

MSC: WAS IT WORTH IT?

The Western Rock Lobster Experience

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MSC



Australian Premium Seafood

Key Features of Presentation

- Background to WRL/MSC
- Costs of Certification
- The Scientific Programmes
- Views of Stakeholders
- The Market and MSC
- MSC Performance
- Conclusions

Background: Why Western Rock Lobster?

- The Western Rock Lobster has a history of being a well managed fishery (1963) as well as a forty year time series of catch data.
- Predictive models developed by scientists into egg production and puerulus indices: proved to be highly predictive of future catch outcomes.

Background

- Certification completed 1999 by Scientific Certification Systems (SCS) under a contract with WAFIC.
- WRL, March 2000, first in the world to be certified as a sustainable fishery by MSC (to harness market forces to improve fisheries management performance worldwide).

Background (contd)

- March 2000, a M O U entered into between WAFIC, SCS and Fisheries WA
- Recertified in December 2006
- Amongst third party certifications MSC is seen as the gold standard

MSC Principles

- 1 Avoid over depletion of target fishery
- 2 Eco system impacts of fishing
- 3 Maintenance of eco system

WAFIC Certification Costs

- 1999 assessment- \$50,000USD plus \$20000USD expenses
- 2005/6 reassessment \$83000USD. These costs include reassessment costs, expenses and annual final audit costs.(\$5000 to \$10000USD to complete the recertification?)
- Annual audit costs have been around \$10000 to \$15000USD including expenses.

D o F Costs 2007/08

■ Salaries (\$449,000)	14%	\$62,860
■ MSC Audit \$50,000	100%	\$50,000
■ Stock Wkshp\$35,00	30%	\$10,500
■ Eco SRG \$30,000	75%	\$22,500
■ ERA Level 2 \$30,000	100%	\$30,000
■ SLED's \$5,000	50%	\$2,500
■ Allocated \$268,000	18%	\$49,000
■ TOTAL		\$227,360

Members of Sea Lions SRG

- Dr Ron Edwards (Chair)
- Dr Nick Gales
- Dr Peter Mawson
- Dr Richard Campbell
- Dr Rick Fletcher

Sea Lions

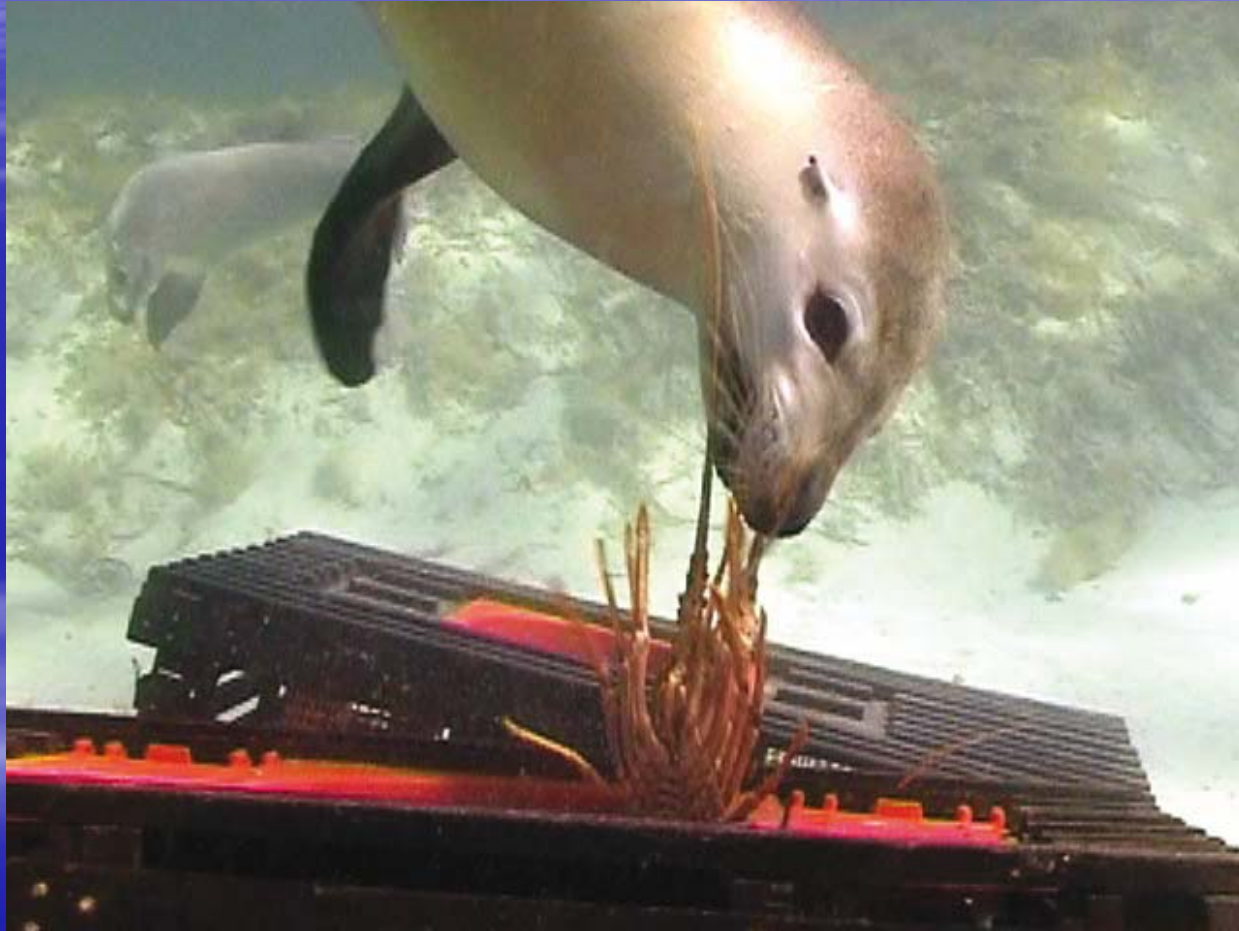
- Mandatory use of SLEDs implemented in season 2006/07. No reports of incidental mortalities of sea lions from the fishery-dependent reporting for this season.
- This is below the average of 3-4 incidental mortalities per season.
- Compliance in the commercial and recreational fisheries - over 95% in both cases-a very positive result.

Sea Lions (contd)

- Independent research indicated vast majority of recorded foraging activity of vulnerable sized sea lions within the boundaries of the mandatory SLED zone(current configuration appropriate).
- Further investigation into interaction between sea lions and lobster pots to be conducted on the mid-west coast into SLEDs and
- at the Abrolhos Islands to determine if this population of sea lions is at risk from incidental mortality in lobster pots

- Costings are at present approx. \$300K over 3 years

A Sea Lion's Meal



A SLED in action



To avoid this



MEMBERS ECO SRG

- Dr Ron Edwards (Chair)
Dr Rick Fletcher
Dr Russ Babcock
Dr Neil Loneragan
Dr Chris Simpson
Prof. Alistair Robertson
Dr Simon Thrush
Dr Colin Buxton



Eco system Research

- The SRG identified a major gap in the understanding of the interactions between the rock lobster fishery and the ecosystem in >40m deep water.
- Data available on <40 m water ecology of lobsters and the fishing impact.
- SRG recognised that the major change in abundance and size structure of the western rock lobster population would have occurred in deep water (40-100 m), and concluded this was a priority area of research

The objectives of the project were

- 1. To identify gradients in the density/size distribution of western rock lobster to enable selection of representative areas
- 2. To assess the catchability of western rock lobster and its relationship with population abundance and size structure
- 3. To identify the relationship between the deep-water habitat and the density/size distribution of western rock lobster to enable a preliminary evaluation of the impact of lobster biomass removal in the deep-water

Funding

- FRDC funded 2004 to 2007 \$1.2 million
- 2006/2007 industry funding requested \$140,000

New Ecology Project

- Assess ecological impact of WRL in fished and unfished areas.
- Development of a conceptual model.
- Identification and assessment of areas to be closed to fishing and those acting as controls. Assessment to include examination of habitat and lobster catch rates.
- Measurement of gross processes, e.g. response of lobsters, macro algal and macro invertebrate communities to the fishing closure.

New Ecology Project (contd)

- Increased understanding of role of lobsters in ecosystem. To include more work on habitat and biogeochemical processes, using techniques such as acoustic tagging and isotopic analysis.
- Develop a long-term monitoring plan and ensure it's funding.
- Submission to FRDC for funding \$1,270,000.

Research Site Selection Criteria – closed to all fishing

- Representative of lobster demographics, *i.e.* potential for high adult biomass (relative to undersize biomass) as indicated by good or high catch rates of mature lobster. Central to and generally representative of fishery (*e.g.* Jurien). Optimal accessibility – as close to shore as practical while satisfying other criteria.
- Representative lobster habitat based on previous habitat mapping – (structure and function).
- Optimum location for enforcing compliance of the closure.
- Size of site-criteria
 - Complementary to size of lobster's foraging area.
 - Large enough to allow measurements of indicator responses (up/down).
 - Must encompass representative habitats
- Use of criteria should facilitate site selection and help answer inshore/offshore/depth questions.

Physical impacts of pots on coral

- To understand specific impacts of potting on corals
- Raise awareness of rock lobster fishers, general community, of impacts of potting in fragile coral habitats compared to natural perturbations.
- Industry funding requested \$60,000
-

MSC Logo recognition

- In Asia and Australia, there is a very low recognition of the brand or logo at both the fish retailer and the consumer level^[1]. If funds become available in the future, the MSC will need to promote its brand significantly in what seems likely to become a crowded marketplace for fisheries certification.



^[1] Interviews with Sydney fish retailers and with the Principal Investigator of a FRDC-funded project of fish consumer attitudes in Melbourne .

Creating a More Affordable and Practical MSC Program

- Reform the lengthy, expensive assessment process-containing costs, streamlining procedures for annual surveillance audits and five-year recertification.
- Recruit certification bodies into the MSC program
- Assessments should be equally rigorous for all applicant fisheries

A processor/marketing/retailer viewpoint.

- Improved market access in Europe-market diversification, reduced price and demand risks.
- Greater volume of sales to European market.
- Assisted significantly in negotiations surrounding the EU tariff reduction.
- Provided a promotional tool in establishing a 'point of difference' against competing products.
- Certification has created a political environment which enhances security of long-term access to the resource by fishermen.

MSC-Markets

- No retail premium for MSC-certified lobsters. Also lobsters not MSC-tagged for the local market because of the increased cost. A low consumer recognition of MSC.
- A slow movement to promote the MSC brand and logo in Asia.

From a Producer's (fisherman's) viewpoint

- No noticeable benefits in price received although this was expected.
- Limited benefits in better relationships with local conservation groups, although on some critical issues, environmental groups were not supportive.
- No perceived benefits in access security.
- Some benefits may have flowed to others (processors) not to fishermen, although fishermen are paying.

From Local Conservation Groups viewpoint.

- Support for the MSC process and re-certification although MCS standards are different and therefore absolute agreement on all issues has not, and is not likely to, occur.
- Has improved the dialogue with the conservation community on rock lobster management issues although much more needs to be done.

From Government's Viewpoint.

- More strategic approach to management-towards examining ecosystem management issues.
- Independent sustainability certification beneficial in dealing with other State and Federal Government agencies, particularly environmental agencies, e.g. Jurien Bay marine park satisfactory outcome in a short time because of the recognition of the industry's sustainability certification.

Government Viewpoint (contd)

- Reduced costs in meeting other Government requirements e.g. EPBC Act.
- Political benefits, since certification by an independent organisation seen as an endorsement of Government's long term management strategy for the fishery, and more generally, for all fisheries.
- Certification has been useful in generically promoting Western Australia and the broader fishing industry.

What can industry do differently?

- Recognise the benefits of MSC, and commit to addressing the problems in a proactive manner, be proud of the process and stop talking it down all the time.

How high is the bar?

- The WRL MSC experience was difficult-'first cab off the rank'.
- Still issues in MSC methodology and application across all fisheries.
- MSC is now moving on these problems - quality and consistency project

What can MSC do differently?

- Look for ways that they can assist industry in resolving issues that relate to the application of MSC: issues such as consistency of assessments, linking into possible markets/individuals that would take an interest in MSC, similarly talking up MSC and WRL.

Market Demand, Public View & Expectation

- Demands for credible third party certification is growing substantially Fisheries selling their products internationally and domestically-markets are increasingly demanding that these products are sourced from demonstrated well managed fisheries.
- The Australian public is showing increased concern over the health of marine ecosystems and the sustainability of fish stocks harvested by the commercial fishing industry.

■

[1] September 2002 *Community Perceptions of Fishing: Implications for Industry Image, Marketing and Sustainability* Bureau of Rural Sciences and the Fisheries Research and Development

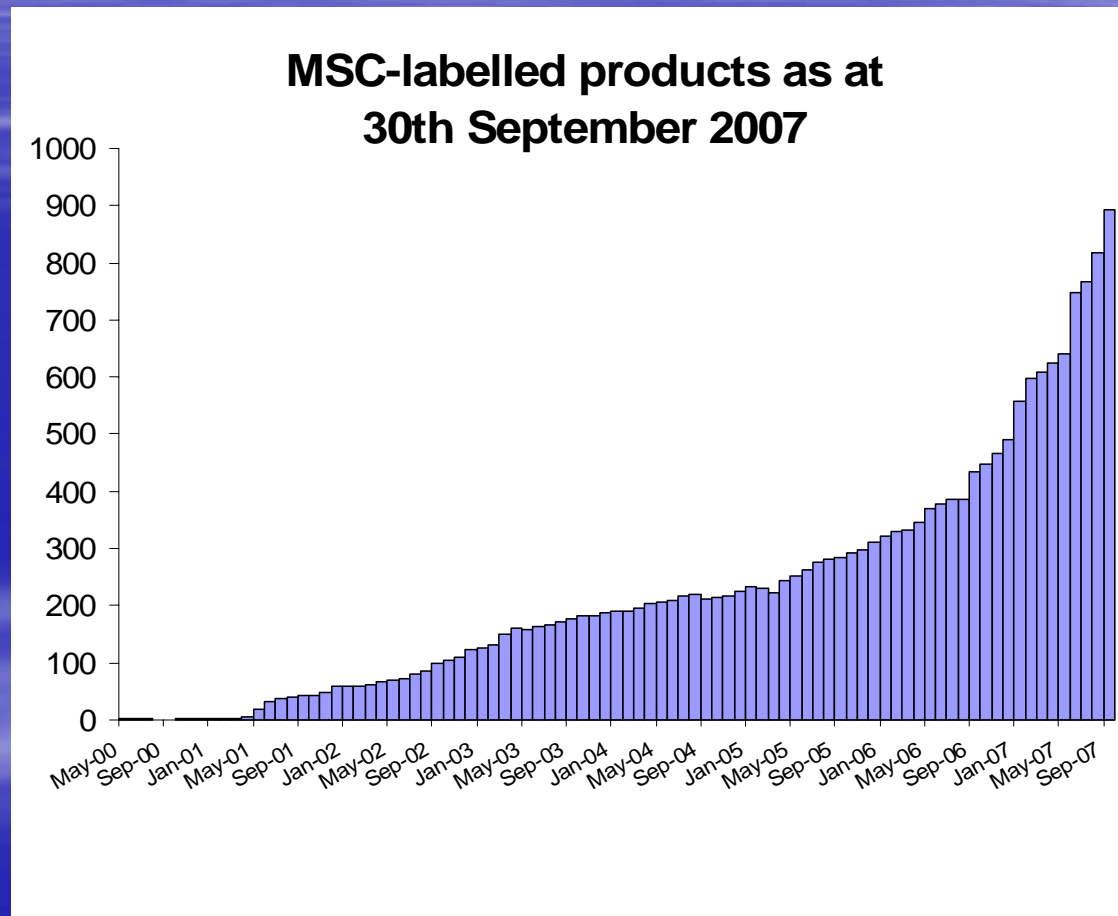
Corporation (project 2001/309)

Market Demand, Public View & Expectation (contd)

- 13% of Australians feel that commercial wild catch fishing is sustainable in its current form. This is 12 % lower than when this question was asked 5 years ago^[1];
- 97% of Australians say that commercial wild catch fishing be conducted in an environmentally sustainable manner; and
- Labels in retail shops and supermarkets showing whether or not seafood has been caught in an environmentally sustainable manner would influence the purchase decision of 92% of seafood buyers.

■ ^[1] September 2002 *Community Perceptions of Fishing: Implications for Industry Image, Marketing and Sustainability* Bureau of Rural Sciences and the Fisheries Research and Development Corporation (project 2001/309)

So where is MSC placed?



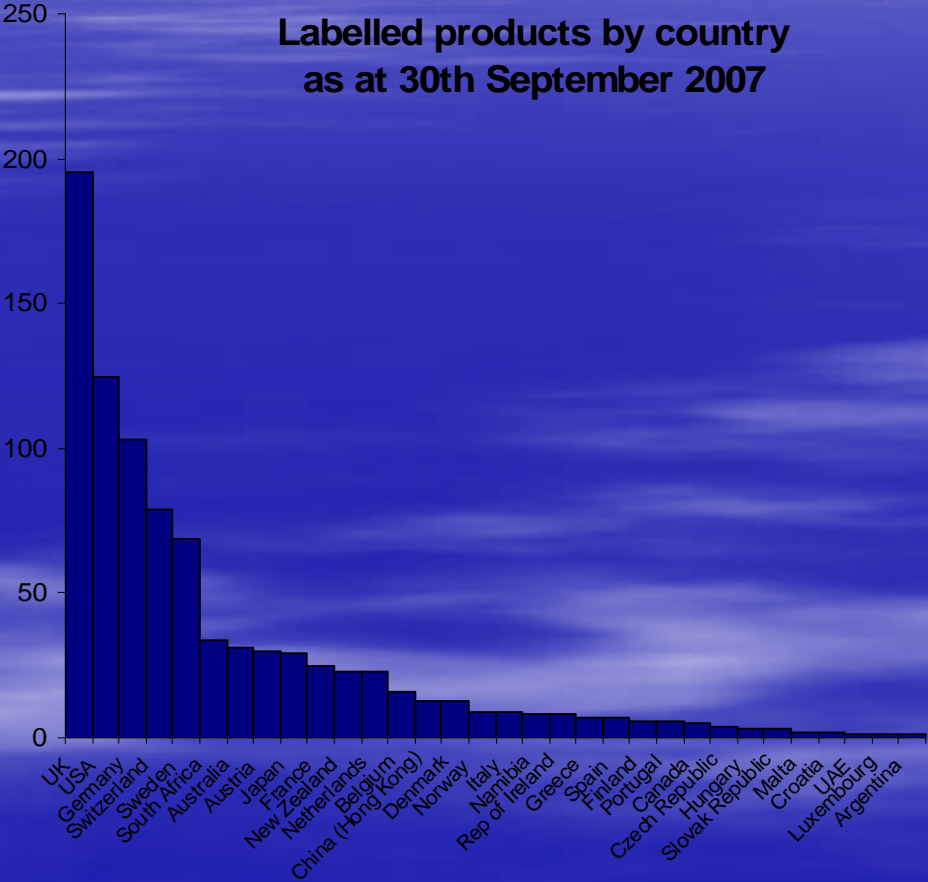
MSC Products by Country

- As at 30th September 2007, number of MSC-labelled product lines: 894 in 35 countries (increase of 75 since 31st August 2007 and 8 new countries).

MSC Products by fishery:

- Alaska salmon: 337 Alaska pollock: 305
- South African hake: 85 New Zealand hoki: 88
- North Sea herring: 15 Pacific cod: 14
- Cornish handline mackerel: 7 Pacific halibut: 10
- Hastings Dover Sole: 6 Hastings mackerel: 6
- Alaska black cod/sablefish: 5
- South Georgian Patagonian toothfish: 4
- Patagonian scallops: 4 Burry Inlet cockles: 3
- Western Australian rock lobster: 3
- Hastings herring: 1 Thames herring: 1
- Loch Torridon nephrops: 0
- Mexican Baja California Red Rock Lobster: 0
- Lake Hjälmarén Pikeperch Fish-Trap and Gill-net fisheries: 0

**Labelled products by country
as at 30th September 2007**



New MSC-labelled products September 2007



PLUS in Germany

New MSC-labelled products

September 2007



Chicken of the Sea - US

New MSC-labelled products September 2007



The image shows the packaging for Seafest Fire Grilled, Fully Cooked Alaskan Salmon. The top section is dark blue with the 'seafest' logo in white. Below the logo, the text 'FIRE GRILLED, FULLY COOKED ALASKAN SALMON' is written in white. The middle section is orange and contains the following text: 'FULLY COOKED, SKINLESS, BONELESS SALMON FILLETS', a list of instructions ('thaw & serve cold', 'microwave or boil in pouch to heat'), and nutritional information ('Wild Alaskan Salmon', '390mg omega 3', '0g trans fat'). The bottom section is white and features a large image of the salmon fillets on a plate with rice and vegetables. To the left of the image, it says '6 PORTIONS 4 OZ EACH', 'Individually Vacuum Packed', 'Keep Frozen', and 'NET WT. 1.5 LB (680G)'. A small MSC logo is visible in the bottom right corner of the packaging.

seafest

FIRE GRILLED, FULLY COOKED
ALASKAN SALMON

FULLY COOKED,
SKINLESS, BONELESS
SALMON FILLETS


- thaw & serve cold
- microwave or boil in pouch to heat

Wild Alaskan Salmon
390mg omega 3
0g trans fat

6 PORTIONS
4 OZ EACH

Individually Vacuum Packed
Keep Frozen

NET WT. 1.5 LB (680G)

 www.msc.org

Seafest (Trident – US)

New MSC-labelled products September 2007

Birds Eye

12 Fish Fingers

Made with 100% Fish Fillet

Omega 3
a natural source

Each Omega 3 Fish Finger contains:

11%	16%	17%
Omega 3	Omega 6	Omega 9

Of an adults guideline daily amount

no artificial colours, flavours or preservatives

MSC logo: For more information visit www.msc.org

Birds Eye in the UK

New MSC-labelled products September 2007



LIDL in Poland

New MSC-labelled products September 2007



Globus in Germany

New MSC Events

- 1. Seven products launched by Green Gourmet (UK).
- 2. MSC-labelled products are selling in 8 Eastern European countries for the first time – Romania, Russia, Hungary, Slovak Republic, Czech Republic, Croatia, Bulgaria and Poland (LIDL and Metro products).
- 3. Birds Eye launched their 'Omega 3' Alaska pollock fish fingers with the MSC logo.

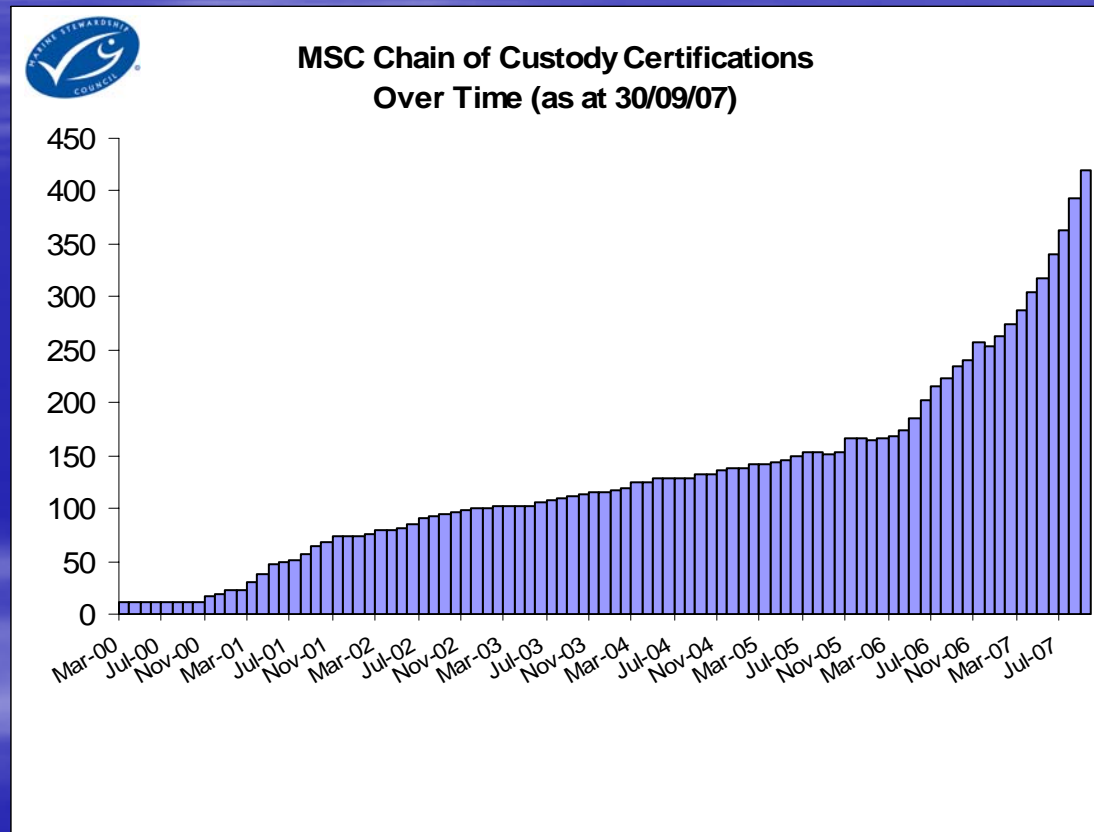
New MSC Events

- 4. Ocean King US launched their first MSC-labelled product in Wal-Mart stores – the ‘Regal King’ Alaska wild sockeye salmon.
- 5. LIDL have launched 7 North Sea herring products in Germany under the Vitakrone brand.
- 6. Casino in France has launched its first 2 MSC-labelled products on its fish counters.

New MSC Events

- 7. Nordic Seafood has launched its first MSC-labelled product in Austria.
- 8. New products from Globus, Plus, Elfin and Bo-frost in Germany – their first MSC-labelled products.
- 9. The first MSC-labelled Chicken of the Sea brand product has gone on sale in the US – canned pink Alaska salmon.

MSC Chain of Custody Grows



An industry puzzle

- A reluctance by WRL processors to use tags on lobster or to use the MSC logo
- It is extraordinary that the WRL has the equivalent of the Mercedes badge yet refuses to put the famous 3 pointed star on the bonnet
- This demonstrates a lack of commitment by some in the industry to MSC

Conclusions

- A reluctance by industry to make the most of third party accreditation,
- A change to the science culture in DoF from a focus on target species to an eco-system based evaluation of fishing effort
- A recognition that third party certification is the way of the future
- A counter balance to the Euro-centric approach by MSC

Conclusions

- Greater levels of support locally and into the markets where the label is recognised.
- Industry also to recognise that they need to contribute and modify what they do if they intend to pursue MSC (ie putting MSC tags on lobsters).
- It is not 'someone else's responsibility to promote MSC' - so both parties should contribute and stop waiting for the other to make the move

The Gold Medal

- - MSC is the gold medal of eco-labelling; but other systems all have their place, not all fisheries will qualify for MSC due to issues such as stock status nor will have the funds for MSC or see the advantage. It is important to have other steps to encourage fishers on a pathway to sustainability - eg it cannot be MSC or nothing

MSC Promotion

- In common with other eco-labels, the recognition at the fish retailer or consumer level of the MSC brand or logo needs to be higher.
- MSC needs significant funds to promote its brand.

MSC Approach

- A current weakness- a reluctance to closely engage with certified fisheries. This impression arose as a result of a meeting of certified fisheries with the MSC in Brussels-Seafood Expo, May 2007.

The MSC and fishery management authorities

- MSC certification methodology should require certification bodies to work collaboratively with the relevant fishery management authorities. Where such consultations have not occurred, certifiers should be directed to do so.

Conclusions

- The Objections Procedure must be streamlined, including eliminating unnecessary steps and shortening time frames.
- MSC useful in MPA debate

Acknowledgments

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