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## COMMITTEE ON FISHERIES

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### EVIDENCE ON UTILIZATION OF THE FAO DRAFT EVALUATION FRAMEWORK AND THE ECONOMIC IMPACT FROM ECOLABELLING ON RETURNS TO THE FISHERIES SECTOR

# EVIDENCE ON UTILIZATION OF THE FAO DRAFT EVALUATION FRAMEWORK AND THE ECONOMIC IMPACT FROM ECOLABELLING ON RETURNS TO THE FISHERIES SECTOR<sup>1</sup>

## OVERVIEW

*Recent ecolabel benchmarking exercises have shown a mixed use of the FAO Guidelines, but usage is expected to increase as interest in the governance implications of ecolabels grows. Through a focus on two certifiers/ecolabels for marine fisheries (Marine Stewardship Council and Global Trust's "FAO Based Responsible Fisheries Management Certification") this report examines two issues facing ecolabelling community. A further consideration of one of the often-touted benefits of ecolabels – price premiums – has been conducted. A literature review revealed that no data on economic returns to fishers have been published thus far. The recent research done on price premiums at the retail level represent the first step required for tracing price premiums back to fishers. The FAO guidelines for ecolabelling offer resolutions for both issues explored under the context of MSC and Global Trust while the demonstrated potential for price premiums helps further support the potential benefits of ecolabels for fishers. Further refinements to the FAO Guidelines are suggested that would reduce the number of guidelines while increased outreach and dissemination of the Guidelines paired with a robust evaluation framework may improve understanding and therefore uptake.*

## INTRODUCTION

Ecolabelling and certification for seafood products was designed to incentivize a reduction in environmental impacts from fisheries (Fernandez-Polcano 2010; Agnew et al. 2006) and the corresponding labels convey this information to consumers from businesses. Ecolabels have also been perceived to offer differentiation in a market that consumers may view as homogeneous (fish is fish). Consumer facing (business to consumer) and business-to-business labels now share the stage for certifications and ecolabels for seafood products (Lay 2012; Brummett 2013). Ideally, ecolabels offer a supporting role to public regulations set by national governments (Gulbrandsen 2006) rather than filling the role of sustainable management that should be met at the national governance level.

Ecolabels have also become an important component of business to business transactions (Fernandéz-Polcano; UNEP 2009) and this component may be more important in certain markets where consumers are less concerned with sustainable purchasing (Lay 2012; Roheim, Asche and Santos 2011; Washington 2009). In these markets the retailer's need to meet global market standards, irrespective of local market conditions, helps further the reach of ecolabelled products into non-traditional markets. This disinterest at the consumer level was previously seen in Asia (Xu et al. 2012) where consumers' main preference in choice is based on price point rather than sustainability (Pérez-Ramírez et al. 2012). Interestingly, concerns around food quality and resultant health impacts amongst consumers have increased consumer interest in purchasing labeled food in markets not traditionally interested in ecolabels. For example, food quality requirements as well as expansion on food quality standards to include environmental considerations have been promoted with the "Green" food label (Xu et al. 2012).

The number of ecolabels and certifications has been steadily growing (see Table 1), but there have been few efforts to compare between labels for equivalency, to test improvements over conventional practices or compare against global standards such as the FAO Guidelines. A definition of the FAO Guidelines for the Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries: "These guidelines are applicable to ecolabelling schemes that are designed to certify and promote labels for products from well-managed marine capture fisheries and focus on issues related to the sustainable use of fisheries resources" (FAO 2009).

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**Table 1. Summary of major ecolabels, retail labels, and consumer guides for fisheries and fishery products**

<b>Fishery Ecolabels and Guides</b>	<b>Website</b>
Blue Ocean Institute	<a href="http://www.blueocean.org/Seafood/">www.blueocean.org/Seafood/</a>
EcoFish	<a href="http://www.ecofish.com">www.ecofish.com</a>
Environmental Defense	<a href="http://www.environmentaldefense.org">www.environmentaldefense.org</a>
Fair-Fish	<a href="http://www.fairtradefish.org/">http://www.fairtradefish.org/</a>
FishOnLine	<a href="http://www.fishonline.org/information/">www.fishonline.org/information/</a>
FishSource	<a href="http://www.fishsource.org">www.fishsource.org</a>
Forest and Bird Society	<a href="http://www.forestbird.org.nz">www.forestbird.org.nz</a>
Friend of the Sea	<a href="http://www.friendofthesea.org/fisheries.asp">http://www.friendofthesea.org/fisheries.asp</a>
Global Trust - Use FAO Guidelines	<a href="http://www.gtcert.com/fao-based/">http://www.gtcert.com/fao-based/</a>
INCOFISH	<a href="http://www.incofish.org/ISFG.php">www.incofish.org/ISFG.php</a>
KRAV	<a href="http://www.krav.se/krav-standards">www.krav.se/krav-standards</a>
Leibniz Institute of Marine Sciences	<a href="http://www.seafoodguide.org">www.seafoodguide.org</a>
Marine Ecolabel Japan	<a href="http://www.melj.jp/eng/index.cfm">http://www.melj.jp/eng/index.cfm</a>
Marine Stewardship Council	<a href="http://www.msc.org/">http://www.msc.org/</a>
Monterey Bay Aquarium Seafood Watch	<a href="http://www.mbayaq.org/cr/seafoodwatch.asp">www.mbayaq.org/cr/seafoodwatch.asp</a>
Naturland Wildfish	<a href="http://www.naturland.de/naturlandwildfish.html">http://www.naturland.de/naturlandwildfish.html</a>
Norge Seafood	<a href="http://en.seafood.no/About-us">http://en.seafood.no/About-us</a>
Proposed Japanese ecolabel for capture fisheries, MEL (marine ecolabel)	<a href="http://www.melj.jp/eng/index.cfm">http://www.melj.jp/eng/index.cfm</a>
Seafood Choices Alliance	<a href="http://www.seafoodchoices.com">www.seafoodchoices.com</a>
The Australian Department of Environment guidelines for the ecological sustainable management of fisheries	<a href="http://www.environment.gov.au/coasts/fisheries/">http://www.environment.gov.au/coasts/fisheries/</a>
Marine Aquarium Council to certify fisheries for the aquarium trade	<a href="http://www.aquariumcouncil.org/">http://www.aquariumcouncil.org/</a>
The Responsible Fishing Scheme	<a href="http://rfs.seafish.org/">http://rfs.seafish.org/</a>
Unilever: 'Fishing for the Future'	<a href="http://www.unilever.com/Images/es_Unilever_FSI_brochureII_tcm13-13238.pdf">www.unilever.com/Images/es_Unilever_FSI_brochureII_tcm13-13238.pdf</a>
Wal Mart	<a href="http://www.walmartstores.com/GlobalWMStoresWeb/navigate.do?catg=665">www.walmartstores.com/GlobalWMStoresWeb/navigate.do?catg=665</a>
Young's Seafood 'Fish for Life'	<a href="http://www.youngsseafood.co.uk/web/ffl_policies.asp">www.youngsseafood.co.uk/web/ffl_policies.asp</a>

An alternative model from private or third party certifications can be found with collective private standards. These labels certify by type of fishery or collective group within a fishery type, not only for any fishery from that particular country (Washington and Aboubach 2011). This type of label has been developed as a business to business tool (B2B) rather than as a consumer facing instrument. The International Fishmeal and Fish Oil Organization (IFFO) offers a certification for fisheries that meet their standards in their supply chain (Global Standard for Responsible Supply: <http://www.iffonet/default.asp?contentID=636>) as certified by Global Trust.

Recently, there has been a movement within some sectors away from third party certification / labeling bodies such as MSC to certification under their own collective standards to reduce costs of

certification and increase control over target objectives (Begich 2013). This was seen with the move away from MSC certification to labeling under the collective private label Alaska Seafood Marketing Institute (AMSI – see <http://www.alaskaseafood.org>) for some Alaska salmon. This move illuminated concerns over equivalency between labels as some large retailers released statements that they would cease purchasing the fish if they were no longer under MSC certification (Fiorillo 2013). Both the FAO Guidelines as well as the draft evaluation framework would offer clear guidance for countries interested in supporting the development of certifications or in selecting robust certifications and ecolabels for their country's fishery sector.

Business to business focused certifications also proliferate under the category of public certification schemes. Generally in Europe these certifications have been more based on organic standards and are most readily applied to the controlled environment of aquaculture production rather than fishery products (e.g. KRAV in Sweden; Danish Ø-mark; Bio-Suisse in Switzerland; Debio in Norway; Label Rouge in France). An exception to this is the Iceland Responsible Fisheries (<http://www.responsiblefisheries.is>) which is applied to fish captured in Iceland that also adhere to the national standards "Statement on Responsible Fisheries". Of note is that the program also makes the claim be "FAO-ISO based" and is certified by Global Trust as is the AMSI and another label of origin, "Gulf United for Lasting Fisheries" (<http://www.auduboninstitute.org/conservation/sustainability/gulf-united-lasting-fisheries>).

Further development of collective private standard/ certification development could be considered with the support of government in a blending of national labels with industry certifications to promote fishery products from the country as well as supporting their fishers' access to global markets where certification may be a requirement. This may be a particularly pertinent consideration in developing countries where fishers/fisher collective would benefit from the governmental support in attaining certification and the fishers may be more willing to participate in government backed projects. An example of this potential is found in Spain where a collective of artisanal fishers in Galicia operate under their own certification and standards (<http://www.pescaderiasgalicia.org/gl/>) called *Pescade Rías ¿de onde se non?*. The certification is supported both by the European Commission as well as the Ministry of the Sea of the Xunta de Galicia in Spain.

National certification efforts recently discussed in the media (Fischer 2013; Intrafish 2013) are more focused on country of origin labeling and lie outside the realm on ecolabels, but the non-IUU requirement of the European Commission offer an opportunity to build at least a basic level of environmental sustainability into country of origin labels. Illegal, unreported and unregulated (IUU) fishing is an often-referenced issue with fisheries around the globe. It is a significant threat to the effective management of fish stocks, ecosystem health, and fishers who do act responsibly. The European Commission has enacted rules that require all marine fishery products that are imported or exported into/from the European Union be validated as legal by the flag or exporting state (European Commission Fisheries: [http://www.ec.europa.eu/fisheries/cfp/illegal\\_fishing/index\\_en.htm](http://www.ec.europa.eu/fisheries/cfp/illegal_fishing/index_en.htm)). This requirement for non-IUU certification from the flag (or exporting) state acts as a very basic certification requirement and this could be used as a starting point for developing National-level certifications for fishery products. Simply requiring non- IUU fisheries may be a basic point, but it does indeed build the foundation for improving fishery sustainability

## **DISCUSSION**

### *Benefits of Ecolabelling*

The benefits of ecolabelling can be roughly divided into three categories: benefits for fishers/producers; benefits for retailers / suppliers; benefits for consumers. Some of these benefits are listed below and range between theoretical to demonstrable benefits:

## Benefits for Consumers:

Ecolabels offer consumers the reassurance that the product they are purchasing has a reduced ecological impact (Kuminoff et al. 2008), or even environmental benefits (Agnew et al. 2006; Delmas and Grant 2010). Consumers need to be aware of the labels and what they represent as the first step in making the decision to purchase based on a fish or fishery product being ecolabelled. A number of consumer awareness studies exist and are often coupled with theoretical willingness to pay (WTP) studies (Getz and Shreck 2006; Gulbrandsen 2006; Jaffry et al 2004), which are discussed in greater detail in the section below on willingness to pay.

## For retailers:

- Value addition to brand
- Ease of procurement of products
- Greater guarantee of future supply of products – based both on stock health of supplying fisheries as well as supply guarantees with the producers (Washington and Ababouch 2011; Ponte 2008; Potts et al. 2011)
- Price premiums (Jaffry et al. 2004; Sogn-Grundvåg, Larsen and Young 2013; Roheim, Asche and Santos 2011; BreCARD et al. 2009; Washington and Ababouch 2011)

## For fishers:

- Potential of more secure supply relationships (from Washington and Ababouch 2011; Ponte 2008; Potts et al. 2011)
- Improved access to premium markets (Pérez- Ramírez et al. 2012a,b, c; Potts et al. 2011)
- international and national governmental recognition (Pérez- Ramírez et al. 2012a,b, c; Potts et al. 2011)
- increased negotiating power for access rights to resource or other governmental support (Pérez- Ramírez et al. 2012a,b, c; Potts et al. 2011)
- Expanded market share (Roheim 2008)
- Price premiums (Jaffry et al. 2004; Sogn-Grundvåg, Larsen and Young 2013; Roheim, Asche and Santos 2011; BreCARD et al. 2009; Washington and Ababouch 2011)
- Increased longevity in the market due to increased product quality (Santacoloma 2011)

## *Concerns around Ecolabelling*

The proliferation of ecolabelling has not come without concerns as the growing number of ecolabels in the market may lead to consumer confusion or fatigue. Further, lack of comparability between labels or perceived lack of comparability exacerbates confusion between or amongst labels. Some of the most commonly cited concerns around ecolabelling are discussed below.

A literature review revealed the following:

Limited access for participation in certification/ecolabelling programmes for developing countries and small-scale fisheries due primarily to factors including:

- Cost of certification and compliance and inaccessibility due to poor governance (Pérez-Ramírez et al 2012abc; Jonell et al. 2013; Ponte 2008; Potts et al. 2011; Bush et al. 2013; Washington and Ababouch 2011; Kaiser and Edward-Jones 2006);
- Uncertainty about the returns or price premiums for producers or fishers also exist (Washington and Ababouch 2011; Roheim Asche and Santos 2011; Kaiser and Edward-Jones 2006); and
- Experience of producers for organic and fair trade certified products was studied and found the participation in the certifications reduced the small-scale producers to “trade on their own terms” (Getz and Shreck 2006) or participate in markets as they wish, not as a contract dictates.

Concerns also exist around the standards or certification bodies, themselves. Inconsistent standards and/or enforcement; equivalency between labels (Parkes et al. 2010; Volpe et al. 2011; Jonell et al. 2013; Monterey Bay Aquarium 2013) along with questionable improvements in practice or lowering of ecological impacts have motivated benchmarking exercises to clarify these concerns.

### *Benchmarking of Ecolabels*

In a move to examine concerns around the number of ecolabels available for seafood products various organizations have conducted benchmarking exercises to compare between and amongst ecolabels. In addition to considering the claims of improvements made by the labels, these exercises have set out to compare between the different labels. Five benchmarking exercises are considered in this paper – four are completed and published while the fifth is under development. Two of the four labels utilize the FAO Guidelines, while the exercise under development intends to use the FAO Guidelines. The reasoning for non-utilization of the Guidelines by the remaining two benchmarking efforts are explained in brief under the respective exercises' summaries.

#### *1. Monterey Bay Aquarium Seafood Watch: Eco-Certification Benchmarking Report (2013)*

In 2013, Monterey Bay Aquarium's Seafood Watch programme used their own standards to benchmark labels' criteria and targets for certification to determine if a suite of ecolabels met with (at least) the MBA's yellow or "Good Alternative" criteria. The goal of the exercise was stated to be "...to eliminate redundancies in the broader sustainable seafood movement" and to "inform improvements in the standards of eco-certification programs that were not found to be consistent with at least a Seafood Watch yellow..." (MBA 2013).

The benchmarking exercise evaluated labels' criteria against the following performance factors, namely: data, effluent, habitat, chemicals, feed, escapes, disease and source (of stock).

The MBA evaluation of ecolabels did not include comparison against the FAO Guidelines as a result of three factors:

- Complicated to evaluate against the FAO Guidelines as they don't have associated targets along with the criteria (nor an evaluation framework);
- MBA felt the FAO Guidelines were more focused on governance and MBAs was not focused on assessing governance; and
- Lack of clarity in the FAO Guidelines or suggested measures of performance. The guidelines would require too great amount of interpretation as they are necessarily broad to fit the many different operating conditions of the member countries.

#### *2. Global Seafood Sustainability Initiative (GSSI) (Vogel 2010)*

A proposed benchmarking framework is in development by a steering committee of industry, NGO's, academics and government (GSSI 2013). The proposed framework will include four main "Catalogue of Requirements":

- Standards Contents;
- Governance Systems;
- Implementation Systems; and
- Impacts.

The GSSI has stated they intend to use the FAO Guidelines as their assessment criteria for Governance Systems. This initiative is currently under development and could not be assessed.

### *3. Global Aquaculture Performance Index (GAPI) Benchmarking Report (Volpe et al. 2011)*

The report surveyed ecolabels for aquaculture operations to quantify actual improvement over standard operating conditions from the labels' criteria. Measures of performance categories included:

- Inputs (capture-based aquaculture, energy (industrial and ecological, feed);
- Discharge (antibiotics, antifoulants, biochemical oxygen demand, parasiticides); and
- Biological (pathogens, escapes).

FAO Guidelines for aquaculture were not used by GAPI. The research cited that without an evaluation framework, set targets or measures of performance, it was too difficult to quantify performance and required too much interpretation.

### *4. Behind the Signs-A Global Review of Fish Sustainability Information Schemes (Parkes et al. 2010)*

This study focused on both certification schemes (such as ecolabels) as well as recommendation lists (such as seafood buyers' guides) that covered both aquaculture and fishery products. Seventeen schemes were selected for review against the FAO Guidelines for ecolabelling/certification for fisheries and (draft) aquaculture, respectively. The study identified seven key attributes (scope, accuracy, independence, precision, transparency, standardization, and cost-effectiveness) that they found needing to be addressed by all 17 schemes. In general, the aquaculture schemes were found to be less in compliance with the FAO Guidelines (draft). Of the fishery schemes, MSC was found to be most in compliance with the FAO Guidelines and was said to "make(s) the most comprehensive, robust, and transparent assessment of performance." Overall, their study suggested that all of the schemes they analyzed needed to increase consistency and standardization

### *5. Assessment Study of ON-Pack, Wild-Capture Seafood sustainability certification Programs and Wild Seafood Ecolabels. WWF International (Accenture 2009)*

WWF set criteria for 'best practice' for fishery ecolabels that combined elements from the "Guidelines on Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries" with WWF's ecosystem-based management of fisheries framework. The assessment used in this benchmarking exercise was broken down into two main themes with topics under each:

- Governance, Structure and Procedures (standard setting structures and procedures; accreditation and certification structures; accreditation and certification procedures); and
- Content of Standards (ecological criteria; fishery management system; traceability).

### *Benchmarking Summary*

Of the most recent benchmarking efforts for seafood product ecolabels there has been a mixed use of the FAO Guidelines to benchmark label performance. The main reason given for non-use in benchmarking efforts such as MBA and GAPI was that they did not look at governance in detail and that seems to be most pertinent factor for evaluation against the FAO Guidelines. An evaluation framework with measures of performance, or suggested measures of performance in the case of binary yes/no guidelines might facilitate the interpretation and use for benchmarking with the FAO Guidelines. Further, a reduction in the number of FAO Guidelines would greatly help in both the understanding of the guidelines as well as improve uptake and usage for benchmarking ecolabels and certifications. This would also increase the likelihood that claims of labels or certifications being 'in compliance' with the FAO Guidelines of being accurate as issues couldn't hide in the details.

## *Use of the FAO Guidelines for the ecolabelling of fish and fishery products from marine capture fisheries*

Two cases where the FAO Guidelines have been used by ecolabels are considered here. Both the MSC and Global Trust labels reference FAO Guidelines, but utilize them differently and they are used to highlight two different concerns. These cases are used to highlight the need for the FAO Guidelines and also the need to have an evaluation framework to clarify the use of the FAO Guidelines as a benchmarking tool.

### *The Marine Stewardship Council*

The Marine Stewardship Council (MSC) is considered by some to be the most prominent fishery ecolabel (Gutierrez et al. 2012; Parkes et al. 2010; Ponte 2008; Kuminoff et al. 2008; Thrane, Ziegler and Sonesson 2009) and was found to be the most in compliance with FAO Guidelines from an analysis of ecolabels (Parkes et al. 2010) and in a benchmarking exercise (WWF 2009). Currently, MSC has 188 certified fisheries and 106 further fisheries in assessment (Agnew et al. 2013). The certification is directed by three core principles:

- MSC Principle 1: A fishery must be conducted in a manner that does not lead to over-fishing or depletion of the exploited populations and, for those populations that are depleted; the fishery must be conducted in a manner that demonstrably leads to their recovery;
- MSC Principle 2: Fishing operations should allow for the maintenance of the structure, productivity, function and diversity Potts et al. 2011 of the ecosystem (including habitat and associated dependent and ecologically related species) on which the fishery depends; and
- MSC Principle 3: The fishery is subject to an effective management system that respects local, national and international laws and standards and incorporates institutional and operational frameworks that require use of the resource to be responsible and sustainable.

MSC certifies fisheries as 'units' in forms that include both single and multiple species fisheries. For example, the following highlight some of the certified fisheries:

- Alaska Pacific Cod- Gulf of Alaska
- Argentine Anchovy
- British Columbia Chum Salmon
- Exmouth Mussels
- Louisiana Blue Crab
- México Baja California Red Rock Lobster
- Norway North Sea Saithe
- Portugal Sardine Purse Seine
- US Atlantic Spiny Dogfish
- Vietnam Ben Tre clam hand gathered

One of the primary concerns with the MSC label is under-representation of developing nations. Around 90 percent of the 38 million people recorded globally as fishers are classified as small-scale (Bene, Macfadyen and Allison 2007 in UNEP 2009). Furthermore, developing countries are responsible for the harvest of about half of the world's fish catch (SOFIA 2010 in Pérez- Ramírez et al. 2012a). Currently, developing countries represent only 8% of the MSC certified fisheries and the number of fisheries per region (Agnew et al. 2013) are as follows:

- Africa: 2
- Asia: 2
- Latin America: 9

- Oceania: 2

Problematically, access to certification with ecolabels, particularly the largest ecolabels such as MSC, can be challenging for small producers due to a combination of limited access to market for developing countries (Pérez-Ramírez et al 2012abc; Jonell et al. 2013; Ponte 2008) including: the cost of certification and compliance as well as inaccessibility due to poor governance (Washington and Ababouch 2011; Kaiser and Edward-Jones 2006). A further concern of small scale fishers is that initial competitive advantage from being a certified/labelled producer could be lost once they encounter competition from large-scale fishers who are also certified/labelled (Potts et al. 2011)

*Global Trust: FAO Based Responsible Fisheries Management Certification*

Global Trust under their “FAO Based Responsible Fisheries Management Certification” ([www.gtcert.com/fao-based/](http://www.gtcert.com/fao-based/)) lists 7 fisheries as certified and 3 as under review. Global Trust states: “As is seen from the Accreditation credentials this “FAO based” Model does not involve a new Standard, or a new ecolabel. The fisheries are assessed against Conformance Criteria that Global Trust has derived from the FAO Code of Conduct for Responsible Fisheries and the FAO Guidelines (<http://www.gtcert.com/fao-based/>)

Global Trust lists the following as having certification under the FAO/ISO based Responsible Fisheries:

- Icelandic Cod
- Alaska Salmon
- Alaska Halibut
- Alaska Sablefish
- Alaska Pollock
- Alaska King and Snowcrab
- Alaska Pacific Cod

Global Trust’s “FAO Based Responsible Fisheries Management Certification” as an alternative to MSC certification has been reviewed in several reports (Fischer 2013; Fiorillo 2013; Stewart 2012). The Environmental Law Institute (ELI 2012) has also released a report on Global Trust’s use of the FAO Guidelines as conformance criteria.

*Economic Price-Premiums / Willingness to Pay*

Compliance with the standards associated with certification or even participation in certification and labeling incur costs for the producers. Depending on the organizational structure of the industry the costs for compliance and certification can be higher or lower. For example, producer groups that are more vertically integrated (Santacoloma 2011) tend to incur lower costs as benefited by their organization structure. Further, depending on the prior management practices or techniques of the fishers the changes could result in lower production which would compound increased costs with management changes as well as direct certification costs. These costs are countered with the potential for increased financial returns through economic price premiums paid for certified and/or labeled products.

Willingness to pay (WTP) studies are common when market data does not exist and generally point to consumer WTP for ecolabelled seafood products. The predicted WTP values are generally higher than the actual values collected in the following two studies (Getz and Shreck 2006; Gulbrandsen 2006; Jaffry et al 2004).

For example, in Norway and the U.S. a 2001 (Johnston et al.) study suggested consumers (to varying degrees in the different countries) would support a price premium of up to 24% for ecolabelled products such as shrimp and salmon. WTP values fall slightly below consumer awareness values such as those seen in an MSC commissioned study (Agnew et al. 2013) where 30% of consumers who purchase seafood at least once every two months were aware of MSC label as an ecolabel based on certification.

A 2011 study (Santacoloma 2011) found that organic farmers received price premiums between 10-25% for their products and, although this involves a very different system than fisheries, consumer perception (and therefore payment of price premiums) is similar amongst different types of labels. Further, the 2011 study found that in all case-studies the gross margin for the farmers (between certification cost and price premium) was positive.

A very limited number of studies on price premiums for ecolabelled seafood products have been conducted. But, these few have found that an economic price-premium was obtained at the retail level between 10-15% over non-labelled seafood. Both studies discussed were conducted in the United Kingdom and evaluated price premiums at the retail level for products with the MSC label. In 2011, MSC labeled pollock had a 14% price premium over unlabelled pollock (Roheim, Asche and Santos). A follow up study was also conducted in the UK and it examined prices for MSC labeled haddock that found a 14% price premium at the retail level (Sogn-Grundvåg, Larsen and Young).

An FAO study on “Voluntary standards: Impacting smallholders’ market participation” (Santacoloma and Loconto 2013) sheds some light on benefits received by smallholders for participation in the MSC labeling scheme. It is important to track economic price premiums down to the level of the fishers and not to simply assume that premiums being attained at the retail level are reaching fishers.

A simple assessment to determine if price premiums are being obtained at the fisher level could be conducted using comparative surveys. Fishers targeting the same species with the same gear type, but either selling ‘regular’ products or ‘labelled’ products could be surveyed for the ex-vessel prices received for their respective products. Further, if historic information were available, ex-vessel prices received before and after certification could be analyzed. Direct surveys of fishers may help circumvent potential reluctance on the part of buyers to reveal their purchase prices.

## **SUMMARY**

Recent publications suggest price premiums are being received for ecolabelled product at the retail level and support this as a feature of continued ecolabelling efforts: particularly in the context of increased price premiums for fishers. The determination of price premiums at the retail level are an important first step in examining the flow of the increased premiums back up the supply chain to the fisher. Simple comparative surveys as suggested would be an excellent starting point for determining the economic benefits fishers may be receiving.

One of the primary reasons cited for non-usage of the FAO Guidelines was the sheer number of guidelines. Refining the guidelines down to a more manageable number while further working to disseminate them to increase comprehension of the intent could be a key factor in increasing uptake of them. The desire to use the evaluation framework in benchmarking reports is expected to increase as the desire for an understanding of governance impacts of ecolabels grows.

Currently, the FAO Guidelines offer the best support to balance representation of developing nations, improve access to resources needed for certification/compliance; and offer alternate assessment methodologies that better reflect differing practices or data availability for small-scale fisheries. This need makes a strong presence of the FAO Guidelines in the market crucial to foster development and support of small-scale fisheries and those in developing nations to become increasingly sustainable.

Finally, the application of Guidelines by initiatives that claim compliance with them makes development of an evaluation framework critical to maintain the letter and intent of the Guidelines while providing a transparent measure for comparison between ecolabels.

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**Ecolabels Surveyed by Selected Benchmarking Reports**

*Assessment Study of ON-Pack, Wild-Capture Seafood sustainability certification Programs and Wild Seafood Ecolabels. 2009. WWF International. Accenture.*

- Marine Stewardship Council
- Naturland
- Friend of the Sea
- Krav
- Agreement on the International Dolphin Conservation Program (AIDCP)
- Marine Ecolabel Japan
- Southern Rocklobster

*How Green is Your Ecolabel? Comparing the Environmental Benefits of Marine Aquaculture Standards. 2011. University of Victoria, Victoria, British Columbia, Canada.*

- AquaGap
- A Code of Good Practice for Scottish Fishfish Aquaculture (CoGP)
- Debio
- Federation of European Aquaculture (FEAP)
- Friend of the Sea
- Global Aquaculture Alliance
- GLOBALG.A.P.
- Label Rouge
- Salmon Aquaculture Dialogue (Draft)
- SIGES (SalmonChile)
- Australia Certified Organic
- BioGro
- BioSuisse
- Canadian Organic Standard (Draft)
- Naturland
- Organic Food Federation
- Soil Association
- U.S. National Organic Standard (Proposed)
- Marks & Spenser
- Whole Foods Market

*Monterey Bay Aquarium Seafood Watch: Eco-Certification Benchmarking Report*

- Aquaculture Stewardship Council
- Canada Organic
- Certified Quality Salmon
- Food Alliance
- Friend of the Sea
- Global Aquaculture Alliance
- GlobalG.A.P.
- Marine Stewardship Council
- Naturland
- Thai Code of Conduct / GAP (Good Aquaculture Practice)

*Parkes et al. 2010. Behind the Signs-A Global Review of Fish Sustainability Information Schemes.*

- Friend of the Sea (FOS)
- Marine Ecolabel Japan (MEL-Japan)
- Marine Stewardship Council (MSC)
- Global Aquaculture Alliance (GAA)
- GlobalG.A.P
- Naturland
- DEWHA Environment Protection and Biodiversity Conservation Act
- Thai Quality Shrimp (TQS)
- Australian Marine Conservation Society
- Greenpeace
- Marine Conservation Society UK (MCS)
- Monterey Bay Aquarium (MBA)
- NOAA Fishwatch
- North Sea Foundation (NSF)
- Sustainable Fisheries Partnership (SFP)
- World Wide Fund for Nature (WWF) International and WWF Hong Kong
- Supermarkets (Carrefour; Tesco; Wal-Mart)

*Global Aquaculture Performance Index: How Green Is Your Ecolabel? 2011*

- AquaGap
- A Code of Conduct of Good Practice for Scottish Finfish Aquaculture (CoGP)
- Debio
- Federation of European Aquaculture Producers (FEAP)
- Friend of the Sea
- Global Aquaculture Alliance
- GLOBALG.A.P.
- Label Rouge
- Salmon Aquaculture Dialogue (Draft)
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- Australia Certified Organic
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- Naturland
- Organic Food Federation
- Soil Association
- U.S. National Organic Standard (Proposed)
- Marks & Spencer
- Whole Foods Market