



A Giant Step on a Global Stage for Irish Seafood

Described as a “game-changer” by Minister for Agriculture, Food and the Marine, Simon Coveney TD, at the information launch in Killybegs on 9 May last, Bio-Marine Ingredients Ireland (BII) promises to be a major player in the economic fortunes of south Donegal in coming years. BII is the result of a partnership between Killybegs Fishermen's Organisation and the Norwegian firm Biomarine Science Technology (BST). The new company has recently announced the appointment of Mr Jason Whooley, current CEO of Bord Iascaigh Mhara, as CEO designate; Mr Whooley will take up his position later this year.

Historically fish processing has tended to lag behind its fellow high-tech agricultural food processing. Here in Ireland there has been a marked contrast between the global food giants located in our diary and meat sectors and our largely basic treatment of fish products. That is set to change with the arrival of the proposed largest marine food ingredients facility in the world.

Food ingredient prices continue to rise in tandem with a continuing shortage of quality protein which has created a significant opening in the

market for the output which this new venture can deliver. The demand is driven by a rapidly rising global population and an increasing awareness of health and wellness issues worldwide. The increased focus on health and rising demand for foodstuffs high in healthy content has led to rapid growth in the health and sports nutrition market. Already leading food producers in Europe and the USA are supportive of the venture and enthusiastic about entering into supply contracts with it. Seafood has long been recognized as a primary source of high quality,

uncontaminated proteins, fats and essential vitamins and minerals which can be produced by the planned business enterprise.

The technical expertise in the development of BII has been supplied by BST which has many years of experience in the pharmaceutical, marine biotech and international commodity business. This know-how will enable the proposed Killybegs plant to produce fish oil, calcium and high-grade proteins; there are immediate outlets for these premium products in the sport nutrition, pet food and industrial and pharmaceutical fermentation industries. There are excellent grounds to believe the production of marine-derived proteins at the Killybegs plant will quickly progress to new and innovative bioactive ingredients to fuel the current explosion of research into a new generation of pharmaceutical drugs being developed to replace many of the now ineffective antibiotics.

KFO is constantly exploring ways to improve economic opportunities for its members. It was proactive in developing the boarfish fishery and commissioned and provided a considerable amount of scientific data. As a result, Ireland now has 70 per cent of the quota which amounts to 88,000 tonnes this year. Boarfish will form the basis of the supply of raw material for BII resulting in a considerably improved financial outlook for those fishermen involved. Blue whiting can also be used in the process which will assure continuity of supply.

The development of the BII plant represents an investment of between €30 and €40 million. A substantial portion of this investment has been raised locally which is a good indicator of the confidence of the local business community in the project. There will be substantial spin-off benefits throughout the area with a projected 50 construction jobs followed by at least a further 50 highly skilled technical and scientific staff required to operate the plant. The facility, based on a Norwegian design, will be a state-of-the-art “Clean Process” with emphasis on minimal environmental impact ensuring no waste or pollution and noise levels below allowed standards. BII intends to collaborate with appropriate academic and technical institutions to maintain its cutting-edge position both technically and in the market place.

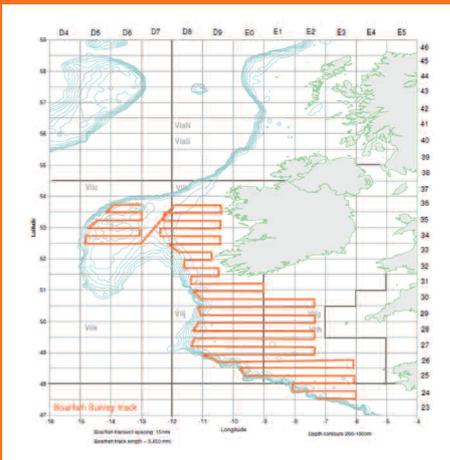
Following a planning application over the summer months, BII hopes to commence construction work in 2015 with completion and plant commissioning in late 2016 or early 2017. The company is currently in discussions with Enterprise Ireland and Bord Iascaigh Mhara on the provision of state aid support.



Launch of Bio-marine Ingredients Ireland in Killybegs. From l to r: Minister Dinny McGinley TD, Martin Howley, Chairman and interim CEO, Sean O'Donoghue CEO of KFO, Arne Petter Holli MD Biomarine Science Technology Ltd. and Minister Simon Coveney TD

The fourth annual boarfish acoustic survey is scheduled to take place from July 10-31, on board the *MFV Felucca*. Similarly to previous years, the survey will link up with the *RV Celtic Explorer* off the west coast. This effectively extends the Malin Shelf Herring Acoustic Survey to the south, which will result in continuous coverage from approximately 58.5°N to 47.5°N. The combined survey transects will be over 4,500nmi and cover an area of approximately 90,000nmi². The primary aim of the survey is to determine the distribution and abundance of boarfish within the area covered. Over the past three years a comprehensive and adaptive survey design has been established to cover not only core abundance areas but also peripheral areas to 'contain' the stock.

The importance of maintaining the survey series cannot be over emphasised, and this year's survey is again funded by the industry. The boarfish acoustic survey and associated projects have significantly advanced the knowledge and understanding of this species. The survey biomass estimates are an integral part of the boarfish stock assessment which is presented to the ICES Working Group on Widely Distributed Stocks (WGWIDE) each August. Continuation of the survey series should ensure that the best possible data is available for use in the assessment.



In addition to the standard biological and abundance data, additional genetic samples of boarfish will also be collected. These will be added to an existing collection of samples that have been gathered during the past four years of the boarfish project. These samples are currently being analysed in University College Dublin with the aim of determining the presence of stock structure in boarfish. This would help clarify some of the key remaining questions about boarfish including whether the long term changes in abundance are the result of population expansion within the northeast Atlantic or immigration from other stocks, and do the distribution limits of the current stock management unit match the genetic population structure of the stock. The extent of fine-scale population structure within the current stock area also needs to be assessed.

These are some of the final pieces of information needed to ensure that the fishery is accurately and effectively managed so that its sustainable future can be secured.

ICES has released advice on demersal and herring stocks for 2015. Advice for the remaining pelagic species will be released in September, along with advice on rays and skates. The remaining species, including Nephrops (prawns), monkfish in IV and VI, and megrim in Rockall will have advice released in October. Advice includes discards, where information is available.

In reading the ICES advice it is important to be aware of what is meant by catches, landings and discards. For ICES, catch includes discards. Landings is the term used for the retained proportion of the catch, and discards represents the rest. As far as possible, ICES tries to give advice on catches (including discards). However ICES also gives advice on the landings, and in cases where discards are not fully quantified, only landings advice is given. In a few cases, such as sole, there are few discards and catch and landings are equal.

Same Advice as Last Year

The combined advice for the two monkfish species in VII and VIII remains unchanged leading to combined advice of 37,450t. Megrim in IV and VIa advice remains unchanged (7,000t catch, 5,950t landings).

Advice for plaice and sole in 7bc is for 30t. landings each, and plaice 7h-k (135t. landings) also have status quo advice.

Cod in Rockall (70t.), whiting in Rockall (11t.) Pollack (VI and VII) landings of 4,200t. Sprat in VI and VII continue to have advice of 3,500t, though a TAC has not been set yet. For Norway pout and for sandeel in VI the advice remains "no increase in catches" and catches in recent years have been zero.

Cod and whiting to the west of Scotland, along with cod, whiting and sole in the Irish Sea, still receive 0-TAC advice as their stock sizes to be below limit reference points.

NW herring gets the same advice as last year (0-catch). The rebuilding plan developed by the FIF and the PRAC and used by the EC in the past two years gives a catch of 90t. in 2015.

Decreases Advised

Advice for cod in the Celtic Sea is down 48 per cent on last year's TAC, but the total catch cannot be advised upon. Haddock in this area is also down 41 per cent on last year's TAC. For whiting in this area, there is only a small reduction to 18,501t (14,230t landings). However when the advice for VIId (eastern English Channel) is

included, this brings the TAC up to 17,742t. (landings). The hake advice represents a slight decrease on last year's TAC to 78,457t (landings) in 2015. Full catch advice cannot be given, because the discard levels are not fully known.

Herring in the Celtic Sea advice is for a 31 per cent decrease, applying the MSY approach. The long term management plan gives a 30 per cent reduction. Irish Sea herring is down 8 per cent. Herring in VIaN is also down, with a catch advised in 2015 of 22,690t.

Advice for sea bass in the Celtic Sea is down on last year's advice to 1,155t, though no quota has yet been set for the species. For the other sea bass stock in VI and VIIbcjk, advice is down to 7t. from 18t. advised last year.

Haddock in the Irish Sea advice is for catches of 893t, implying landings of 425t. Saithe in IV and VIa sees a decrease in advice to 80,097t. (catch) and landings of 72,854t.

For megrim in VII and VIII, ICES cannot quantify the resulting catches, but states that landings should be no more than 15,180t. Plaice in the VIIIg advice is for landings of 420t. (catches of 1500t.) Plaice in the Irish Sea is at 394t (catch 1,244t.) Sole in VIIh-k is also down to catches of 225t. Sole in VIIIg is subject to a large reduction of 35 per cent.

Increases Advised

Rockall haddock sees an increase of 142 per cent. However the TAC for VIa haddock will need to be agreed at an EC level because the stock has now been merged with the North Sea stock for assessment purposes. This means that ICES has issued advice for the areas combined showing an increase. ICES did not attempt to split the advice according to area, and has asked policy makers (essentially the EC) to issue guidelines on how a split may be done. This will have implications for the VIa haddock TAC. The combined advice for the North Sea, Kattegat and VIa is for 54,580t, with landings of 48,176t. This is an increase of about 7 per cent on the combined TACs in 2013 for these areas.

The European Maritime and Fisheries Fund (EMFF) Published

After many delays and lengthy negotiations the European Maritime and Fisheries Fund (EMFF) was finally delivered by EU Regulation 508/2014 on 15 May. The EMFF provides a proportion of the finance that will help deliver the objectives of the reformed Common Fisheries Policy (CFP) and that will support the implementation of the EU Integrated Maritime Policy (IMP). Member states co-finance such projects and must provide an Operational Programme (OP) by late 2014. The total EMFF for the period 2014 – 2020 is €6.5 billion; Ireland has been allocated €148 million which is a significant increase on the EMFF support during the lifetime of the previous CFP.

The overall amount of €148 million comes already allocated to a set of categories; for instance,

- Investment in the seafood industry €71 million
- Data collection €32 million
- Control and enforcement €37 million
- Implementation of the IMP €5 million
- Storage aid €1.3 million

This breakdown does not itemise an important innovation contained in the reformed Common Fisheries Policy, namely the introduction of Production and Marketing Plans (PMP) which will be supported by the EMFF. These plans will help professional organisations such as Producer Organisations (POs) with the day-to-day implementation of the CFP reform goals and allow them to manage their activities in a business and market-oriented manner. Such support will enable POs to function at a more effective level ensuring their members a better organised industry which will be reflected in improved economic outlook and more sustainable stocks.

The Department of Agriculture, Food and the Marine (DAFM) has made substantial progress on preparing an OP beginning with an extensive consultation process with all stakeholders in 2013. In broad terms DAFM have identified implementation of the new CFP, in particular the landings obligation and achieving MSY, matching fleets to available resources, managing inshore fisheries and the protection of the marine environment and its biodiversity, as the overarching areas to be tackled in the 2014 – 2020 period.

The specific challenges facing the fishing industry have been well considered and funding will be available to support actions to facilitate compliance with the landing obligation such as more selective fishing gear, support for POs, a healthier economic future by adjusting fleet size to match resources and reduction in costs by helping reduce fuel consumption. For the inshore sector the FLAG framework will be enhanced with support for fishing communities, development of coherent marine tourism and local seafood activity through micro-enterprises. All these goals, while directly relevant from an Irish perspective, are fully in line with the EU Commission vision for the future of maritime communities which has been summed up as:

- Growth and jobs – both in fisheries and in other sectors of the maritime economy
- Local Innovation – new things done for the first time in the local context
- Environment as an development asset; local conservation schemes
- More support for the development of local strategies, networking

It is hoped when the current OP is finalised in the near future it delivers many of the ingredients needed by the Irish fishing and seafood industry to face the challenges ahead and strengthen efforts to achieve targets set by the BIM strategy and Harvest 2020.

The landings obligation or, as it is more commonly known, the discards ban, comes into force for small pelagic and large pelagic fish on 1 January 2015. It will apply to the species Irish vessels are very familiar with: mackerel, herring, horse mackerel, blue whiting, boarfish, argentine and albacore tuna. The landings obligation will be extended to other species in a gradual manner over the following years until all affected species are included by 1 January 2019.

The requirements of the landings obligation are contained in Articles 15 and 16 of the CFP Regulation 1380/2013. The discards ban only applies to TACs and quotas species. The only other fish not subject to this requirement have been identified as:

- Prohibited species
- Fisheries/fish with high survival rates
- Catches below de-minimus

Prohibited species are straightforward; there is a list which should be adhered to irrespective of the landings obligation. Fish targeted by purse-seiners appear to have high survival rates when caught but this is variable and dependant on a number of factors such as weather conditions, crowding density and varies from species to species. The de minimus exemption is more complicated and there is an overall upper limit of 5 per cent of total annual catches after four years with a 7% limit for years one and two and 6% for years three and four; it shall apply where increases in selectivity are very difficult to achieve or the costs of handling unwanted catches are disproportionately high. In the latter case the de minimus applied is for specific fishing gear and must not exceed an established percentage of the total annual catch as indicated in a plan. For a transitional period of four years such de minimus exemptions will be increased by two percentage points for the first two years reducing by one percentage point for the following two years. Other conditions are also attached such as rigorous documentation of catches and possible fixing of minimum conservation reference sizes (MCRS).

The EU Commission will impose discard plans where none exist but is willing to engage with Member States (MS) on drawing up such plans. The problem lies in the complexity and variability of the fisheries involved plus the wide geographical spread, inter-regional relationships and sub-groups within individual fisheries and even MS. The various regional member state groups such as the North Western Waters, South Western Waters and North Sea (the Scheveningen group) have been grappling with the problems the landings obligation presents. As expected, each has a different perspective and set of priorities which are difficult to reconcile and have refused to set up a sub group to deal with some of the pelagic species such as mackerel, western horse mackerel and blue whiting..

In the context of Irish interests and the imminent introduction of a discard ban for pelagic species, the output from the Pelagic RAC is of considerable interest. For more than a year the Pelagic RAC has worked at developing a plan to aid the EU Commission, Member States and industry in managing the issue and issued comprehensive recommendations in April 2014.

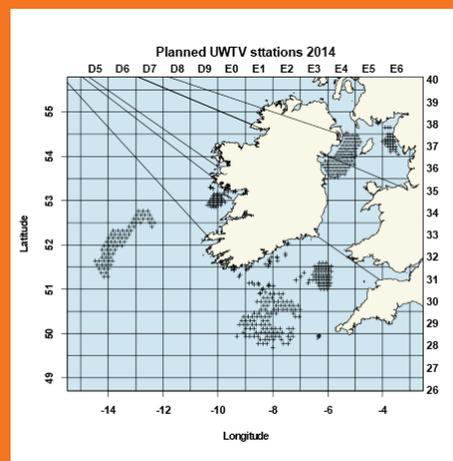
There are key differences between pelagic and demersal fisheries which must be taken into account when interpreting the Articles 15 and 16 such as the manner in which unwanted catches are determined and how the de minimus is applied. Pelagic fisheries are already very selective compared to demersal and the scientific work for pelagics does not indicate much scope for improvement in this field. In the case of RSW pelagic vessels unwanted catch can only be determined when fish is landed to a processing plant; on freezer trawlers it can be done onboard but RSW vessels are not permitted to use sorting machines.

The Pelagic RAC points out that the control and enforcement of the obligation will be extremely difficult in this environment without clear unambiguous rules to ensure common approaches, a level playing field and transparency. Against such a background it makes a series of recommendations:

- Tailor the de minimus rate to the particular species
- De minimus only to be applied after sorting and grading and/or allow sorting machines on-board
- Improved scientific evidence in the case of high survival scenarios
- Suspend the 9% inter-species flexibility for two years
- Adhere to the 10% flexibility proposed
- Apply the minimum conservation reference size (MCRS)
- Control, monitoring and enforcement
 - o Shift the burden of proof
 - o Ensure activities are verifiable
 - o Ensure a level playing field
 - o Use all available tools for control and enforcement such as observers, CCTV, drones, self-sampling etc
- The EMFF to facilitate improved
 - o Data collection
 - o Control and enforcement
 - o Avoidance of unwanted catches e.g. advance acoustic imaging
 - o Best use of unwanted catches e.g. fishmeal plants on-board
 - o Advisory Council's studies

The Pelagic RAC concludes that all these measures need to be reviewed after a maximum of two years. During that time there needs to be real and pro-active consultation with stakeholders. Finally, in all cases, *force majeure* must be an available option and invoked as necessary to protect the safety of both crew and vessel.

The Marine Institute has developed underwater television surveys to assess and provide management advice for the main Nephrops stocks around Ireland. This year the surveys are planned in three, ten-day legs. The first of which took place from 8/06/14-17/06/14. This survey successfully covered the Porcupine, Galway Bay, Slyne and most of the Aran grounds. The second leg departed Galway on 25/06/14 and is due to land in Cork on 04/07/14. So far the survey has completed the Aran grounds and has covered the majority of the Labadie ground. The final survey will be 18/08/14-27/08/14, again targeting the remaining areas of the Celtic Sea. The Marine Institute will also be participating on the AFBI survey in the Irish Sea east and west at the start of August.



Once the surveys have been completed the burrow density estimates at each station over the whole grounds are used to estimate the total abundance of Nephrops burrows. This in turn will be used by ICES to give catch advice for the Nephrops stocks in November. Details of last year's surveys are available on http://oar.marine.ie/handle/10793/59/browse?type=title&submit_browse=Title

KFO AGM

The KFO held its Annual general meeting on May 30, 2014 in Bruach na Mara. After the AGM the Board met to elect a Chairman and co-opt Directors onto the Board.

The new Board of Directors is as follows:

Martin Howley, Chairman; Cathal Boyle, Vice-Chairman; Jens Bach, Pauric Conneely, Michael Cavanagh, Tony Byrne, Pete McBride, Ciaran Doherty, Eamonn McHugh.

Editorial

by Sean O'Donoghue

CHIEF EXECUTIVE, KFO



The information launch of the proposed Bio-marine Ingredients plant in Killybegs on 9 May last marked a huge milestone not alone for the fishing industry and Killybegs but for all seafood production in Ireland. It represents a completely new departure for the marine sector in Donegal. This plant will be the largest and most up-to-date of its kind in the world (see article page 1) and will produce a most sought-after range of products completely attuned to the 21st century lifestyle. Irish seafood will have gone in one step from the most basic to the most advanced and will be poised to move even further as future developments in the bioactive ingredients business, particularly the field of next-generation pharmaceutical products, come on-stream. The Killybegs Fishermen's Organisation is committed to developing and advancing all sea fisheries issues of relevance to its members and diversification and the establishment of new high-value activities such as this, is a

key part of our remit. This endeavour is a prime example of finding a more profitable outlet for boarfish, our latest sustainable species to be exploited.

During the more down-to-earth phase of this development there will be a much-needed boost to employment in the Killybegs area with the construction of this Norwegian-designed "clean process" plant. We are very conscious of our responsibilities to the community at large but can assure them this plant will not create any nuisance by way of noise, water pollution or smells. Further along we plan to work closely with local and regional 3rd level colleges and institutions to develop further products which

will ensure high grade employment continues for the young people of south Donegal.

I am delighted with the latest ruling from the European Court of Justice on the safety tonnage appeals brought by KFO members and congratulate them on their perseverance over such a lengthy period and the setbacks encountered in their legitimate applications for safety tonnage. It is now time the Commission brought this matter to a satisfactory conclusion for all concerned.

On the fishing front the discards ban will shortly be a reality for our pelagic fleet; all small pelagic fish and albacore tuna will be affected by the landings obligation on 1 January 2015 – six months away! (see article page three). All the major fishing organisations, including the Regional Advisory Councils, the Scheveningen group from the North Sea coastal states and our own Discards Implementation Group led by Dr Noel Cawley have been working on management options to mitigate the effects of the ban but, seeing it is the first sector to experience the reality, the Pelagic RAC has been very keen to produce recommendations to assist all parties in this work. As outlined in the article mentioned, there are strategies which can mitigate the worst of the challenges but the support of the EMFF will be crucial in this area.

The EMFF was finalised and adopted with EU Regulation 508/2014 in June. We must congratulate Minister Simon Coveney on his

hard work and tenacity in securing this much needed funding. It is in sharp contrast to funding under the old programme with Minister Coveney this time around achieving a doubling of previous funding. Seafood production has been growing in Ireland in line with market demand over the last three years and this much needed funding will be a catalyst in achieving the seafood targets as set out in the BIM strategy and Harvest 2020. This funding could not have come at a better time.

The CFP agreed last June has placed new obligations on the fishing sector and identifies the producer organisations as the key player in achieving the new CFP objectives. The €148 million will be spent on areas such as scientific data collection, development of the sector, the implementation of the landing obligation and production and marketing plans which all producer organisations have to prepare and implement on an annual basis. The large increase in funding makes it much easier to meet the new mandatory funding requirements for the preparation and implementation of the production and marking plans and at the same time increasing the funding to the other areas.

The ICES advice for some demersal and herring stocks was issued on the June 30 (see article page two). Some of the large decreases are unexpected such as cod in the Celtic Sea and herring in the north west and, in my view, are highly questionable. As in previous years the Commission will now make its proposals for the 2015 TACs and quotas in October based on this advice. These proposals will, I expect, not make for good reading from an Irish perspective. The final decision on next year's TACs and quotas will be taken at the December Fisheries Council and it is already shaping up to be a very difficult Council.

The European and Irish pelagic industry is aghast at the proposed lifting of trade sanctions by the Commission against the Faroe Islands – less than a year since they were imposed and in time for them to exploit this year's fishery. The sanctions were implemented last year in response to their unsustainable fishing practices for herring and their setting of a unilateral quota of nearly four times their traditional share (around 105,000 tonnes). Now the Faroe Islands has announced a quota level for herring at 40,000 tonnes for 2014, which while lower than last year's catch, is still double the figure they should be allocated under the previous Coastal States agreement. This action by the EU will set back negotiations and undermine trust among the Coastal States yet again.

The European Parliament elections have been held and, in Ireland's case, there have been significant changes. The Irish fishing industry has lost a friend and champion in Pat the Cope Gallagher who, as a very active member of the Fisheries Committee, managed to get agreement in the Parliament on many changes in regulations which were of benefit to the Irish seafood sector. We would like to thank him for his support and wish him well in the future.

Important Dates July - September 2014

2 July	NWWRAC & ICES Advice, WG 3 & 4	Edinburgh
3 July	NWWRAC Executive Committee, WG 1 & 2	Edinburgh
9 July	Pelagic RAC, WG 1 & 2	Amsterdam
10 July	Pelagic RAC Executive Committee	Amsterdam
14 July	Fisheries Council	Brussels
23 July	Whitefish Quota Meeting Discard Sub-Group Meeting FIF/SFPA Meeting	Dublin
2 August	Blessing of the Fleet	Killybegs
26 Aug – 1 Sept	ICES WG WIDE (pelagic stocks)	Copenhagen
3 September	SFPA Consultative Committee	Galway
15 September	Fisheries Council	Strasbourg
17 September	NWWRAC General Assembly/AGM	Dublin
18 September	NWWRAC WG/Focus Groups	Dublin
22 – 24 September	ICES ADGWIDE (pelagic stocks)	Copenhagen

Head Office: Killybegs Fishermen's Organisation Ltd.,
Bruach na Mara, St. Catherine's Road, Killybegs, Co. Donegal.
Tel: (074) 9731 089, (074) 9731 305, Fax: (074) 9731 577,
Email: kfo@kfo.ie Website: www.kfo.ie
Dublin Office Tel: (01) 825 8846, Fax: (01) 825 8847