

ROLE OF WHOLESALERS AND RETAILERS IN THE SUSTAINABLE SEAFOOD MOVEMENT

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Cover photo: Women working at Indonesian tuna processing plant. ©UNDP/GMC Project.

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In the 1980s and 1990s, rapid increases in private investments and technological advancements led to more, bigger, and more efficient fishing vessels that could travel farther distances and, with their radar, sonar, and other new tools, could target large schools of fish like never before. These changes quickly led to overfishing and the decline of many iconic fish stocks, such as New England groundfish and North Atlantic swordfish. The challenges of fleet overcapacity and overinvestment at a global scale leading to unsustainable fisheries was already reported by FAO in 1995, in its first-ever “The State of World Fisheries and Aquaculture 1994 - SOFIA” report (FAO, 1995).

By the late 1990s, consumer awareness campaigns driven by civil society organizations (CSOs) were emerging in the United States (US) and Europe, encouraging chefs, retailers, and consumers to take action. For example, the “Give Swordfish a Break” campaign encouraged people to stop buying and eating swordfish. As a result of such campaigns, the seafood industry began to take notice of the threat to its business.

These CSO concerns were bolstered in the early 2000s, after the publication of a number of research papers (see, e.g., Christensen et al, 2003; Myers & Worm, 2003; Pauly et al, 2002, 2003; Watson & Pauly 2001; Zeller et al, 2003) that called attention to the status and future outlook of seafood resources. Although some of the predictions portrayed in a number of papers were later refined and subject to scientific scrutiny and discussion (see, e.g., Branch 2013, in regards to Worm et al, 2006), these research outcomes signaled a trend toward global declines in stocks biomass due to excessive fishing mortality. These concerns raised by the scientific community at the end of the 20th century and the beginning of the 21st century, bolstered by increased media coverage, led consumers in North



Indonesia's pole-and-line and handline, skipjack and yellowfin tuna of Western and Central Pacific archipelagic
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America and Europe to ask more and more questions about the sustainability of their seafood. This increased scrutiny by consumers led major retailers and supermarkets to begin partnering with non-governmental organizations (NGOs), to better understand their sourcing so that they could make informed decisions, ensure continued supply, and protect their brands from economic losses and legal¹ and reputational risks, mainly arising from boycotts or campaigns by activist NGOs. Non-profit organizations such as Sustainable Fisheries Partnership (SFP), WWF, FishWise, and the Monterey Bay Aquarium worked with retailers and foodservice companies to assess their sourcing and identify steps to take toward more sustainable supply.

In some cases, the NGOs would recommend a switch to sustainable alternatives with an ecolabel, such as Marine Stewardship Council (MSC)-certified products, while in others, the NGOs would work with retailers to encourage their supply chains to start fishery improvement projects (FIPs) and contribute to the common good of improving the sustainability performance of their source fisheries. In 2008, to hold retailers accountable for the commitments they were making, and to encourage more retailers to join the movement, the activist NGO Greenpeace began publishing a report card to rate retailers' efforts and to "name and shame" those that were falling behind (Gunther, 2009).

These early commitments to sustainable sourcing quickly ran into the harsh reality of the status of global fisheries, however. Many retailers began falling behind on their commitments, because available certified sustainable options were few and far between. In 2008, only 25 fisheries were certified as sustainable by the MSC. Retailers and foodservice companies began to realize that they had an important role to play in proactively encouraging and incentivizing improvements in fisheries globally, as well as an opportunity to build trust among concerned consumers. Retail giant Walmart was an early leader in this space, announcing a five-year commitment to sourcing MSC-certified seafood

¹ For a recent overview of legal liabilities by buyers from the EU and the US, see Hosch & Pramond (2021) and Uhlemann & O'Connell (2021), respectively.

in 2006. By 2011, as the company was not able yet to reach that goal due to a lack of MSC-certified sources, it adopted a commitment to sourcing from fishery improvement projects as a way to develop a pipeline for future sustainable seafood options. Over the next five years, the number of FIPs nearly tripled. Retailers' commitments to FIPs were further reinforced by the alignment of FIP activities with the implementation of the United Nations (UN) Sustainable Development Agenda, adopted in 2015. By 2020, 90 percent of the top 25 North American retailers had sustainable seafood commitments, and in the European Union (EU), the six largest retailers had partnerships with NGOs to inform their purchasing decisions (CEA, 2020). The EU and the US are the largest importers of seafood in the world, accounting for nearly half of global value, so the impacts of these retailers' commitments to sustainable sourcing have been felt across the global seafood industry (CEA, 2020). SFP's [Target 75 analysis](#) found that, by the end of 2020, 41 percent by volume of global commercial fishing stocks in key seafood sectors was considered to be sustainable or improving (SFP, 2021b).

But in order to continue and scale-up this progress, demand for sustainable seafood needs to expand beyond just North America, the United Kingdom, Europe, and Australia. There has been considerable recent progress in Japan, one of the largest markets for seafood consumption per capita. Since 2015, Seafood Legacy has been hosting the Tokyo Sustainable Seafood Summit to increase awareness in Japan, and the event has grown into one of the largest events in Asia, leading the sustainable seafood movement in the region. However, interest by China and South Korea's markets is still needed. There is also a need to engage domestic seafood markets from the Global South, particularly in countries that are not only leading seafood producers but are also important seafood consumers. Countries such as Indonesia, Peru, and the Philippines present a great opportunity for domestic market mobilization, due to their potential in-house leverage. In many cases, products for the export market struggle to get into FIPs and certification programs. This is partially due to the high costs associated with certification and FIP implementation in highly underserved fisheries facing lack of resources for



Seafood Expo North America 2019 © UNDP/GMCPProject

effective governance, and also because a portion of the demand, commonly going to domestic or regional markets, does not require any sustainability criteria.

As new communications technologies expand and consumers worldwide begin to learn more about seafood sustainability, demand for sustainable and responsibly sourced seafood is also increasing in the Global South. Seafood stores and markets in the Global South have the opportunity to get ahead of this demand by having a clear procurement strategy, educating consumers, and becoming proactive agents of change by actively contributing to addressing seafood sustainability issues and improving the well-being of fishing communities. This can help them avoid legal and economic risks arising from the lack of regulations and enforcement or the reputational risks arising from targeted campaigns.

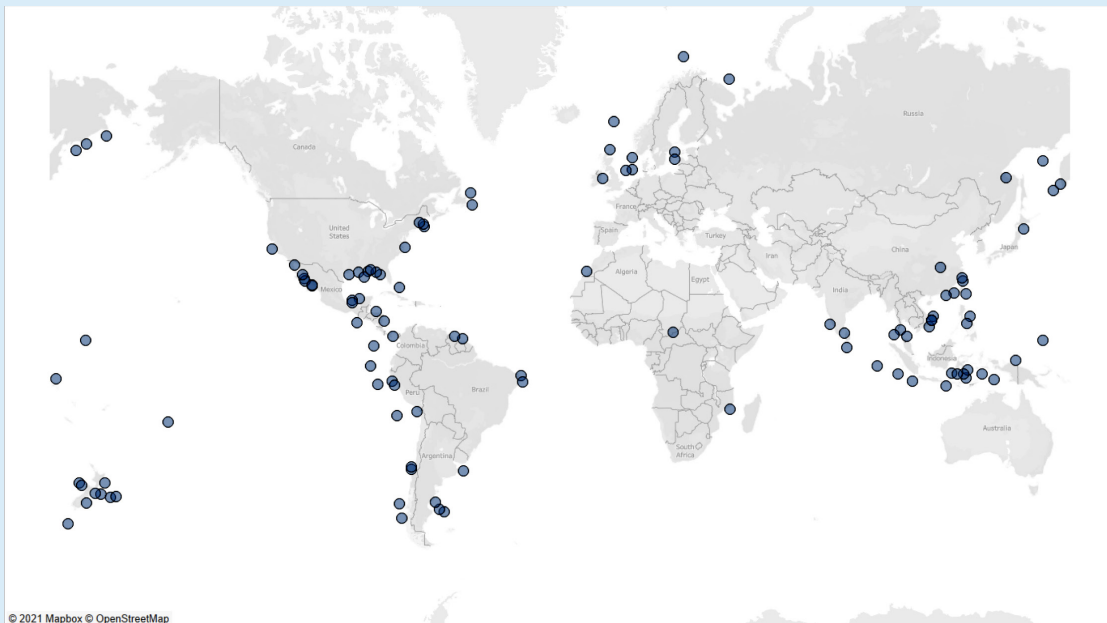
These markets can learn from the early adopters in the North American and European markets and recognize that sustainability doesn't have to be achieved and declared immediately. The first step is to assess a company's existing sourcing and then engage suppliers on improvement initiatives that not only take into consideration the local and national realities and challenges, but also aim to achieve milestones against an adequate improvement ladder, in order to create alternative pipelines toward more sustainable resources. This provides a win-win situation for both businesses and fisheries and allows businesses to be able to answer consumer questions and face any future risk, while demonstrating to their consumers that they support the implementation of the UN Sustainable Development Goals. Although more work is needed to develop adequate improvement frameworks and standards adapted to the needs and realities of most domestic markets, special attention to social well-being and human rights issues (SFP, 2021) should be an integral part of the purchasing policies of seafood buyers in the Global South.

Number of FIPs in 2006, 2015, and 2020

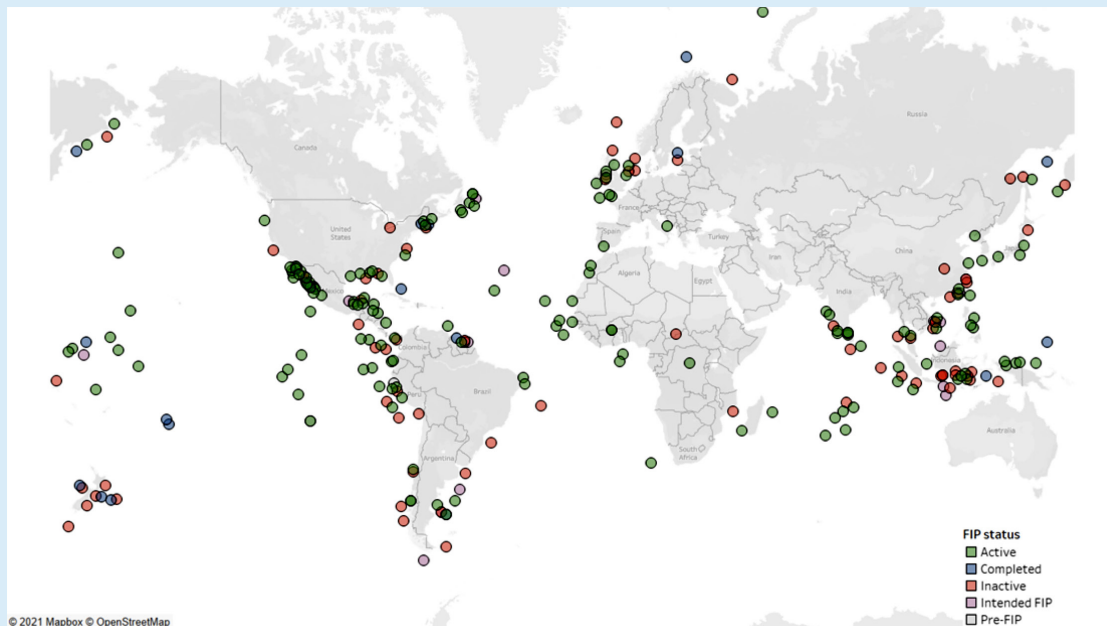
2006: Two FIPs: Barents Sea cod and Baltic Sea cod



2015: 111 FIPs initiated to date, mostly in Latin America, North America, Southeast Asia, and New Zealand



2020: 268 FIPs to date, covering most of the world's regions and oceans



Source: SFP & UW (2021)

Carting Away the Oceans: Ten years (2008-2018) of Greenpeace's reports evaluating US grocery retailers on sustainable seafood

In June 2008, Greenpeace published the first edition of **Carting Away the Oceans**, which evaluated 20 major US grocery retailers on the sustainability of their seafood sourcing. By documenting current practices and educating retailers about the impacts of their seafood sales on marine life and the ocean, the report sought to raise consumer awareness and collectively encourage retailers to source only sustainable seafood.

The report evaluated seafood sustainability in four key areas: policy, initiatives, labelling and transparency, and inventory. Retailers were ranked based on their overall score, where below 40 is failing (red), 40 to 69.9 is passing (yellow), and above 70 is leading (green).

At the time the first report was published, all 20 retailers assessed failed in the first evaluation. By the fifth annual report, issued in April 2011, five retailers had passed, while 15 were still failing. In the tenth and final report, issued in August 2018, five retailers were leading, 16 passed, and only two failed, with 90 percent of the retailers achieving at least a passing score.

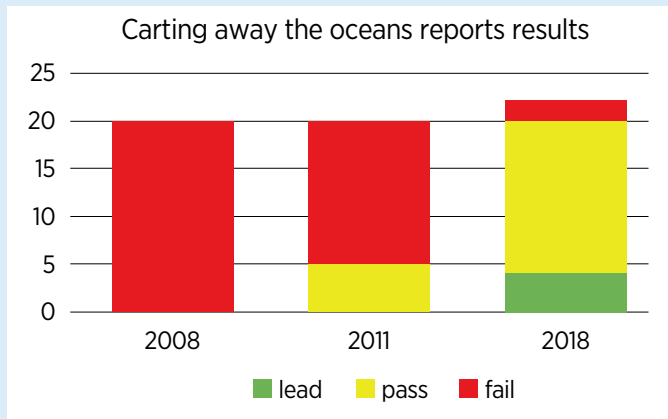


Image 1. Scores from Greenpeace's assessment of retailers in its first, fifth, and tenth "Carting Away the Oceans" reports.

Source: Greenpeace (2018).

The growth of fishery improvement projects over time

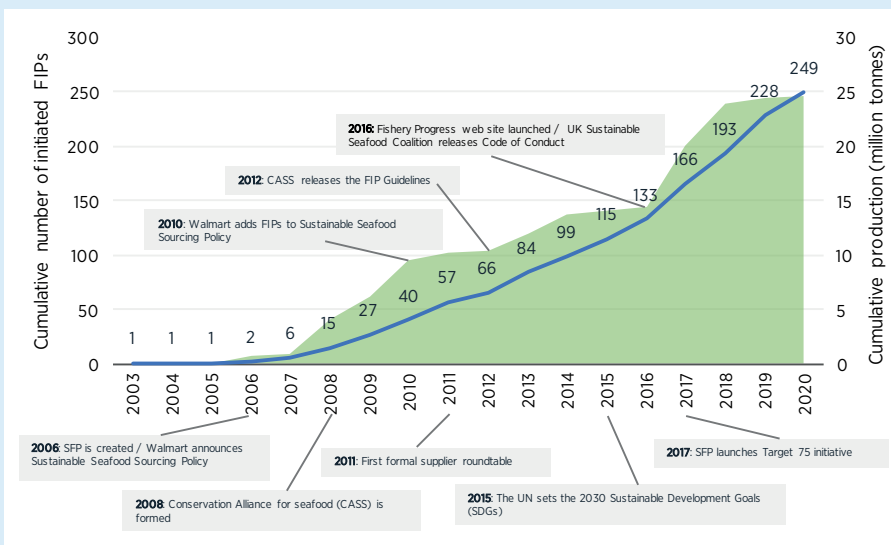
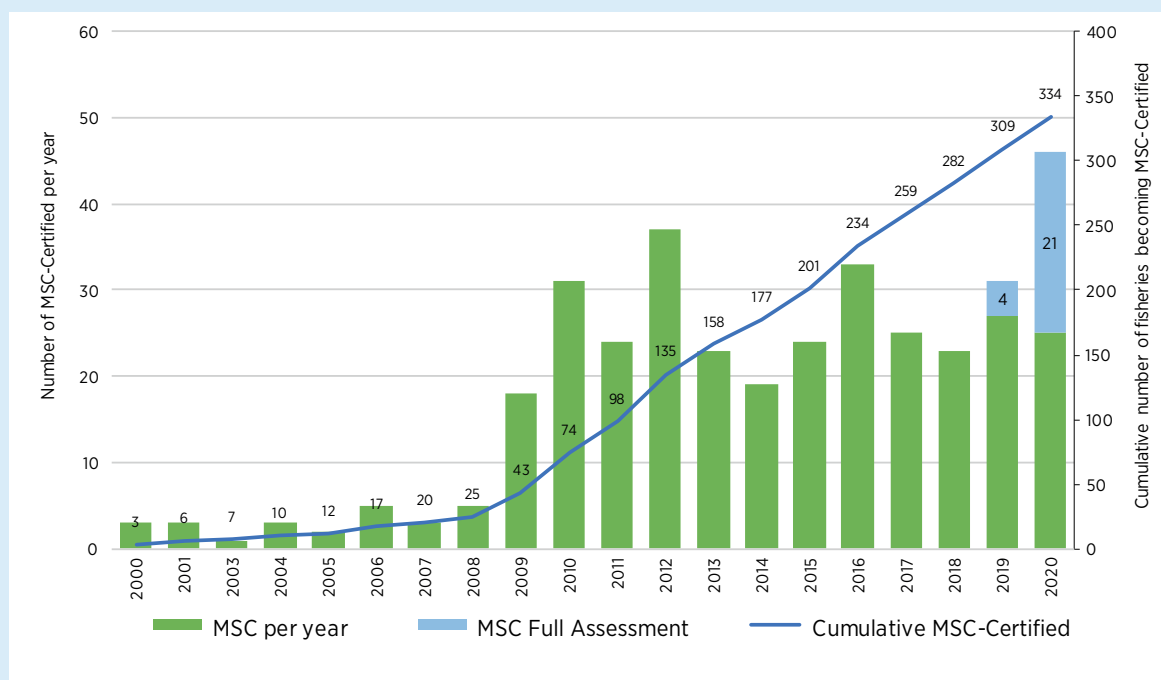


Figure 1- Cumulative number of initiated fishery improvement projects (FIPs; blue line) and estimated cumulative production (million tonnes) from stocks associated with FIPs (current and historical; green area). The callout boxes denote milestones considered relevant to the seafood movement.

Source: SFP & UW (2021)

Number of fisheries in the MSC program



Source: MSC (2021)

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