RETHINKING DANISH SMALL-SCALE FISHERIES

SAFEGUARDING THE SEGMENT, DIVERSIFYING THE INCOME STREAMS, AND STRENGTHENING SMALLER COASTAL COMMUNITIES

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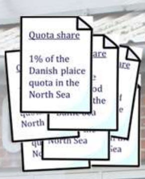
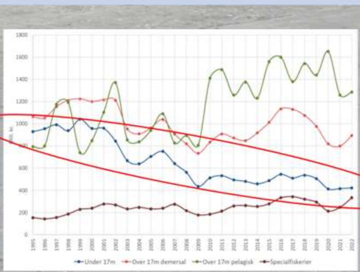
BACKGROUND



- In 2007, Denmark transitioned fully to ITQ management - with some inbuild measures intended to support SSF
- The ITQ system has been reformed and adjusted several times over the years, incl. as response to gradual decrease in SSF as share of the demersal fisheries – in particular SSF with low-impact gear
- Following Brexit, which resulted in a loss of fishing opportunities for Denmark, it was decided to take stock of Danish fisheries management with the intension to overhaul central legislation
- Among other things, an expert committee was set up to advice on ways forward to improve the economic performance of fisheries while respecting the environmental context, meaning least possible impact on the marine ecosystem and climate. Its report was published in December 2023
- 2024-25 will be critical years for Danish SSF



Value of landings by SSF compared to other segments 1995-2022
Plot from Andersen et al. (2023): *Et historisk overblik…*

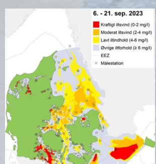
STATUS OF SSF – AND THE CONSEQUENCES

- SSF accounts for a decreasing share of the value of demersal landings (40 % in 2006, the last year before the reform, and 30% in 2022, equal to around 15 percent of the total value of landings by DK vessels)
- Consolidation among ports of landing has led to loss of fisheries activities in smaller ports and communities

- The decline is most pronounced in inner waters and less pronounced in the North Sea and Skagerrak
- The balance between gears has shifted towards even more pronounced dominance of bottom trawls over low-impact gears in the demersal fisheries - also within the SSF segment, which has had traditionally had a large share of low-impact gear
- Increased profitability in the fisheries sector
- Reduced tourism attractiveness of smaller ports without fishing…?
- Loss of ability to harvest smaller volumes of local resources…?
- Reduced 'wellbeing' in and of negatively affected communities…?
- Higher environmental impact from fisheries…?
- Higher CO_2 emissions from fisheries…?
- Loss of fisheries culture and connection between sector and consumers…?

A COCKTAIL OF CONTRIBUTING FACTORS TO SSF DECLINE IN DENMARK

- Urbanisation and centralisation, negatively affecting most coastal areas but most so the smallest communities



Hypoxia in inner Danish waters
Plot from The Danish Environmental Protection Agency: https://mst.dk/nyheder/2023/september/markant-forvaerret-iltsvind

- Fewer fish near the coast; the explanation for this is complex but likely related to a combination of climate change, historical bottom trawling, nutrients from agriculture, predators (cormorants & seals), loss of eelgrass meadows and stone reefs, etc.

Tabel 3.3.2 Ressourcerente i procent af værdien af fysiske aktiver i perioden 2012-2021 (%)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Under 17 meter	6%	6%	6%	18%	22%	16%	20%	15%	1%	-1%
Over 17 meter (demersal)	32%	26%	28%	42%	47%	40%	35%	24%	18%	12%
Over 17 meter (pelagisk)	53%	46%	29%	48%	44%	29%	25%	28%	36%	14%
Alle fartøjer	28%	32%	25%	43%	42%	31%	27%	25%	25%	12%

Kilde: Andersen, J. L., Hoff, A., Nielsen, R., Nielsen, M., & Frost, H. S. (2023)

Ressource rent of different segments of the Danish fleet 2012-2021
Plot from Andersen et al. (2023): *Et historisk overblik…*

- Lower profitability in the SSF segment, due to relatively high prices on quotas (driven by larger vessels), but also challenges of access to fish/ability to fish effectively/handle landings in some areas
- Disturbance of fishing activities by seals and cormorants
- Competition from larger vessels on 'local SSF fishing grounds'
- Various stock issues related to important SSF species, e.g. lumpfish, plaice, cod, and eel
- Predators in the shape of cormorants and seals negatively affecting fish populations (e.g. cod in inner Danish waters)
- Loss of critical mass to uphold on-shore infrastructure in smaller ports
- Recruitment challenges (related to salary and working conditions, etc.)
- Indiscriminate application of one-size-fits-all CFP legislation, and CFP related challenges of implementing national legislation to support SSF

CURRENT MANAGEMENT ELEMENTS IN SUPPORT OF SSF

- Possibility for quota top-up for vessels under 17 m, most for vessels using low-impact gear; additional top-up given to vessels having locked their quotas permanently to SSF
- Some area management regarding size of vessels/engines and gear types; general ban on bottom trawling within 3 nm

- State eco-label for fish caught with low-impact gear in SSF
- Pool-system for quotas, allowing SSF flexibility vis-à-vis owning quotas
- 'Rubber boot rule' to prevent 'slipper-skippers'
- Rules against (excessive) quota concentration

MANAGEMENT SHORTCOMINGS

- 'Activity requirement' (rubber boot rule) for owning quotas constitutes a barrier to develop part-time fisheries
- SSF are squeezed by larger, more mobile vessels utilising local fishing grounds in the best times of the year
- Difficult to get fish collected in some smaller ports
- Little or no price premium for SSF products – label has very little volume
- Lack of demand for 'niche products'
- Limited possibilities for using marine competences and vessel for other income-generating activities
- Inability to maintain quotas on SSF vessels, over time quotas are bought up by larger vessels
- Lack of ecosystem-based management of predators

NaturSkånsom

Danish low-impact label

RETHINKING MANAGEMENT…

SAFEGUARDING AND FENCING THE SEGMENT

Ensuring fishing opportunities:

- Reserving areas to SSF (in particular with low-impact gear) within the 12 nm zone?
- Creation of a fixed segment, whose quotas cannot be sold out, thereby creating a minimum share of quota that is permanently to be fished by SSF

Increased profitability

- Strengthening the existing label for low-impact gear, possibly by expanding the label to cover larger vessels employing low-impact gear?
- Further state acquisition of quotas to allocate to SSF as quota top-up?
- New, more active management of predators?
- Working on consumers' flexibility in terms of species and seasons?

DIVERSIFYING INCOME STREAMS:

- Facilitating the combination of other trades with fisheries, incl. marine ecosystem restoration, tourist activities, seaweed farming, etc.?
- Reducing the activity requirement linked to ownership of quotas for vessels with limited turnover to better enable part-time SSF?

STRENGTHENING COASTAL COMMUNITIES:

- Keeping up infrastructure in smaller ports and supporting consumer and tourism-oriented fisheries related activities in same areas?
- Community quotas with landing obligation allocated to smaller ports and communities (possibly with limitations on vessel size)?