



GFCM ONLINE FORUM: Building fisheries and aquaculture resilience post COVID-19

Webinar 2 – The experience the aquaculture sector through best practices and mitigation measures facing the COVID-19 crisis

In collaboration with the Regional Commission for Fisheries
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Wednesday, 1 July 2020 – 10.00–11.30 CEST – ZOOM

Webinar conclusions

Five months into the COVID-19 pandemic, there certainly hasn't been enough time to measure its full impact on the aquaculture and seafood supply industry and to accordingly design strategies to build resilience against such extraordinary circumstances. However, some obvious conclusions can be drawn, and some preliminary suggestions can be herein made:

- It is clear that production and supply chains must be shortened. Domestic markets need to be consistently supplied with products, and under such circumstances, the best – if not the only – way to persevere is to be supplied by local companies. Reliance on national production rather than imports must become a strategic priority for governments hoping to ensure food security for their citizens.
 - In this context, building awareness of the local industry and its products is essential. Consumers need to better understand the overall environmental and social benefits of aquaculture and the advantages of locally produced seafood.
- With regard to the actual production process and the challenges to continuing operations, it is important that the supply of raw materials such as feed and fingerlings also comes from as close as possible to the growing units (cage farms or land-based systems).

- It is vital for countries wishing to further develop their aquaculture industries to focus on strategies that also include adequate local production of feeds and fingerlings and other necessary supplies (i.e. polystyrene boxes, liquid oxygen etc).
- Cooperating with competent international companies in the field is probably the way forward, so as to minimize operational risk on the one hand and commercial risk on the other.
- This crisis also offers an opportunity to explore the use of alternative feed ingredients, such as insect-based feeds, algae-based proteins and oils, and even bacteria-based proteins produced through fermentation processes, as they come with significant sustainability benefits and rely less on imports of fish meal and fish oil, or raw material (for the production of the latter).
- This situation also calls for new strategies in inventory management and control. For all types of raw materials and supplies that can be stored, companies must make sure that they maintain strategic reserves to guarantee their uninterrupted operation for longer periods.
- Most importantly, companies that invest in good working conditions for their employees, reducing potential health hazards and keeping high hygiene and safety standards for the personnel at their work-stations and their accommodation units are those with an advantage over others, as these companies will end up with fewer infections and will manage to continue operations, instead of closing down completely.
- However, while shortening the production chain, localizing suppliers and investing in better working conditions may provide better market access during pandemics, such an approach may increase the cost of production to non-competitive levels under normal circumstances, in relation to imports from third countries that do not follow the same environmental, social and operational standards, let alone the responsible investment practices described above.
 - Thus, ensuring a consistent level playing field is essential. And these efforts probably represent an area of intervention that might have some effect towards mitigating the negative effects of crises such as the present one, especially once transport bans are gradually lifted and international trade is restored.
- Lastly, measures to help with the liquidity of companies in the short term are important. Measures such as soft loans, tax payment deferrals and government loan guarantees are only a few of such potentially useful tools. But these need to be designed pro-actively so as to avoid bureaucratic obstacles that may arise when they require immediate implementation. Also, in order to draw on such crises as opportunities to improve the sector, it is recommended that companies complying with a pre-determined set of criteria should be eligible for assistance and support.

These criteria should include responsible practices, adequate consideration of employees' wellbeing, support of local suppliers and local markets – criteria which, in effect, demonstrate that a company has assumed the risk of higher production cost, and thus lower profit margins, in return for higher societal impact.