

Sustainable oceans – how business can manage risk and drive change



LATEST TRENDS

Expanding sustainable seafood sourcing

Fish-farming and aquaculture supplementing sustainable natural seafood sources

New US rule to open up fish farming expansion

With US fish farms producing far less seafood than aquaculture in Asia, Europe, Canada, Central and South America – and more than 90% of seafood consumed in the US being imported – the US federal government is keen to do something to reverse the trend.

A **new federal rule** is poised to allow for large-scale fish farming in offshore, federal-controlled, waters of the Gulf of Mexico, beyond state waters where US aquaculture has historically been located.

According to Associated Press **reports**, up to 20 fish farms could occupy Gulf waters, producing up to 29m kilos of seafood. The

More than 90% of US seafood is imported

process for issuing permits, which would initially last for ten years, will be designed to include safeguards such as a required baseline survey and ongoing monitoring and reporting to “manage and expand seafood farming in an environmentally sound and economically sustainable way,” according to Michael Rubino, director of the National Oceanic and Atmospheric Administration (NOAA) Fisheries Office of Aquaculture.

Safeway praised for sourcing commitments

More than 75% of the fresh and frozen seafood sold at US retailer Safeway met the its sustainable sourcing requirements, up from 34% in 2010,

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according to the NGO that has been monitoring the situation, FishWise. Around 13m kilos of the company's seafood is now sourced from "environmentally responsible sources", as defined by the Monterey Bay Aquarium Seafood Watch programme.

Developed with FishWise, Safeway's **seafood program** has won a range of plaudits, including topping Greenpeace's annual retailer scorecard. The company has publicly backed new US federal legislation to combat illegal, unreported and unregulated (IUU) fishing and has transitioned all of its king crab away from high risk, IUU fisheries to better-managed Alaskan sources.

The 2015 merger between Safeway and Albertsons saw FishWise extend its partnership with the rest of Albertsons Companies, doubling the size of the programme to include all 2,200 retail locations.

The NGO says it plans to work with all of the company's divisions to source fresh and frozen private label seafood that is "green" or "yellow" rated by the Seafood Watch programme, certified to an equivalent environmental standard, or sourced from

fisheries or farms making "measurable and time-bound improvements".

ISSF calls for new restrictions to protect Pacific tuna

The International Seafood Sustainability Foundation (ISSF) is urging the Western and Central Pacific Fisheries Commission (WCPFC) to impose new restrictions that will help to protect several tuna species.

The group wants to see "decisive and effective management" to deal with the "urgent" situation of declining Pacific bluefin, north Pacific striped marlin, and bigeye tuna stocks, which have less than 20% of their unfished biomass remaining.

The ISSF argues that current conservation and management measures contain too many exemptions as to be effective.

Walmart efforts help to bring processing back to the US

Rising wages in China and increased risk exposure to human rights abuse and trafficking has led to Walmart making a concerted effort to ensure it is a viable

option for seafood companies to shift their processing to the US.

The retail giant has made a pledge to buy around \$250bn worth of products by 2023 that directly support American jobs. Part of this commitment is in helping its suppliers to manufacture in the US and commit to large-scale buying to make it commercially viable.

Walmart's initiative is not limited to seafood and includes all of its products, but seafood companies stand to benefit from the company's efforts, particularly as wages in China, where a lot of fish processing happens, continue to grow.

Speaking to Undercurrent News, Cindi Marsiglio, VP of US manufacturing at Walmart, said that the company is able to connect companies with appropriate resources and help them with site-selection.

She added that seafood companies are seeing the benefits of shortening their supply chains and moving processing to the US, something she says will improve consumer confidence. Knowing where products come from is second to price when it comes to its customer purchasing decisions, according to Walmart and having "items coming from the US that were previously sourced from elsewhere", is a trend Marsiglio doesn't see slowing down. ★

13m kg of Safeway's seafood sourced from "environmentally responsible sources"



Walmart keen to on-shore seafood processing

REPORTS AND DATA

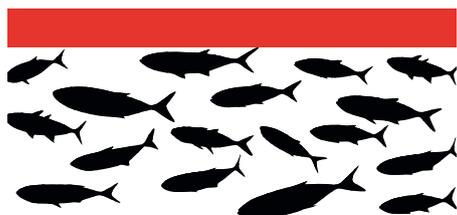
Research analysis

By Oliver Balch

We've read the reports and the analysis so that you don't have to

Population of Pacific herring to decline by up to 49% by 2050

First Nations communities in the Canadian province of British Columbia are likely to see their catches of existing species decrease in coming decades due to climate change, a [new research paper](#) finds.



Fish stocks are expected to move 10.3-18km pole-ward every decade

The state's indigenous fishing industry is set to lose out as fish species move northwards in search of cooler waters. Fish stocks are expected to move between 10.3km and 18km pole-ward every decade between now and 2050. The Pacific herring commercial fisheries are likely to be most affected, with declines in catch potential ranging between 28% and 49% by 2050 (compared to a 2000 baseline).

The salmon population is projected to show cumulative declines of 17% to 29% over the same period. In contrast, warmer waters are expected to attract more Pacific sardines (up 42-44%).

The overall impact will be negative, however, resulting in estimated losses in annual landed revenues of between C\$6.72m (\$4.82m) and C\$11.8m (\$8.46m) – equivalent to 16.4% to 28.9% of revenues, on an adjusted basis. Commercial herring and salmon fisheries contribute around 74% of First Nations' landed revenue, according to the research paper.

Seaweed could be answer to more sustainable aquaculture

New research published by the European commission suggests that farming fish together with seaweed and other species could help improve the sustainability of aquaculture and reduce pollution, cutting down nitrogen releases to the environment by 45%.

More than half of the 158m tonnes of fish and aquatic plants produced globally every year comes from farmed systems. And if aquaculture is to produce enough to meet the increasing demand for seafood while protecting the environment, the increase in aquaculture production must be done sustainably, says the research.

Farming fish together with seaweed could improve the sustainability of aquaculture

And one way to increase the intensity of fish farming might be to incorporate other species into farming systems that can filter and recycle fish waste. Known as integrated multitrophic aquaculture (IMTA), the added species can become products in themselves, potentially increasing revenue for fish farmers.

Researchers have created a modelling tool for designing an efficient IMTA system at any site based on the proposed species. Using data from a Scottish farm to simulate a sea salmon farming system that combined growth models for Atlantic salmon, a type of sea urchin and a seaweed commonly known as sea lettuce, the model predicted that of the 40 tonnes of nitrogen excreted by the fish, only 22 tonnes enter the environment due to recovery by seaweed and sea urchins. A non-IMTA, salmon-only system would release all 40 tonnes to the environment.

Alaskan fishing sector contributing \$5.9bn to US economy

Commercial fishing in Alaska is responsible for providing around 60,000 direct jobs, with wage receipts topping \$1.6bn, according to a [new report](#) commissioned by the Alaska Seafood Marketing Institute.

The total economic contribution of the seafood industry in the northernmost US state is estimated to be \$5.9bn per year, with an additional \$8.4bn in “multiplier effects” generated as industry income circulates throughout the US economy.



11,000 new Alaskan fishing jobs in the past decade

According to the institute's 2015 [annual report](#), the sector has created 11,000 new jobs over the last decade. The seafood industry's contribution through taxes and other fees to the state and local governments exceeded \$130m in the 2015 fiscal year. Another recent development is the institute's formalization of the Alaska Responsible Fisheries Management Certification Program, a preparatory step for benchmarking by the Global Seafood Sustainability Initiative.

ACTIVISTS & CAMPAIGNING

Who's targeting whom and why

By Tom Idle

GM salmon debate, smart tracking technology and labour supply risks in Thai seafood sector

Campaigners promise to keep 'Frankenfish' at bay

US federal lawmakers have instructed the Food and Drug Administration (FDA) to forbid the sale of genetically engineered salmon until it puts in place labelling guidelines and “a program to disclose to consumers” whether or not a fish has been genetically altered.



Transparency on GM now a requirement

In 2015, the FDA approved the sale of the **AquaAdvantage salmon**, produced by Massachusetts-based AquaBounty, which contains a growth hormone from a Chinook salmon and a gene from the ocean pout, and helps it to grow large enough to eat in 18 months rather than the typical three years.

Activist groups, including Friends of the Earth, have been raising concerns about whether the fish is safe to eat. But the company has countered that its fish could actually reduce pressure on wild stocks and the FDA says its approval is “based on sound science”.

However, the latest **federal spending bill** includes a paragraph stopping the AquaBounty salmon from entering the market until regulators' new labelling guidelines have been issued.

The FDA had already said that it would require additional labelling of genetically engineered foods only if “there is a material difference, such as a different nutritional profile” between the genetically engineered food and its natural counterpart. In the case of the AquaAdvantage salmon, the FDA found no such differences.

Friends of the Earth has promised to keep fighting to have labels on all genetically modified foods, but said that the salmon provision was a “good start”.

Google-backed technology aims to wipe out illegal fishing

The proliferation of mapping technology continues at a pace. Now, new technology developed by **Global Fishing Watch**, Google and Oceana, promises to track fishing vessels and identify illegal fishing.

It joins the Pew Charitable Trust's **Virtual Watch Room** – which is also in prototype phase – in putting the heat on seafood companies seen to be sourcing from illegal fishing vessels. Watch this space.



Tracking illegal catches

Further abuse of shrimp peelers reported, as Thai Union takes action

Migrant workers in Thai shrimp peeling sheds – which have already been highlighted by numerous NGO campaigns as victims of human rights violations – are now being laid off without compensation, putting them at risk of being sold to other employers.

The Thai Frozen Food Association (TFFA), which represents Thailand's major export businesses, has said that its members would be bringing shrimp peeling in-house “to reduce the risk of any illegal labour practices in the Thai shrimp supply chain”.



Casual labour leads to supply chain risks

And Thai Union Group, the biggest of the seafood players in Thailand, has agreed to hire 1,200 workers previously employed at external shrimp peeling sheds to work in its factories.

But now the wider industry has come under further attack, with the labour rights activist Andy Hall describing the situation as “unacceptable” and “very risky”.

The US State Department downgraded Thailand in 2014 to its Tier 3 of worst offenders for human trafficking.

What's next: Sustainable Seafood

How business can manage global risk and collaborate to drive effective change
24th-25th May 2016, Washington DC

A two-day conference on how leading retailers, brands and producers can drive transparency, sustainability and collaborate effectively

With focused debates and practical working sessions on:

- » **Traceability and transparency**
What practical steps can seafood companies take to tackle IUU
- » **Emerging threats**
Learn how retailers, big seafood companies and FMCG businesses are responding to them.
- » **From legislation to practice**
What will the legislative changes mean for business?
- » **Innovation**
From tracking technologies to biotechnology.
- » **Aquaculture**
Can it help to feed a rising population while protecting biodiversity, fish stocks and the environment?
- » **Tackling human rights issues in seafood supply chains**
How do leading companies engage with suppliers to develop collaborative action plans targeting human and labour rights issues?
- » **Beyond certification**
A critical analysis of certification and its limits: understand the benefits and challenges, and learn how to avoid classic pitfalls.

Learn from expert participants:

- Jonathan Curto, sustainability coordinator, **Tri Marine**
- Katelin Kennedy, senior manager, corporate responsibility and sustainability, **Hilton Worldwide**
- Jack Scott, director of sustainability, **Nestle Purina Petcare**
- Guy Dean, vice president, **Albion Fisheries**
- Brian Perkins, regional director for the Americas, **Marine Stewardship Council**
- Jose Villalon, corporate sustainability director, **Nutreco**
- John Hocevar, oceans specialist, **Greenpeace**
- Beth Lowell, senior campaign director, **Oceana**
- Daniel Schaeffer, senior officer, technology and enforcement, **Pew Charitable Trusts**
- John Henderschedt, director, office of international affairs and seafood inspection, **NOAA Fisheries**
- Kathryn Novak, global director, buyer engagement, **Sustainable Fisheries Partnership**
- Abby McGill, director of campaigns, **International Labor Rights Forum**

SUPPLY CHAIN RISK & INNOVATION



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It's packed with concise, practical insight into global

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Each issue contains the essential key trends, information, data, research and practical case studies, presented in a clear, analytical format.

UPCOMING EVENTS

Sustainable drinks – strategy and collaboration in spirits, beer and wine

15th March 2016, London

How business can build resilience for smallholder farmers

22nd-23rd March 2016, London

How business can tackle deforestation

6th-7th April 2016, Washington, DC

Sustainable apparel forum

19th April 2016, London

Sustainable extractives forum

27th-28th April 2016, London

How business can tackle modern slavery and forced labour

5th May, London

If you would like to get involved as a speaker, sponsor, media partner or delegate.
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