MACALISTER ELLIOTT AND PARTNERS LTD CERTIFICATION SERVICES FOR SUSTAINABLE FISHERIES

FISHERIES ANNUAL SURVEILLANCE REPORT FOR THE EURONOR SAITHE FISHERY (POLLACHIUS VIRENS)

CERTIFICATE No.: MEP-F-001
SURVEILLANCE YEAR 1

Confidential Report

Undertaken by:

Dr Jo Gascoigne (Team Leader) & Prof. Jean-Claude Brêthes

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QA REF: 2137 FR



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1. General Information

| Fishery Name | Euronor saithe | | | | | |
|-------------------------|---|--|--|--|--|--|
| Unit of Certification | The Euronor demersal otter trawl fishery for saithe (<i>Pollachius virens</i>) from the North Sea and Northeast Arctic stocks (ICES Subareas I, II, IV and VI and Division IIIa). | | | | | |
| Species | saithe (Pollachius virens) | | | | | |
| Area | ICES Subareas I, II, IIIa, IV, VI (NE Arctic, Skagerrak, North Sea and Northwest Scotland) | | | | | |
| Method of capture | Demersal trawl | | | | | |
| Client Address | Le Comptoir des Pêches d'Europe du Nord' or Euronor, 13 Rue Huret Lagache, BP447 - 62206 Boulogne sur mer, Cedex FRANCE | | | | | |
| Client Contact Name | Bruno Leduc (Director) | | | | | |
| Client Telephone No.: | +33 (0)3 21 10 95 95 | | | | | |
| Client Email | euronor@euronor.fr | | | | | |
| Certificate number | MEP-F-001 | | | | | |
| Certificate Issue Date | 10 th March 2010 | | | | | |
| Certificate Expiry Date | 09 th March 2015 | | | | | |
| Audit stage | Year 1 Year 2 Year 3 Year 4 | | | | | |
| Audit experts | Expert 1 (Team Leader) : Dr Jo Gascoigne, Expert 2: Prof. Jean-Claude Brêthes | | | | | |
| Surveillance Audit Date | 07 th January 2011 | | | | | |
| Preliminary conclusion | Certification to continue although Chain of Custody certification required should Euronor catch non-MSC product going forward | | | | | |

2. Introduction

This report outlines the process and outcome of the first annual surveillance audit for the MSC certified fishery 'Euronor saithe'. The fishery is conducted by the fishing company Euronor, based in Boulogne-sur-Mer, France. The main activity of this company is the North Sea saithe fishery, but some saithe is also taken from the Northeast Arctic stock, and this is also covered by the certification.

This audit is the first annual surveillance audit for this fishery since certification – which was finalised in March 2010. In preparation for this surveillance audit, all stakeholders were contacted by email on the 25th November 2010 and invited to submit comments to Macalister Elliott & Partners Ltd (MEP). The notification of the surveillance audit was also published on the MSC website on the 02nd November 2010. The audit was carried out at Euronor's offices in Boulogne-sur-Mer on the 7th January 2011 by the surveillance team consisting of Dr. Jo Gascoigne (Team Leader) and Prof. Jean-Claude Brêthes.

Note that this fishery was certified without any conditions attached. The main purpose of the annual surveillance audit process is to review progress in meeting the conditions as set out in the Client Action Plan (a part of the certification process). This does not apply here. This audit therefore reviewed the fishery to see if there had been any significant changes since certification, plus a review of any actions taken to implement the non-binding recommendation given in respect of PI 2.1.3 (retained species information). This involved a review of fisheries data for 2009 and 2010 (landings of all species, observer reports, sales data), a review of ICES advice for relevant species (target and main retained) plus an interview with Euronor staff.

2. General observations

Catches of saithe in 2009 and 2010 by Euronor were somewhat lower than in 2008 (see Table 1)

Table 1. Total landings of saithe by all Euronor vessels (live weight tonnes) for 2008, 2009 and 2010. The certification process for the fishery took place during 2009 using data from 2008.

| Year | saithe landings (tonnes live weight) |
|------|--------------------------------------|
| 2008 | 16962 |
| 2009 | 11854 |
| 2010 | 8869 |

The decline in catches is largely explained by the fact that one vessel was decommissioned from the saithe fresh-fish fishery during the course of the certification process (mid-2009 – the Cap St. Jean). Euronor received an EU decommissioning subsidy for the vessel, for which the fishing licence was scrapped. Euronor also note that they have had less successful fishing at the end of the year in the last two years, but note that other fishing companies targeting North Sea saithe have not had this problem. The reason for this is not clear.

3. Principle 1

The audit team reviewed ICES advice for the target stocks (North Sea saithe and NE Arctic saithe).

For the North Sea stock, an updated stock assessment could not be run in 2010 due to missing and incomplete indices for 2009. However, based on the previous year's work, ICES scientists consider the stock as having full reproductive capacity and as being harvested sustainably – i.e. to be within precautionary reference points. In 2009 the landings were estimated to be around 105 529 t in Subarea IV and Division IIIa, and 6963 t in Subarea VI, which are both well below the TACs for these areas (125 934 and 13 066 t respectively). Based on the 2009 assessment, a TAC of 103 000 t was recommended and accepted for 2011. This TAC corresponds to a fishing mortality F = 0.3, as per the management plan. The current fishing mortality (2006-2008 average) is estimated at 0.27, which is close to the management plan target rate expected to lead to high long-term yields (F = 0.3).

For the NE Arctic stock, SSB has been well above B_{pa} since 1995, although it has decreased in recent years. Fishing mortality has been well below F_{pa} since 1996. The limit and precautionary reference points were re-estimated during the 2010 Arctic Fisheries Working Group meeting. The results were not very much different from the previous analyses therefore the same values were adopted. The agreed management plan implies a TAC of 173 000 t in 2011. The SSB is expected to decrease by 9% in 2011 and to remain above B_{pa} at the beginning of 2012.

For both stocks, work on adapting to the 'MSY' approach is ongoing but not finished.

Overall, the team did not find any significant changes in the fishery in relation to Principle 1.

4. Principle 2

4.1 Retained species

The retained species for 2008, 2009 and 2010 for this fishery are given in Table 2.

Table 2. Table of retained species catches 2008, 2009 and 2010 (tonnes live weight)

| Species | Total catches 2008 | total catches 2009 | total catches 2010 |
|-------------------|---------------------------|--------------------|--------------------|
| cod* | 1178 | 1399 | 1067 |
| haddock* | 365 | 191 | 198 |
| hake | 250 | 257 | 364 |
| redfish | 200 | 220 | 424 |
| ling | 116 | 96 | 82,6 |
| Greenland halibut | 55.8 | 107 | 188 |
| tusk | 21.0 | 60,6 | 62,5 |
| megrim | 18.7 | 5,27 | 3,61 |
| whiting | 16.3 | 12,6 | 23,2 |
| monkfish | 15.9 | 27,2 | 27,4 |
| wolfish | 15.1 | 3,96 | 0,83 |
| pollock | 12.5 | 15,4 | 18,6 |
| various | 7.75 | 0,59 | 0,67 |
| various rays | 5.45 | 5,87 | 4,53 |
| Atlantic halibut | 0.82 | 25,1 | 6,47 |
| dab | 0.29 | 0,44 | 1,60 |
| conger | 0.29 | 0,20 | 1,16 |
| grey grenadier | 0.05 | 1,58 | 0,71 |

^{*}Nearly all from the NE Arctic stock – other retained by-catch is mainly from the North Sea

The main change in retained species noted by Euronor is a large increase in catches of hake and redfish in the North Sea, which they attribute to an increase in population size in the area. ICES advice for hake suggests that spawning stock biomass has been increasing in recent years (although estimates are uncertain). ICES advice for redfish is confined to the NE Arctic so no information is available on North Sea populations. The same is also true for Greenland halibut to a lesser extent. The team noted that even with these increases, the three species were significantly below the 5% MSC 'threshold' for automatic consideration as 'main' retained species (redfish = 3.1% of catch in 2010, hake = 2.7%, Greenland halibut = 1.4%).

An addition to the regulations for target and retained species in Norwegian waters since certification is that EU vessels are now required to prove that they have sufficient quota of both target and important by-catch species before they are allowed to enter Norwegian waters. For the saithe fishery in Subarea IV, this includes saithe, cod, whiting, haddock and hake.

The TAC for North Sea cod has decreased since certification, as has the French quota and therefore Euronor's quota. This is in response to a sharp increase in F in recent years, according to the ICES advice, which suggests that the most recent estimates of F are probably above F_{lim} , while B remains below B_{lim} . The French quota for 2011 is 980 tonnes (down from 1225 tonnes in 2010) and Euronor's quota for 2011 is 60 tonnes. This poses some problems for the company, since their North Sea cod catches (although low) have not declined, and are generally of the order of around 70 tonnes per year - in 2010 Euronor vessels caught 48 tonnes of cod in Subarea IV EU waters, and 19 tonnes in Subarea IV Norwegian waters, making 67 tonnes in total. The company proposes to make quota swaps with UK and/or Denmark to make up the shortfall for 2011, but this is not yet finalised.

4.2 Discarded by-catch

Euronor is commended for a large increase in the number of observer reports available for this fishery (17 since the data analysis element of the certification was completed). These data identify three species which were not identified in the certification report as potential 'main' by-catch species (two species of chimaera – commune and à gros yeux XX and grondin gris XX). These species represented >5% of the catch in two observed tows (chimère à gros yeux) or one observed tow (the other two species) out of the 17 observed trips. The audit team decided that on the basis of these relatively rare catches it was not necessary to investigate this issue further for the moment. The other potential 'main' discarded species were the same as those identified in the certification report: Norway pout (*Trisopterus esmarkii*), horse mackerel (*Trichurus trichurus*), herring (*Clupea harengus*), mackerel (*Scomber scombrus*), argentine (*Argentina sphyraena*) and blue whiting (*Micromesistius poutassou*), and catches of all these species continued to be low.

4.3 ETP species

The main ETP species of concern for this fishery are several species of rays which are protected under EU fisheries legislation. Some catches from 2009 and 2010 were marked 'pocheteau gris' (common skate *Dipturus batis*) in the sales data provided to the assessment team. This was checked against the original logbooks because it is forbidden to land this species under EU regulations. It was found, however, that the marking was an error of coding in the billing done by the Boulogne auction. The catches in 2010 were marked in the original logbook as the ocellate ray *Raja microocellata*. (The team queried whether it was not in fact more likely that these were 'raie radiée' (*Amblyraja radiata*) which is much more common in the area in question and looks rather similar – however there is no way of checking at this

point. The team proposed to Euronor that they ask the relevant crew members to double-check identification of this species in future.)

2009 catches of 'pocheteau gris' had in fact been coded 'SKA' in the logbook (i.e. generically as 'rays'). This coding is no longer permissible, and in fact was not permissible at the time that these catches were made, since the requirement to identify rays to species had already come in during 2009. However, the audit team accepted that there was a steep learning curve for the crews of the vessels for ray identification, which is not straightforward. The team decided that such errors were acceptable given that procedures are now clearly in place to identify rays properly in logbooks (albeit that the top of the learning curve may not yet have been reached). The assessment team verified these procedures and a random check of some logbooks showed that rays appear to be identified appropriately to species.

4.4 Habitats and ecosystems

A general review of VMS tracks since certification did not suggest that the fishing zones had changed in any way. Closed areas (mainly in Norwegian waters) are being respected. Since none of the activities associated with the rest of Principles 1 and 2 have changed significantly, the team assumed that the fishery's impact on the ecosystem has also not changed.

4.5 Recommendation for Principle 2

Under Principle 2 (PI 2.1.3), the assessment team made one recommendation, as follows:

The assessment team recommended that Euronor participate in attempts to collect more data on redfish, Greenland halibut, tusk and megrim, in an attempt to improve scientific assessment of this stock.

The audit team noted in this regard the significant increase in the participation of Euronor in the Ifremer observer programme. The observer data is housed on a database at Ifremer and is made available to ICES Working Groups via the French participants (who come from Ifremer).

5. Principle 3

No significant changes were identified in Principle 3. The role of the North Sea RAC in decision making can be expected to increase over the next few years, although it is still a fishery that is directed largely via a mixture of science and international politics, with a limited role for stakeholders. The 'contrats bleu' are still in place. As noted above, Euronor obtained a decommissioning subsidy for removing the Cap St. Jean from fishing, but the team did not consider that this led to unsustainable practices in the fishery in question. Enforcement and control in the fishery remains strict, particularly in the Norwegian zone – Euronor vessels were boarded at sea by the Norwegian coast guard 13 times during 2010. Controls in EU waters focus more on controls on landing and by cross-referencing data sources, but were still considered by the team to be effective for this fishery.

6. Tracking and tracing of fish products

The audit team carried out a review of the current process for tracking and tracing of fish products within the fishery in order to ascertain that integrity could be maintained through to Chain of Custody.

Concerns were raised by the audit team about fishing fishin by Euronor's freezer vessels in Subarea Vb (Faroes) for small amounts of saithe. Saithe from this sub area is not included in the certification and therefore would need to be kept separate should landings occur.

With the change in risk associated with the possible landing of MSC and non-MSC saithe, MEP considers that should Euronor wish to land MSC and non-MSC on board vessels a full chain of custody audit for Euronor (as opposed to Euronor Distribution – the sales arm for the frozen fish element of the business) would be required prior to this commencing.

Following further discussions with Euronor it was agreed that should any landings occur in non-MSC waters aboard any of the certified vessels, then all of the product from the trip would not be eligible to enter in further chain of custody (unless the vessels have undergone and been granted separate Chain of Custody certification).

7. Conclusion

Aside from the concerns raised above in relation to traceability within the fishery, the audit team did not identify any significant changes in the fishery since certification. The team recommends that Euronor's fishery certificate should continue as normal until the next audit.

8. Certification Recommendation

It is the recommendation of the Certification Committee that the certification of the Euronor saithe fishery against the MSC Principles and Criteria for Sustainable Fishing be continued for a further year.