherto been afraid of the costs which, in spite of possible public help, they would incur if they set up central production and marketing facilities.

In Baden-Württemberg the "Produktions- und Absatzgenossenschaft südwestdeutscher Berufsfischer" was formed by amalgamation of small trout farms. As yet, however, this association has been unable to operate on the lines of a business undertaking.

In the carp farming sector the large and medium-sized undertakings and also the small undertakings have for quite some time been faced with special market difficulties as a result of the pressure on prices from imports from non-EEC countries. In this sector it was necessary, first of all, to create a pilot association on which further amalgamations of producers could be modelled. This happened in the Oberpfalz area of Bavaria, one of the main areas of production in the carp farming sector, with the formation of the "Teichwirtschaftliche Erzeuger- und Vermarktungsgenossenschaft Oberpfalz (TEVO)". This producers' association has 563 members. In addition to carp TEVO markets trout. Hitherto, its main market has been that for live fish; however, following the acquisition of processing facilities, it has also begun to market frozen, smoked and preserved products.

A further amalgamation of producers in the fish farming sector resulted in the "Fischereigenossenschaft Aischgrund" in the Oberpfalz area of Bavaria, which is expected shortly to fulfil the conditions governing recognition under EEC law. It already has 427 members but as yet its main activity has only been to supply production undertakings with equipment.

All the above-mentioned associations belong to the Federal Agricultural Cooperative Association, the "Bundesverband der Raiffeisenwarengenossenschaften" (previously the Raiffeisenverband), which now intends to launch an advertising and information campaign to promote the formation of producers' associations in the freshwater fishing industry with the help of the Länder organizations. A further reason for this campaign is the fact that in the last few years in the Mittelgebirge area breeding pools have been laid down by numerous agricultural undertakings with a view to using for trout farming the small meadow areas which have become uneconomic.

These recently established fish farms still lack the marketing facilities for live fish and the necessary marketing channels.

(iv) France

In France there are a number of producers' organizations which vary

a Distant-water fishing

The "ORGANISATION DE PRODUCTEURS DE THON CONGÉLÉ (ORTHONGEL)" is an organization comprising 12 ship owning societies and 27 vessels; a further six vessels are on order. It is active in the area between Concarneau and Lorient. Its members land some 25 000 metric tons of frozen tunny each year and its fishing grounds are the Gulf of Guinea, the Indian Ocean, the Caribbean and the Pacific Ocean.

ORTHONGEL looks after the composition of cargoes for its members and their delivery to France, Italy and the United States. The catches of frozen tunny are sold on a contract basis.

The "Organisation de Producteurs pour les Produits Surgelés en Mer (PROSUMER)" has 8 members and 20 freezer vessels, which land some 18 000 metric tons of fish fillets, mainly cod and coalfish, which are frozen on board. It is active throughout France, with main landing ports at St Malo, Fécamp, and Bordeaux; its fishing grounds are the Barents Sea and the coastal waters off Greenland, Newfoundland and Labrador. Its ships are at sea for an average of ninety days.

PROSUMER is concerned with ~~adapting~~ production to demand on the basis of forecasts and determines the general conditions of sale. It acts as a sales agent on behalf of the shipping companies and negotiates contract prices with buyers.

(b) Middle-water fishing

The three funds making up the "Fonds régionaux d'organisation du marché" (FROM) were established before the introduction of a common fisheries policy and applied an intervention system similar to that laid down in the Community rules. The FROM NORD, whose sphere of activity stretches from the Belgian frontier to the mouth of the Couesnon and whose most important ports are Boulogne, Dieppe and Fécamp, has 34 members and 224 vessels, which fish mainly in the North Sea as far north as the Faroes, the English Channel, the Irish Sea and the waters off southern Ireland, the west of Scotland and southern England. Some 145 000 metric tons of fresh fish are landed and sold by auction according to the organization's common rules. Approximately 50% of the catch is packed into cases on board in order to prevent deterioration in quality.

The FROM NORD applies the Community withdrawal prices to the basic products, with the exception of shrimps and prawns, sardines and anchovies, which are not landed by its members. However, it has also fixed its own withdrawal prices for another seven types of fish, including ling, pout, sole and dab.

The FROM BRETAGNE, whose sphere of activity stretches from the mouth of the Couesnon to the mouth of the Loire and whose most important ports are Douarnenez, Concarneau and Lorient, has 95 members and 251 vessels. Its main fishing grounds are the Bay of Biscay, the North Sea, south Iceland and the Faroes. Landings total approximately 110 000 metric tons of fresh fish, which are sold by auction. The organization applies the Community withdrawal prices but not to shrimps, prawns, sardines and anchovies, which are not landed by its members. It has also fixed a number of withdrawal prices for a further six types of fish, including ling, sea bream and gurnard.

The FROM SUD-OUEST, which is active in an area stretching from the mouth of the Loire to St-Jean-de-Luz (not included) and embracing the port of La Rochelle, has 79 members, amongst which are a number of small undertakings, and 61 middle-water vessels which operate in the Bay of Biscay, along the Atlantic coast of Portugal, Spain and France, in the North Sea as far north as north-west Scotland, in the St George's Channel and in the Irish Sea.

Annual landings, mainly of white fish, total some 19 000 metric tons. For a time the organization applied the Community withdrawal price, and also applied its own withdrawal prices to numerous other products, including hake, sea bream, sole and pollack. This system was, however, abandoned after the organization's traditional customers had complained that they could buy white fish more cheaply in the neighbouring FROM BRETAGNE area. Negotiations are being held at the moment between both these organizations in an attempt to fix single withdrawal prices for white fish.

In the event of products being withdrawn from the market all three FROM organizations guarantee their members indemnities which come out of a fund fed by contributions proportional to a given percentage of the value of the products landed by members.

The "ORGANISATION NATIONALE DES PRODUCTEURS DE GERMON (ONAPROGER)" has 306 members and the same number of tunny vessels, which land some 4 500 metric tons of long-finned tunny (albacore, germon) each year.

Its sphere of activity is the Atlantic coast of France from Camaret to St-Jean-de-Luz and its main ports are Le Guilvinec, Ile d'Yeu, St-Jean-de-Luz, Douarnenez and Concarneau. Its fishing grounds stretch from the Bay of Biscay to the Azores. Landings are sold by auction and also on a contract basis. The organization, which was established in 1971 with the task of making the necessary timely arrangements each year for the tunny fishery will reorganize its structure in the near future and become an association of regional producers' organizations. The association will then represent the individual regional organizations and establish catch and marketing plans each year.

(c) Near-water fishing

The "SOCIETE COOPERATIVE SABLaise DE MARINE PECHEURS" (SOCOSAMA) has 49 vessel owning members and the same number of vessels. Its landings total some 2 500 metric tons and include a wide variety of white fish, crustaceans and molluscs. It is active in Les Sables d'Olonne (Vendée). Its fishing grounds are situated in the Bay of Biscay and catches are sold by auction. The organization applies the Community withdrawal prices but has also fixed its own withdrawal prices for other products, which, however, are hardly ever applied since the wholesale cooperative affiliated to SOCOSAMA buys up any unsold fish at the withdrawal prices.

Another organization active in the near-water fishing sector is the "ORGANISATION DES PRODUCTEURS DE ST-GILLES-CROIX-de-VIE" which has 73 vessel-owning and vessel-working members and the same number of vessels, fishing in the Bay of Biscay. Some 800 metric tons of sardines and anchovies are caught in coastal waters and some 2 000 metric tons of other fish in the deeper waters of the Bay of Biscay. At the moment the organization does not apply Community withdrawal prices since, in its view, they are too low. Sardines and anchovies are sold by contract at fixed prices, with an assurance that all quantities landed will be bought; the other types of fish are sold by auction.

(d) Inshore fishing

The "ORGANISATION DES PECHERIES DE L'OUEST BRETAGNE" comprises 300 individual fishermen and 305 vessels, which land some 30 000 metric tons of fish, including sardines, anchovies and long-finned tunny. Its sphere of activity stretches from Douarnenez to Loctudy (Sud-Finistère) and its main ports are Douarnenez, Audierne, Saint-Guénolè, Le Guilvinec, Lesconil and Loctudy; its members fish in the surrounding coastal waters. Catches are sold by auction, but there are also seasonal contracts for tunny and mackerel.

The organization, which includes the vast majority of fishermen in Sud-Finistère, was recognized in 1973 and has still not applied withdrawal prices. It intends to plan the fishing years for sardines and tunny and conclude contracts with processing firms in order to facilitate the regular marketing of these products, improve marketing conditions generally and fix withdrawal prices for a number of products, including crawfish. An intervention fund has already been established and is fed by levies proportional to the quantities of fish landed.

JK

After the date referred to in this report (1 February 1974) a producers' organization known as "L'ETAPLOISE" was recognized on 2nd April 1974. It applies the common withdrawal prices for cod, herring, mackerel and plaice. This organization consists of the majority of small-scale producers of Etaples (Pas-de-Calais), namely 61 vessel owners carrying out local coastal fisheries and near-water fishing. Its production amounts to 12,000 t.

(e) Specialized fishing

The members of the "UNION DES COOPERATIVES OSTREICOLES DE L'OUEST BRETAGNE" (UNICOB) are six oyster cooperatives comprising approximately 250 oyster fishermen. They harvest some 1 500 metric tons of oysters from the deep waters off Brest. The organization draws up production plans and organizes the planting, out in "parcs", harvesting and breeding of oysters. It has laid down quality standards and negotiates contract prices.

This organization is of particular interest in that its members, the cooperatives, gradually retrain as oyster fishermen former sea fishermen who found that they could no longer earn a satisfactory income from their fishing activities off Brest. The culture of oysters is carried out as a group undertaking; consequently, concessions are not granted to individual fishermen, as is customary in other regions of France, but to the cooperative.

Table 8 gives the total landings in France, the amounts marketed through the producers' organizations, and the quantities to which withdrawal prices apply, broken down according to product categories.

Table 8

Landings in France

1971

'000 metric tons landed weight

	Total landings	Landings by the producers' organisations				Basic products ¹	= % of 1
		Total	= % of 1	Quantities subject to withdrawal price arrangements	= % of 1		
	1	2	3	4	5	6	7
Tunny, fresh	20.0	5.0	25	-	-	233	59
Other fish, fresh	372.0	310.0	83	253	-		
Tunny, frozen	25.0	25.0	100	-	-	-	-
Other fish, frozen	10.0	-	-	-	-	-	-
Other fish, salted	23.0	-	-	-	-	-	-
Filletts, frozen	18.0	18.0	100	-	-	-	-
Oysters	34.0	1.5	4	-	-	-	-
Other molluscs	81.0	-	-	-	-	-	-
Crustaceans	26.0	-	-	-	-	2.5	10

¹Herring, sardines, redfish, cod, coalfish, haddock, whiting, mackerel, anchovies, plaice, shrimps and prawns.

v) Ireland

No producers' organizations have yet been formed in Ireland although progress in this direction has been made.

Some twenty cooperatives based in the most important fishing ports belong to the Irish Agricultural Organization Society, which acts as an agent on their behalf.

This society has made strenuous efforts amongst the cooperatives' members to encourage them to form producers' organizations.

In order to promote these efforts an agreement was reached recently with the Parliamentary Secretary to the Minister for Agriculture and Fisheries whereby both the Irish Agricultural Organization Society and the An Bord Iascaigh Mhara (Irish Sea Fisheries Board) will undertake a joint programme for forming producers' organizations. Meetings are being held with fishermen in the most important ports to discuss this matter.

vi) Italy

Although some 50 % of full-time fishermen are members of cooperatives, thus resulting in widespread cooperation in this sector and although the formation of a producers' organization should not come up against insuperable difficulties, none of these cooperatives has yet been recognized. This situation is due, in particular, to administrative, legislative and financial difficulties. The drafting of a decree based on the Community provisions is nearing completion. It does, however, appear that budgetary difficulties have delayed its implementation and thus undermined any chance of producers' organizations being recognized in Italy in the near future.

(vii) Netherlands

The two producers' organizations in the Netherlands, the "Coöperatieve Producentenorganisatie van de Visserij U.A. in The Hague and the Coöperatieve Producentenorganisatie voor de Visserij Oost-Nederland U.A." in Urk, comprise fishermen, family undertakings and shipping companies.

Their fishing grounds are local coastal waters, the North Sea, the English Channel, the Irish Sea and the coastal waters off the west of Britain. The organization in The Hague has 510 members and some 580 vessels; in 1973 their landings totalled around 160 000 metric tons, including 120 000 metric tons of basic products. The organization in Urk has approximately 110 members and some 100 vessels; their landings total around 23 000 metric tons, including 16 000 metric tons of basic products.

Both organizations sell their member's entire catch including fish processed on board, namely frozen fish, salted herring and mackerel, and boiled shrimps and prawns. Fresh and salted fish as well as shrimps and prawns are sold by auction. Both organizations apply the Community withdrawal prices to the basic products landed by their members. There are no withdrawal prices for other products. The organizations have set up intervention funds and pay their members indemnities for products withdrawn from the market.

Once formed, these two organizations assumed a large number of the tasks previously carried out by the trade organization for the entire fishing sector in the Netherlands, the Produktschap voor vis en visprodukten, which still exists under public law and comprises all fishing undertakings and consumers. Before the common fisheries policy entered into force this trade organization applied intervention rules similar to the Community system of withdrawal prices. The "Produktschap" is also responsible for the sale of mussels for which no producers' organization exists.

Table 9 gives the total landings in the Netherlands, the amounts marketed through the producers' organizations, and the quantities to which withdrawal prices apply, broken down according to product categories.

Table 9

Landings in the Netherlands

1971

'000 metric tons landed weight

Total landings	Landings by the producers' organizations				Basic products ¹	= % of 1
	Total	= % of 1	Quantities subject to withdrawal price arrangements	= % of 1		
1	2	3	4	5	6	7
Fish, fresh 150.8	150.8	100	121	80	121	80
Fish, frozen 5.8	5.8	100	-	-	-	-
Fish, salted 22.2	22.2	100	-	-	-	-
Fillets, frozen 7.6	7.6	100	-	-	-	-
Molluscs 111.9	-	-	-	-	-	-
Crustaceans 4.3	4.3	100	4.0	85	4.0	85

¹Herring, sardines, redfish, cod, coalfish, haddock, whiting, mackerel, anchovies, plaice, shrimps and prawns.

(viii) United Kingdom

(a) Distant-water fishing

Until now there has been only one producers' organization in the United Kingdom the recently formed "Fish Producers' Organization Ltd.", whose members are mainly companies with distant-water vessels are registered in the major fishing ports in England and Wales (Grimsby, Hull, Fleetwood, Lowestoft and Milford Haven) and from the Scottish port of Granton; however, a number of companies in Grimsby with purse-seine vessels and the Inshore Fishermen's Association in Fleetwood are also members. The major fishing grounds are the waters around Iceland, the Barents Sea and the Norwegian coast, along with the North Sea and the Irish Sea. The organization has 37 members including the Inshore Fishermen's Association, whose own members number 50 fishermen, each with his own vessel. The Fish Producers' Organization Ltd has some 520 vessels, including 358 distant-water trawlers of which 40 are freezer trawlers, and also 162 inshore vessels, amongst which are 111 purse-seine vessels sailing out of Grimsby. Landings total around 340 000 metric tons of fishery products, 57 000 metric tons of which were frozen products.

The organization sells all the products landed by its members and applies the Community withdrawal price to certain types and sizes of fish. It has also set its own withdrawal prices for other fishery products, such as hake, halibut, dab and sole.

Fresh and chilled fish are sold by auction; entire fish frozen on board are mainly sold on a contract basis to processors and to the trade, but sometimes, however, through vertically integrated member undertakings. A number of members land frozen fillets which have already been packed on board for sale to wholesale dealers, restaurants and other processing undertakings.

Following the extension of the freezer fleet the percentage of frozen fish in the producers' organization's landings, which until now was 16%, will rise considerably. Generally, salting or smoking is carried out on board; most of the small quantities of shellfish landed are only boiled by the dealer or processor after purchase.

For lack of comparable statistics it is not yet possible to draw up a table showing total landings in United Kingdom and the quantities marketed through the producers' organizations, broken down according to product categories.

It is to be expected that in the near future further producers' organizations will be formed, particularly in the near-water fishing industry. A request for recognition is expected to be made shortly by a producers' organization covering the counties of Cornwall, Devon and Dorset in the south-west of England whose activities will mainly involve the marketing of mackerel and pilchards⁺. There are also plans for the formation of another producers' organization in Yorkshire which will be active in the ports of Whitby, Scarborough, Filey and Bridlington (north-east coast) and which will market on behalf of its members the main types of demersal fish landed.

A producers' organization in Aberdeen (Scotland) which is active in both the middle-water and coastal fishing sectors will shortly seek recognition. Its members land their catches of demersal and pelagic fish in Aberdeen. Another organization which will include the ports in Scotland where herring is landed is also in the formative stage.

Finally, it is understood that a large producers' organization which will cover the north-east coast between Arbroath in Scotland and Hartlepool in England will seek recognition, namely the "Scottish Fish Producers' Organisation, Ltd".

+) After the date referred to in this report this producers' organization has been recognized as "South Western Fish Producer Organization Ltd" Brixham County of Devon, the 8 May 1974. It applies the common withdrawal prices for mackerel and pilchards.

III. Conclusions

1. State intervention on the market

State buying-in of fresh and chilled sardines and anchovies in the two Member States concerned, France and Italy, has not yet occurred. The reason for this is that the prices of both sardines and anchovies, which are highly prized as tinned foods, are almost always higher than the fixed intervention price.

If market prices come under pressure, the fishermen in France prefer to discontinue fishing activities for a short while rather than have their products bought in and processed into fishmeal. In Italy, where buying-in agencies do not yet exist, any fish which cannot be sold to the canning industry are exported to France. If the pressure of prices persists, fishermen in many parts of Italy (mainly in the Adriatic) deliver their products to fishmeal factories.

It can be seen from the above that the State buying-in of sardines and anchovies cannot be considered as a suitable measure for improving the situation in this specialized sector. This measure could, therefore, be abandoned. At the same time, however, solutions should be sought which improve the marketing of these products which are important for the French and Italian markets. This can be achieved only by altering the supply structure, i.e. by the producers concerned treating and processing their products (e.g. chilling) within cooperatives and, above all, producers' organizations within the meaning of Regulation (EEC) N° 2142/70.

The fact that as yet no producers' organizations, or rather not enough of them, have been formed in this sector is also probably due to the lack of knowledge on the part of fishermen as to the advantages of this form of organization. Measures should, therefore, be taken to remedy this situation.

2. Private market interventions practised by producers' organizations

The formation of producers' organizations not only confers rights and advantages, among which particular mention should be made of the exemption from the provisions of Article 85 of the Treaty,¹ namely the express approval of price agreements between members of a producers' organization and the possibility of receiving aids, but also imposes obligations which require of members the will to comply with the arrangements laid down.

These obligations include inter-alia the marketing of products landed by members through the organization and thus compliance with the common, democratically decided marketing rules, adherence to production and marketing plans, a minimum three year period of membership and a one year period of notice.

Experience has shown that the advantages to be gained from the formation of producers' organizations were first realized by those producers who had the following three factors in common :

- they were sufficiently well informed,
- their economic situation was critical,
- they faced marketing difficulties.

This was especially the case in the fresh fish sector, which on account of the perishable nature of products is the most sensitive in the entire fishing industry. This was particularly true of ship-owners operating distant-water and middle-water fishing vessels.

(1) Article 85 has been declared applicable, among other things, to fishery products on the basis of articles 1 of the Regulation N° 26 of the Council (O.J. 30 of 20 April 1962). Article 2 of the same regulation foresees a derogation with regard to the application of Article 85.

After the entry into force of Community provisions several different types of associations already in existence in France, Belgium, Netherlands, Germany and the United Kingdom adapted themselves to the provisions and asked to be recognised as producers' organisations. Previously, they had applied market support rules to a wide variety of traditionally consumed fish which were landed by their members, and they took this opportunity to introduce their own or Community withdrawal prices; the advantage with Community withdrawal prices was that compensation paid to their members was partly reimbursed by the EAGGF in accordance with Regulation (EEC) N° 2142/70.

It proved much more difficult to bring together fishermen working on their own. Their reservations resulted from their sense of independence and also from the fact that the marketing of their product is less problematic since they form a wider species range than those caught by larger vessels and their products, when landed, are of good quality and thus fetch better prices. Consequently, the advantage of amalgamation is not often appreciated. Partly responsible for this situation is a certain mistrust on their behalf which causes them to hesitate when faced with the seemingly complicated tasks of amalgamation.

In many areas there is, in particular, a shortage of people with initiative who know how to create a producers' organization and of managers capable of running the organization.

It should also be mentioned, that for many years a number of sectors have been dependent on the local processing industry or on the distributive trade. It is difficult to persuade these fishermen to modify their attitudes.

As regards products frozen at sea existing amalgamations adapted themselves to the new situation relatively smoothly.

For years the ship-owners had known marketing difficulties as a result of the hesitancy of consumers in accepting frozen fish. The partially ruinous competition which ensued, and the importance of the amount of capital invested, was an incentive for them to amalgamate and to introduce price controls which would prevent them being sold at a price which would not cover their costs.

This insight on the part of the shipping companies resulted in the producers' organizations being fully responsible for the marketing of products chilled at sea. Amalgamation in this sector was facilitated by the very small number of economically large undertakings involved which are often able to reach an agreement more rapidly than in organizations with a membership of several hundred.

It is safe to assume that in the next few years the practice of freezing products at sea will grow considerably. There are several reasons for this : there will be greater pressure to operate in distant fishing grounds since large vessels, which account for a considerable proportion of total catches, can no longer operate profitably in near and middle waters and, moreover, are unable to operate in traditional fishing grounds as a result of the extension by some States of their fishing limits. If fish caught by the distant-water fishing vessels are not processed at sea, they are not fit for consumption when landed. The situation as regards consumption has also changed : because their quality does not vary and because they are easy to prepare, frozen fish have been enjoying greater popularity for a number of years.

One of the difficulties facing producers' organizations is the planning of production and marketing. These difficulties make themselves particularly felt in the fresh fish sector because of the perishability of the products.

Given the inadequate supply of fish in the Community and the costliness of operating their means of production, i.e. the ship, it must be in the interests of fishermen and shipping companies to fish as much as possible without, however, creating a surplus of fish which could not be marketed for human consumption. A number of producers' organizations even draw up supply plans at the beginning of each catch year which take account of the seasonally determined catching and marketing possibilities. For instance, supply plans in the fresh fish sector may stipulate that during the warmest months of the year, when, as a rule, not much fish is eaten, a number of ships in this sector will undergo the necessary annual general overhaul.

In addition, producers' organizations attempt by means of their catch plans to match supply with demand in the short term by periodically restricting or exempting from their operation the catching and marketing of certain species and sizes of fish. Producers' organizations can decide not to fish provisionally in certain areas, when it is found that the fish caught there are of poor quality or their members may be given recommendations on products currently in special demand.

Despite these measures, sizeable surpluses of certain types of fish which have later been processed into fishmeal have appeared on the market time and time again and for relatively long periods of time. In these cases one wonders whether the producers' organizations have drawn up and implemented their production plans with regard to the true market situation.

The general conclusion of this study is that the formation and development of recognised producers' organizations has progressed satisfactorily, in spite of the fact that only a short period has elapsed since the entry into force of the common fisheries policy and only a year and a half has passed since the adhesion of the new Member States.

It has shown that recognised producers' organizations can be instrumental in contributing to the realization of the objectives of Article 39 of the Treaty. However they will only be really effective if they fulfil in toto those criteria warranting their recognition as producer organizations, and in particular that aspect concerning the establishment and carrying out of fishing plans.

Much could still be done not only by the individual producers' organizations themselves, but in the field of inter-regional and possibly also Community cooperation between producers' organizations, without, of course this being allowed to prejudice the interests of consumers.

The need for better cooperation between producers' organizations on the one hand, and suppliers to the industry, processors and distributors on the other should be emphasised.

An improvement in the reciprocal exchange of information on the development of the market, in the ports and in the regions would certainly contribute to the realization of this objective.

In this context respect of common standards of marketing would supply a supplementary means of information on the market situation.

In order to contribute to the economic development of the fisheries sector, producers' organizations should work towards the following objectives :

- a better internal coordination
- a better external coordination
supported by
- a better system of market intelligence at the Community level.

A N N E X E S

I. Expenses of the European guidance and
guarantee fund (EAGGF)
(1971-1972-1973)

II. Producers' organizations in the fishing
industry in the EEC
(as at 1st of February 1974)

ANNEX I

Expenses of the European agricultural guidance and guarantee fund (EAGGF)

(Fisheries Sector)

Financial compensation

		<u>UA</u>
<u>1971</u>	<u>EC</u>	137 374.02
	D	-
	F	118 208.92
	B	19 165.10
	N	-
	IT	-
<u>1972</u>	<u>EC</u>	775 933.57
	D	-
	F	414 252.23
	B	87 295.70
	N	274 385.64
	IT	-
<u>1973</u>	<u>EC</u>	574 219.29
	D	6 778.26
	F	335 314.32
	B	38 091.34
	N	233 934.89
	IT	-
	UK	-
	DK	-
	IRL	-

PRODUCERS' ORGANIZATIONS IN THE FISHING INDUSTRY IN THE EEC

ANNEX II

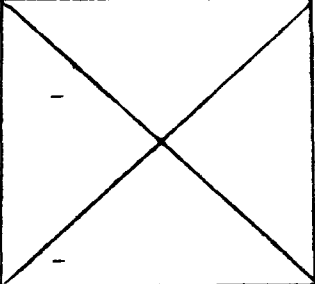
(as at 1 February 1974)

Name of organization	Date of recognition	Number		Production 1972		(1)
		of members	of vessels	metric tons	species	
I. PRODUCERS' ORGANIZATION						
<u>BELGIUM/BELGIUM/LUXEMBURG</u>						
<u>Distant-water fishing, near-water fishing, inshore fishing</u>						
1 Samenwerkende Vennootschap Reders Centrale Producentorganisatie der Reders ter Zeevisserij, Oostende	4.10.1971	255	283	50 000	Fish and crustaceans, fresh	a)c)
<u>GERMANY</u>						
<u>Middle-water fishing</u>						
2 Seefisch-Absatz-Gesellschaft, mbH., Bremerhaven	7. 1.1972	13	66	110 000	Fish, fresh	e)
<u>Near-water fishing</u>						
3 *Fischverwertung Lübecker Bucht Erzeugergemeinschaft eGmbH., Lübeck-Travemünde	23. 2.1972	158	38	6 800	Herring, cod	a)
4 *Fischverwertung Heiligenhafen-Neustadt Erzeugergemeinschaft eGmbH., Heiligenhafen	23. 2.1972	74	47	7 600	Cod, Herring	a)
5 *Fischereigenossenschaft Fehmarn Erzeugergemeinschaft eGmbH., Burgstaaken/Fehmarn	23. 2.1972	35	31	5 400	Herring, cod	a)

Name of organization	Date of recognition	Number of members of vessels		Production 1972		(1)
				metric tons	species	
6* Fischerwertung Kieler Förde Erzeugergemeinschaft eGmbH., Kiel	23.2.1972	121	65	11 800	Herring, cod, salmon	a)
7* Kieler Fischer-Genossenschaft eGmbH., Kiel	23.2.1972	92	56	3 600	Fish, fresh	a)
8* Maasholmer Fischer-Genossenschaft eGmbH., Maasholm	23.2.1972	101	50	4 700	Herring, cod	a)
9 Kutterfisch eGmbH., Cuxhaven	23.3.1972	33	29	10 000	Fish, fresh	a)
10* Erzeugerorganisation Finkenwerder Hochseefischer eGmbH., Finkenwerder/Hamburg	1.1.1972	64	64	14 000	Fish, fresh	a)
<u>Inshore fishing</u>						
11 Fischereigenossenschaft (Erzeugergemeinschaft der Krabbenfischer Nordrriesland) eGmbH, Husum	24.4.1972	42	39	1 200	Shrimps	a)
12 Holsatia-Fischerei-Genossenschaft Erzeugergemeinschaft eGmbH., Friearischloog (Elbmündung)	24.3.1972	33	33	750	Shrimps	a)
13 Fischer-Genossenschaft Tönning und Umgebung eGmbH., Tönning	14.1.1974	38	36	800	Shrimps	a)
14 Erzeugerorganisation der Krabbenfischer Elbe-Weser e.V., Dorum	24.5.1972	49	49	900	Shrimps	d)

Name of organization	Date of recognition	Number of members of vessels		Production 1972 metric tons species		(1)
<u>FRANCE</u>						
<u>Distant water-fishing</u>						
15 Organisation des producteurs de thon congelé (ORTHONGEL) Concarneau	8.11.1973	12	27 (6 being on order)	25 000	Tunny, frozen	d)
16 Organisation des producteurs pour les produits surgelés en mer (PROSUMER) Paris	19. 4.1973	8	20	18 000	Fillets frozen at sea, especially cod and cal-fish	d)
<u>Middle-water fishing</u>						
17 Fonds régional d'organisation du marché du poisson dans le Nord (FROM Nord), Boulogne S, M	28. 5.1971	34	224	145 000	Fish, fresh herring, frozen at sea	a)c)
18 Fonds régional d'organisation du marché du poisson en Bretagne (FROM Bretagne), Concarneau	24. 5.1971	95	251	110 000	Fish, fresh	a)c)
19 Fonds régional d'organisation du marché sud-ouest (FROM SUD-OUEST), La Rochelle	16. 6.1971	61	79	19 000	Fish, fresh	d)
20 Organisation nationale des producteurs de Germon (ONAPROGER), Paris	12. 8.1971	306	306	4 500	Long-finned tunny	d)

Name of organisation	Date of recognition	Number		Production 1972		(1)
		of members	of vessels	metric tons	species	
<u>Near-water fishing</u>						
21 Société cooperative sablaise de marins pêcheurs (SOCOSAMA) Les Sables d'Olonne	29. 1.1973	49	49	2 500	Fish, fresh, crustaceans and molluscs	a) d)
22 Organisation des producteurs de St-Gilles Croix-de-Vie, St. Gilles-Croix-de-Vie	24. 4.1973	73	73	2 300	Fish, fresh	d)
<u>Inshore fishing</u>						
23 Organisation des Pêcheries de l'Ouest Bretagne Quimper	19. 1.1973	300	305	30 000	Fish, fresh, crustaceans and molluscs	a, b)
<u>Specialized fishing</u>						
24 Union les Cooperatives ostréicoles de l'Ouest Bretagne (UNICOB) - 6 coopératives regroupant 250 ostréiculteurs - Brest	19. 4.1973	6	250	1 500	Oysters	d)
<u>NETHERLANDS</u>						
<u>Middle-water fishing, Near-water fishing, Inshore fishing</u>						
25 Coöperatieve producentorganisatie van de Visserij U.A., 's Gravenhage	8. 9.1973	510	580	160 000	Fish, fresh herring, salted at sea	a)
26 Coöperatieve producentorganisatie voor de Visserij Oost Nederland U.A., Urk	19.11.1971	110	100	23 000	Fish, frozen at sea	a)

Name of organization	Date of recognition	Number of members of vessels		Production 1972 metric tons species		(1)
<u>ULITE, HINGBO.</u> <u>Distant-water fishing, middle-water fishing, near-water fishing</u> 27 FISH PRODUCERS' ORGANISATION LTD, Hull	16.4.1973	37	520	340 000	Fish, fresh, fish and fillets frozen at sea	a) b) c)
II. <u>ASSOCIATIONS OF PRODUCERS' ORGANIZATIONS</u>						
<u>GERMANY</u> * = grouped by <u>Inshore fishing</u> 1 Vereinigung der deutschen Kutterfischerei GmbH., Hamburg	27.4.1972	645	351	53.900	Fish, fresh	a)
<u>Recognized under German Law</u> <u>Distant-water fishing</u> SEEFROSTVERTRIEB GESELLSCHAFT MBH, Bremerhaven <u>Specialized fishing</u> Teichwirtschaftliche Erzeuger und Vermarktungsgenossenschaft Oberpfalz (TEVO), Stulln		12	38	78 000	Fish and fillets, frozen at sea	
		563	-	-	Carps and trouts	d)

- ¹ Application of withdrawal prices :
- (a) Community withdrawal prices in respect of basic products (herring, sardines, redfish, cod, coalfish, haddock, whiting, mackerel, anchovies, plaice, shrimps and prawns).
 - (b) Own withdrawal prices in respect of basic products
 - (c) In respect of other products.
 - (d) Withdrawal prices not applied.
 - (e) Special withdrawal arrangements.

