

# There's a 'lot' to be gained from effective seafood traceability:

On the need to enact strong control measures for fishery and aquaculture products placed in lots

As the European Union (EU) is the world's largest trader of fishery and aquaculture products, it is a significant actor in international seafood sourcing. With two thirds of fish stocks worldwide either fully fished or overfished<sup>1</sup> by a highly opaque global fishing sector, robust traceability of seafood is essential to ensuring that we are not inadvertently sourcing our seafood from illegal fisheries. The ongoing revision of the EU fisheries control system is a key opportunity to make certain that only fully traceable seafood products find their way to our grocery stores, fishmongers, restaurants and dinner plates.

## 1. Summary

The current EU fisheries Control Regulation<sup>2</sup> entered into force in 2010 and established a unified EU control system for ensuring compliance with the rules of the Common Fisheries Policy (CFP). The Regulation also set out traceability requirements for seafood products along the supply chain, specifically referring to the constitution of grouped quantities of seafood products for transport and sale, known as 'lots', which must be traceable throughout the supply chain.<sup>3</sup> The EU fisheries control system is currently being revised. Published in May 2018, the European Commission's proposal<sup>4</sup> sets out certain changes to the traceability of lots.

The Environmental Justice Foundation, Oceana, The Nature Conservancy, The Pew Charitable Trusts and WWF (the EU IUU Coalition) are working together to promote, better align and strengthen traceability systems in key seafood markets in efforts to end illegal, unreported and unregulated (IUU) fishing. As the handling of lots is a cornerstone of the seafood traceability system set up by the Control Regulation, we urge decision makers to adopt strong traceability measures.

The traceability provisions in the Commission's proposal are welcomed, but shortcomings in the performance of the current fisheries control system demonstrate that success of these provisions in the future regulation will depend on robust implementation and enforcement across the EU.

### EU IUU Coalition Recommendations:

- **Support the provisions proposed by the European Commission relating to the establishment and traceability of lots (Articles 4, 56, 56a, 57 and 58 of the Commission's proposal).**
- **Participate in, support or encourage implementation efforts towards a consistent, complementary and effective EU-wide digital data collection and sharing system.**
- **Support the adoption of clear rules that ensure both processed and imported products are subject to strong traceability requirements.**



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## 2. The EU's current seafood traceability system

Supply chain traceability is central to the current Control Regulation which aims to prevent fish laundering and guarantee that no seafood originating from IUU fishing practices can enter the EU market. Importantly, it also contributes to ensuring the conformity of seafood products with EU sanitary rules and ultimately achieving sustainable fisheries, which safeguard the livelihoods of coastal communities worldwide.

The Control Regulation traceability system is based on the constitution of seafood product lots defined as *"a quantity of fisheries and aquaculture products of a given species of the same presentation and coming from the same relevant geographical area and the same fishing vessel, or group of fishing vessels, or the same aquaculture production unit."*<sup>5</sup>

Provisions on lots apply to: (i) fishery products landed in the EU by EU fishing vessels, regardless of where the products are caught; and (ii) imported products landed by non-EU vessels that must be put into lots before placement in the EU market in accordance with general food law.<sup>6</sup> Member States *"shall ensure that all fisheries and aquaculture products from catching or harvesting are put into lots prior to the first sale."*<sup>7</sup> For seafood products originating from the EU, a list of minimum labelling and information requirements apply from the point that seafood is caught and landed.<sup>8</sup> Imported products do not have to comply with these<sup>9</sup> and instead enter the EU market following the submission of a catch certificate in accordance with the IUU Regulation.<sup>10</sup>

The Control Regulation specifies that *"all lots of fisheries and aquaculture products shall be traceable at all stages of production, processing and distribution, from catching or harvesting to retail stage"*<sup>11</sup> and if properly implemented, the Control Regulation therefore theoretically provides effective traceability of seafood products regardless of origin, along the whole supply chain. Lot numbers can also be linked to the UPC coding of products by retailers and this can facilitate quick action in situations where product recall may be necessary. This demonstrates that there are also multiple economic and food safety benefits of effective traceability linked specifically to lots.

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*"Lot' means a quantity of fisheries and aquaculture products of a given species of the same presentation and coming from the same relevant geographical area and the same fishing vessel, or group of fishing vessels, or the same aquaculture production unit."*

Article 4 of EC 1224/2009

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## 3. Shortcomings of the current traceability system

Gaps in traceability along the supply chain occur either ahead of arrival or within the EU market.

### 3.1. Ahead of arrival on the EU market

Ahead of products arriving on the EU market, catch certificates establish traceability and legality of imported seafood. However, the current EU system of import controls is characterised by paper-based, often incompatible Member State schemes without centralised data collection or dissemination. This has hindered cross-checking of data at an EU-wide level and is especially problematic as it allows paper catch certificates to be photocopied in cases of split consignments. This means that exporters or importers might use copies of the same catch certificate when seeking market access for multiple consignments of imported fisheries products at different access points across the EU. As there is no central database keeping stock of catch certificates and split or merged consignments entering the EU, there is a risk of seafood imports which are in excess of the full amount stated on the original catch certificate.<sup>12</sup>

Member States are permitted to develop their own risk assessment, lot inspection and rejection procedures in cases of non-conformity with EU regulations for imported seafood. Consequently, significant differences exist, which has led to import trade flows towards those Member States with seemingly the weakest rules or capacities.<sup>13</sup> This, associated with a failure to implement obligations or enforce often effective and dissuasive sanctions with regard to fisheries control is a serious issue that needs to be addressed in the revision of the Control Regulation.<sup>14</sup>

Imported products that have been further or re-processed present even greater challenges. First, they may have undergone several export and re-export steps while in transit to the EU. Here, the splitting or merging of lots is particularly hard to track, which creates opportunities for illegal fishing products in the value chain to go unnoticed. The absence of effective cross-checks opens the door for the recording of unreasonably high processing yields, within which uncertified materials may be laundered.<sup>15</sup>

### 3.2. Within the EU market

Even inside the EU market, traceability of seafood lots can also be compromised. A recently published joint study by DG MARE and DG SANTE<sup>16</sup> found that limited cooperation and potential incompatibilities between traceability systems in fisheries control and public health may be impacting the efficiency and effectiveness of both systems.<sup>17</sup> Specifically, the merging and splitting of lots after their first sale within the EU market were identified as events where seafood products are especially vulnerable

to loss of information about their journey along the supply chain. To further complicate things, it was also highlighted that the terminology used in fisheries and food legislation may have different meanings and/or definitions between countries. Additionally, concerns were raised over the lack of effective control in some Member States. For example, a designated competent authority is sometimes absent and inconsistencies exist in the implementation of EU rules requiring sanctions in response to infringements on labelling and traceability of fisheries products. As seafood products can move freely once within the EU market, this lack of effective control in specific Member States weakens the entirety of the EU fisheries control system.

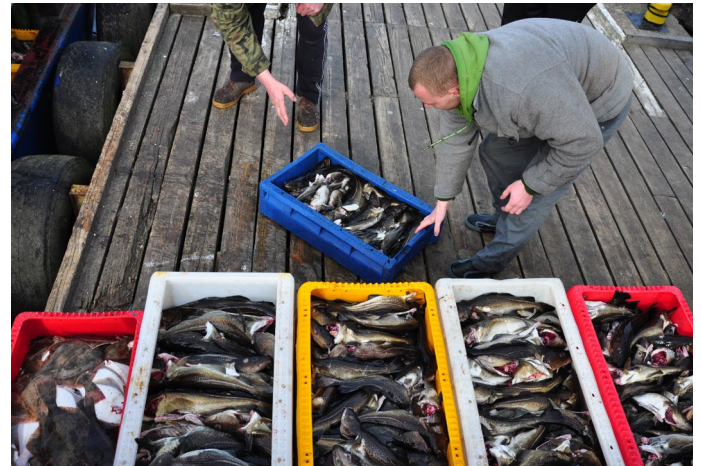
#### 4. How to improve the traceability of seafood lots: addressing the Commission's proposal

The EU fisheries control system revision provides the opportunity to tackle some of the gaps and loopholes that undermine the current seafood traceability system. The main changes put forward in the Commission's proposal associated to lots are discussed below.

All policy components relating to lots previously spread between Articles 4 and 56 have been gathered under the umbrella of a single new Article 56a, which is welcome. The definition of seafood lots itself is not subject to major change but **revised to align with EU food law** (Directive 2011/91). The definition proposed in the new Article 56a changes the wording from "a given species" to "a single species," providing greater clarity on the meaning of "given." This may also help to prevent economic fraud where lower value species might be mixed with higher value species in the same lot.

To improve traceability, an amended Article 58 now advocates that the landing declaration of EU fishing vessels is complemented with a **new and unique fishing trip identification number**. This means that at any point along the supply chain it will be possible to trace the product right back to the fishing trip during which it was caught. This number must accompany seafood throughout the supply chain following its placement into lots, improving capabilities for cross-checking and verification.

In addition, mandatory **digitisation** in tracking of lots has been proposed within Article 58 to improve data collection and transmission. As previously mentioned, the current paper-based EU fisheries control system makes it susceptible to fraud, with documentation systems often incompatible, making it difficult to cross-check entries and maintain a transparent supply chain. Having traceability information recorded electronically and ensuring that Member State systems are interoperable will make controls in the EU more effective and efficient. As provided for in Article 58 of the European Commission's proposal, a reference to the catch



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certificate will be included in the traceability information electronically linked to all relevant lots.

The proposal also mandates the use of the recently created **EU-wide electronic database for catch certificates accompanying imported seafood (CATCH)** that aims to digitise the current paper-based system.<sup>18</sup> This system provides an effective solution for a harmonised baseline of risk assessment, data cross-checking and fraud detection at the EU level. We urge decision makers to require Member States to use this database, as proposed by the European Commission. Electronic traceability information should also be integrated into a centralised system.

Traceability rules included in Article 58 will also **apply to processed fish, crustaceans and molluscs**. These inclusions are key, as these types of products are often subject to complex seafood supply chains.

Finally, a previous derogation which excluded **imported seafood in the establishment of lots** and from the traceability rules has been removed. This is particularly welcomed, given that this had allowed imported seafood products to potentially bypass the EU traceability system.

#### 5. Recommendations

The expansion of the traceability rules to encompass processed and imported products is needed in order to ensure the elimination of an important loophole that potentially allows illegal and untraceable seafood to enter the EU marketplace. However, given the form of some common processed seafood products (e.g., surimi or canned products with mixed contents such as tuna cans) and the new definition for lots which clarifies that a lot can only contain one species, challenges in implementation will undoubtedly be encountered. To prevent issues with non-compliance arising from this revision, a strong enforcement plan should be set up, as well as an EU-wide harmonised and centralised electronic system.

The revision of the EU fisheries control system is a key opportunity to adopt a loophole-free traceability system for all seafood products. We strongly recommend the adoption of policies that will ensure a robust traceability system to prevent IUU fishing products from ending up on the plates of EU consumers. Specifically, we ask that you:

- **Support the provisions proposed by the European Commission relating to the establishment and traceability of lots (Articles 4, 56, 56a, 57 and 58 of the Commission’s proposal).**
- **Participate in, support or encourage implementation efforts towards a consistent, complementary and effective EU-wide digital data collection and sharing system.**
- **Support the adoption of clear rules that ensure both processed and imported products are subject to strong traceability requirements.**



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- <sup>1</sup> FAO (2018). The State of World Fisheries and Aquaculture: Meeting the sustainable development goals. FAO Fisheries and Aquaculture Department, Rome.
- <sup>2</sup> Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Community control system for ensuring compliance with the rules of the common fisheries policy.
- <sup>3</sup> Article 58, 2009 Control Regulation (EC 1224/2009).
- <sup>4</sup> Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1224/2009, and amending Council Regulations (EC) No 768/2005, (EC) No 1967/2006, (EC) No 1005/2008, and Regulation (EU) No 2016/1139 of the European Parliament and of the Council as regards fisheries control.
- <sup>5</sup> Articles 4 and 20, 2009 Control Regulation (EC 1224/2009).
- <sup>6</sup> Directive 2011/91/EU of the European Parliament and of the Council of 13 December 2011 on indications or marks identifying the lot to which a foodstuff belongs.
- <sup>7</sup> Article 56.3, 2009 Control Regulation (EC 1224/2009).
- <sup>8</sup> Article 58.5, 2009 Control Regulation (EC 1224/2009).
- <sup>9</sup> Articles 58.5 and 58.7, 2009 Control Regulation (EC 1224/2009).
- <sup>10</sup> Article 58.7, 2009 Control Regulation (EC 1224/2009); Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing.
- <sup>11</sup> Article 58.1, 2009 Control Regulation (EC 1224/2009).
- <sup>12</sup> EU IUU Coalition position paper [“Modernisation of the EU IUU Regulation Catch Certificate System”](#), July 2016.
- <sup>13</sup> EU IUU Coalition joint report [“The EU IUU Regulation. Analysis: Implementation of EU seafood import controls”](#), March 2017.
- <sup>14</sup> [Joint NGO priorities on the revision of the EU Fisheries Control System](#), November 2019; EU IUU Coalition web-tool [“Holes in the Net: reports and media coverage discussing EU fisheries control and potential weaknesses”](#).
- <sup>15</sup> Clarke S. & Hosch, G. (2013). [Report on Traceability, legal provenance & the EU II Regulation: Russian whitefish and salmon imported into the EU from Russia via China](#). Sasama Consulting and FMP Consulting.
- <sup>16</sup> Presentation by Alcantara, M.L. & Nordström, S.: [Joint Missions DG SANTE-DG MARE on Traceability and Labelling of Fishery Products](#). Expert Group on Fisheries Control Workshop on traceability of fisheries and aquaculture products, Brussels, 10 October 2019.
- <sup>17</sup> Similar findings on the ineffectiveness of information-sharing between Member States were recorded in the European Court of Auditors Special Report 08/2017 [“EU fisheries controls: more efforts needed”](#).
- <sup>18</sup> For more information see “CATCH – Information note”, available at [https://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/catch-it-system\\_en.pdf](https://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/catch-it-system_en.pdf)

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