



***Market Access Pressures:
Fisheries Sustainability & Traceability***

Fisheries Resource Conservation Council

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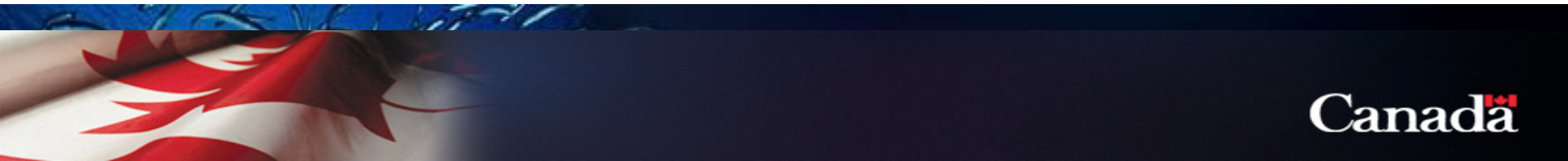
Outline

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Part 3: Tracking and Tracing through the Chain of Custody

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Part 1

Market Access: The Context Today





Wild capture fisheries are the historic base for global markets...

But they are under increasing pressure

- Many global stocks either fully or overexploited
- Illegal, Unreported and Unregulated (IUU) exacerbating the issue
- Supply of wild caught fish unlikely to meet growing world market demands





A “New Environmentalism” is shaping the context for seafood production

Public and consumer awareness of environmental sustainability is increasingly mainstream

- A more aware and engaged public is translating into:
 - a new environmentalism
 - strong expectation for government and industry accountability
 - increased demand for reliable information
 - changing market decisions, including daily consumer choices.





| Market expectations are growing...

.... need to adapt quickly

- Expectations include:
 - strong environmental performance
 - economic viability
 - legal fishing activity
 - food safety and quality
 - animal health and welfare
 - social responsibility
 - providence





Informed Food Sector Behaviour Can Positively Drive Sustainability Improvements

- ENGO Report Cards
- Sustainability profiles and “wallet card” lists
- Media Influence





Market Response

- Response by markets
 - Demands for proof of sustainability of seafood and source
 - Proliferation of ecocertification and ecolabelling
 - Retailer policies and decisions
 - Food Service Sector partnerships with Aquariums & ENGOs



Fisheries Sector Response

- **Eco-labelling or Not? An Industry Decision**
 - Many choices with different scope, costs, purpose
 - Marine Stewardship Council (MSC) Most Popular in World Markets for Wild Capture Fisheries
- **Mandatory IUU Chain of Custody Certification for European markets – No Choice!**





Governments' Responses

- To address IUU Fishing:
 - EU regulation on IUU fishing
 - requiring catch certificate tracing back to legal fishery
 - US Magnuson-Stevens Act
 - Enhanced import requirements from list of IUU states
- To address Sustainability:
 - From Support for third party eco-certification, to home-made eco-certification
 - Iceland, Australia, NZ, US, Alaska, EU





Part 2

Ecocertification – The Canadian Experience





Which Markets Are At Risk?

- Not all markets demand proof of sustainability
- Northern Europe and US markets are higher risk markets
- These Markets are not all demanding evidence through an eco-label
- MSC is Golden Standard – but not all markets demand MSC





So Why Have Canadian Companies Chosen MSC?

- MSC generally provides no proven price premium.
- It helps to maintain and expand access into those markets that demand MSC or proof of sustainability
- Those that want a competitive advantage often choose MSC – thereby creating pressures on competitors
- Seafood Buyers are becoming more knowledgeable of sustainability requirements – thereby influencing their choices and demands





What's MSC?

- Not a Government Organisation
- Not Government Funded
- Independent Third Party Assessment Process of wild capture fisheries
- Ecological sustainability assessed against pre-established principles, criteria and performance indicators aimed at achieving results
- MSC – Certifying Body – Expert Assessors
- Assess & Certify Fishery – Assess and Certify Chain of Custody – Allows use of eco-label



Canadian Experience to date

- Canadian fisheries that have received MSC certification:
 - Pacific halibut
 - Pacific hake
 - Northern shrimp (SFA 5,6,7) & Scotian Shelf shrimp (SFA 13, 14, 15)
 - Gulf of St. Lawrence shrimp (SFA 9-11)
 - Northern shrimp, harmonized SFA 8
- Canadian fisheries currently undergoing MSC assessment:
 - **Pacific**
 - British Columbia sockeye salmon
 - British Columbia pink and chum salmon
 - British Columbia spiny dogfish
 - **Atlantic**
 - Atlantic offshore scallop
 - Atlantic offshore lobster



MSC: Global Trend

- Over 12% of global wild capture production currently engaged with MSC:
 - 63 fisheries worldwide (7% of the 12%) have received certification
 - 40% of white fish fisheries are MSC certified
 - 131 additional fisheries around globe under full assessment.
 - an additional 40 to 50 fisheries in pre-assessment
 - a number of Canadian fisheries have received certification or are in assessment
 - there are 3000 MSC-certified and labelled seafood products.



MSC: How it Works

- MSC has defined three principles along with an assessment methodology with criteria to assess fisheries:
 - Principle 1 deals with **target stock** status and reference points
 - Example of Performance Indicator: availability of appropriate reference points based on stock biomass and / or fishing mortality
 - Principle 2 deals with **ecosystems** elements, including non-target species, habitat, and environmental elements
 - Example of Performance Indicator: availability of information on potential for ecosystem to recover from fishery related impacts
 - Principle 3 deals with the **management system**
 - Example of Performance Indicator: whether the management system is subject to internal and external review



MSC: How it Works

MSC Pre-Assessment:

- Brief evaluation of likelihood of fishery meeting MSC standard
- Recommendation of whether fishery should progress to full assessment
- Pre-assessment process is confidential

MSC Full Assessment:

- Public announcement of fishery entering assessment
- Assessment planning and assessment team selection
- Determining performance indicators and scoring guideposts
- Consultation with client, MSC and stakeholders about draft assessment tree
- Assessment visits and information collection
- Stakeholder visits
- Scoring the fishery



MSC: How it Works

MSC Scoring:

- 100
 - Perfect practice representing level of performance that would be expected in theoretically “perfect” fishery
- 80
 - Exemplary or best practice (*essentially the MSC standard*)
- 60
 - Minimum sustainable practice
- Fishery must obtain score of 80 or more for each of three MSC Principles, based on weighted aggregate scores for all performance indicators under each criterion in Principle
- Fishery must obtain score of 60 or more for each performance indicator
- Conditions
 - If some performance indicators score less than 80 but more than 60, the fishery client must agree to make further improvements in the fishery (conditions) that are identified by the certifying body
 - To date, all certificates issued by MSC have been subject to conditions



MSC: How it Works

MSC Annual Audits:

- Fishery client must establish agreed surveillance program for certified fishery.
- Audits are to assess progress to meet agreed conditions and to assess whether any changes in fishery circumstances have occurred that could affect original assessment decisions.

MSC Chain of Custody:

- required to ensure product comes from “certified” fishery

MSC Objections Procedure:

- The MSC assessment process includes a formal objections procedure for non-client groups that participated in an assessment process.
- Purpose is not to provide another assessment of fishery but whether decisions made by certification body were made following the intent of the Principles and Criteria set out by MSC.
- Objection lodged to certification body and if not dealt with appropriately then to independent Objections Panel Chair.



Other Options?

- There are other options of eco-certification processes. Not all are linked to the use of an eco-label.
 - E.g. Fisheries Partnership, Friends of the Sea, etc.
- Things to know about wallet card lists
- Evaluation of Options
 - WWF Report
 - Marine Resource Assessment Group Report for Seafish
- FAO Eco-labelling Guidelines
- OECD Benchmarking work to come...



| Eco-certification - Impacts on DFO

- No MSC assessment to date in the world without conditions attached
- Conditions are associated to science and management of the fishery
 - Any demands for changes to programs that are incremental to what DFO has identified in its work plans and priorities need to be discussed with DFO ahead of time
 - industry may need to bear costs for some of these changes
- **DFO will support independent sustainability assessment process by:**
 - providing resources to participate in the process;
 - providing information, data, and documents as required; and,
 - ensuring that appropriate science and management programs are in place
- **DFO's SFF provides the policy and tools for meeting sustainability standards of third party sustainability assessments**





- DFO is also active in telling its own sustainability story
 - Working with Canada's Trade Commissioners in US, information session with seafood buyers in US
 - DFO Booth at Trade Shows in Boston and Brussels and information at Conferences
 - New Website launched: www.sustainable-seafood.ca





Part 3

Chain of Custody / Traceability





Chain of Custody / Traceability

Linked to Use of Eco-Label:

- Separate from the “sustainability” assessment of fishery.
- Use of label on seafood products requires certification of supply chain to ensure product comes from “certified” fishery.
- Certification body will request information and documentation relating to how the organization controls the traceability of certified fish and confirm that they can trace the fish back to the last certified supplier.



Chain of Custody / Traceability

EU Regulation:

- Measures to address IUU fishing and applies to any country exporting fish and seafood products to EU:
 - the national government of exporting country must provide a catch certificate attesting that the fish and seafood products originate from non-IUU fisheries.
- For fish caught in Canada and exported to EU, imported & processed in Canada and exported to EU, or transiting through Canada to Europe
- Exclusions of certain species
- On December 2, 2009, DFO opened its new Catch Certification Office to support Canadian exports to Europe



Chain of Custody / Traceability

US Magnuson-Stevens Act:

- To address IUU Fishing and Sustainability issues
- Enhanced import requirements for products from countries on US list of IUU states
- Canada is NOT on the list of states





Part 4
Conclusion





Conclusion

- Proof of Sustainability and Provenance through tracking and tracing of seafood products throughout the chain of custody are growing trends
- The global economic crisis has not hampered this trend
 - Seachoice's Sustainable Seafood Summit in January 2010 had a record participation of 650 participants from the seafood sector, the retail sector and ENGO community
- To remain competitive in today's world markets, the Canadian fishing industry must adapt to these growing demands by world markets

