

# Seafood

International

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## IntraFish Person of the Year 2009

**Jim Cannon**

CEO of the Sustainable Fisheries Partnership

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pangasius?

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down but not out

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change trading



# Jim Cannon: IntraFish Person of the Year 2009

John Fiorillo

**J**im Cannon is not your stereotypical environmental crusader. He doesn't run around yelling the sky is falling down and condemning big business for all of the planet's ills.

From his early days working with fast food chain McDonald's on its fish-sourcing strategies, Cannon has looked to engage the business side of the seafood to help improve the environmental side of the industry.

In so doing, he has quietly emerged as a major leader in the environmental NGO community, and is helping to rewrite how business and the green community can work together to improve marine resources.

Cannon, **IntraFish Media's** Person of the Year for 2009, offers his thoughts on the future of the sustainable seafood movement and its impact on the global seafood business.

## How did you get involved in sustainable seafood issues?

I started off as an academic, researching the management and economics of North Atlantic cod fisheries. This was at the time of the collapse of Newfoundland cod, so sustainability was front and center.

I went on to edit the *FAO World Review of Marine Fisheries*, around the time they published their long-term catch statistics. When we looked at the trends, and the growing number of depleted fisheries, it was clear sustainability was a growing global issue in all kinds of fisheries around the world.

I then moved into the NGO world in the late 1990s, joining Conservation International, where I worked on various sustainability issues including, in 2002, working with McDonald's to green their supply chains. Folks were understandably prioritizing beef, but I suggested fish, and that's pretty much where my work on fisheries management and marine conservation really connected to sustainable seafood issues.

## Tell us about the Sustainable Fisheries Partnership (SFP) and its significance to the global seafood industry.

I founded SFP in 2006 to fill what I saw as a critical gap in both the efforts of NGOs to protect marine environments and the efforts of companies to source sustainably.

Our goal, like many other NGOs, is protecting the marine environment, which in turn will help secure seafood jobs and food security. We see the seafood industry as critical partners in improving fisheries, rather than targets of campaigns.

By 2006, some companies had already moved beyond a simply policy of "buy/don't buy," and were engaging their supply chain in an effort to improve the fisheries they were buying from. Chief among these companies were McDonald's and Wal-Mart.

But the information did not exist for these companies to quickly and easily gauge the sustainability of individual fisheries, nor whether improvements were really being made or not. Nor were there adequate resources to help their supply chains actually engage fisheries.

We designed SFP and its programs to meet these needs. FishSource provides neutral technical information that analysts can use to judge the sustainability of a fishery, using any sustainability standard of their choosing.

The Sustainable Seafood Metrics System links that information to sourcing data, and summarizes the sustainability information so executives can measure and manage their progress, and so buyers have information at their fingertips to proactively engage their suppliers.

Our Fishery and Aquaculture Improvement Projects help convene suppliers and producers together, to agree and implement improvement action plans.

## Your group doesn't award eco-labels. Why? And why should a seafood supplier or buyer use your service?

SFP is an NGO, not a consulting group. We don't offer services, but run a number of projects where we seek corporate participation.

The core of these projects is improving fisheries and fish farms. We feel it generates potential conflicts of interest for the same group to also certify them as sustainable – akin to marking your own homework.

Running an eco-label scheme is also very different business from engaging global supply chains in improvement projects. It requires a standards-setting body, accreditation agencies, marketing of the label to consumers, etc. – none of which SFP has a competitive advantage in doing.

Our FishSource provides overviews of the scientific and technical information different standards all consider when evaluating a fishery. Ninety percent of the work of evaluating the sustainability of a fishery is compiling public information into reviews or summaries, and



only then considering how the fishery measures up against one standard or another.

Donors and industry were each paying different consultants, staff and advisors for that 90 percent of work to be duplicated time and time again.

FishSource is not an eco-label or sustainability standard. It does not rate fisheries itself, but by compiling and sharing the public information FishSource is cutting the costs of sustainability advice for both NGOs and industry. We pool sponsorship contributions from companies and use the money to gather up-to-date information for as many fisheries as possible. The more companies we can get involved, the wider we spread the costs and the lower the costs are to each individual company.

FishSource is aimed at people who understand the basics of fisheries sustainability, and want information to use in their own evaluations.

Most buyers don't have the expertise or time to use FishSource in this way, so we have also developed the Sustainable Seafood Metrics System to put concise sustainability information at buyers' fingertips.

This system can capture information on suppliers about the exact fisheries the seafood is coming from. The system then pulls neutral scientific and technical information from FishSource and crunches that information down into simple grades or ratings.

The system doesn't specify a particular sustainability standard. It is flexible and is being



**OUT OF THE ORDINARY:** Jim Cannon isn't your stereotypical environmental crusader, but he is IntraFish's 2009 Person of the Year.

used by companies that have a commitment to the MSC, as well as those that are using their own proprietary sustainability standards, and can be used by those following advice from specific NGOs or aquariums.

We're developing various pilot projects of the Metrics System with different major buyers, but the software is freely available from SFP and any major buyer can take it and run with it on their own.

We're also now capturing public information in FishSource and the Metrics System on what suppliers are doing to improve fisheries, drawing from their own Web sites or records of public hearings or council meetings. This creates the opportunity for any supplier, whether they are working with us or not, to communicate effectively to customers what they are doing to improve fisheries, which in turn gives buyers

the opportunity to reward their most active and effective suppliers.

Finally, we're also working to strengthen aquaculture certification schemes. Our particular angle to date has been benchmarking the various schemes – such as GAA, GlobalGAP and WWF's Aquaculture Dialogues – by carrying out real audits side-by-side on the same farms.

The results help the schemes identify and rectify weaknesses, and harmonize with one another. The results also help major buyers understand which scheme to ask for, whether to accept some as equivalent to one another, and what improvements to request from the schemes.

#### **What is the most significant thing you helped McDonald's with pertaining to seafood?**

I think the most significant thing about my work with McDonald's was the development of a new approach to sustainability.

Instead of "buy/don't buy," we emphasized improving depleted fisheries. Twenty years ago, all McDonald's Filet-O-Fish was North Atlantic cod. After the collapse of Newfoundland cod McDonald's had to diversify and, as other fish stocks ran into problems, it diversified further.

By the mid to late '90s, there were no new or underexploited whitefish fisheries to turn to. Maintaining a diversified supply base and assuring supply could only be done by bringing depleted fisheries back to health. McDonald's, due to its size and global purview,



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understood this logic and turned to its suppliers for solutions.

We then helped its suppliers to engage fisheries and press for improvements.

It's still early days, but I'm optimistic and think we may be turning the corner with whitefish fisheries management. There's a long way still to go in some of these fisheries, but eastern Baltic cod rebuilt rapidly in the past few years, illegal fishing in the Barents Sea is much reduced, and Russian pollock and South American hake and hoki fisheries are working hard on sustainability. As they strengthen management systems further, and stocks rebuild, I think we'll see more stable supplies, and, over time, some increases in quotas and catches.

**Give us an example of a seafood company that understands sustainability and is doing things the right way.**

I think there are a lot of producers and suppliers doing things right on sustainability.

In terms of producers, we work with catchers and farmers in many places around the world. Many of them get sustainability and are actively improving their operations and engaging regulators; it's hard to single out one for special praise.

In terms of major suppliers, Phillips, Espersen, BirdsEye, Delmar Japan, and The Fishin' Company, for instance, have all invested in and built up their own internal capacity and understanding on the issues and, most importantly, taken a leadership position in engaging the fisheries they source from.

FoodVest has stood out so far, though. In addition to a strong focus on improving fisheries and building their internal capacity, they adopted a thorough and sophisticated overarching policy, and regularly brought their executives together to discuss and resolve sustainability questions at the group level. They regularly interact with a range of NGOs, participate in fisheries science and management meetings, and run joint improvement projects with the producers that supply them.

**What is right about the global seafood industry?**

In the past few years, I've been particularly impressed by the efforts of European importers



**ALL FOR ONE:** The Sustainable Fisheries Partnership helps NGOs protect the environment and companies source sustainably.

to shut the door on over-quota cod from the Barents Sea. The companies involved all compete like crazy, but all correctly recognized two key things. First, that by working together they could deliver a much more cost-effective solution that would actually reduce illegal fishing overall, instead of simply eliminating it from individual supply chains. And second, that this was pre-competitive, meaning the solution benefited them all and did not confer a competitive advantage on any one of them.

I think we'll see a lot more of this kind of joint work and innovation from the industry, as information systems and business procedures catch up with global supply chains.

**What is wrong about the global seafood industry?**

For me, the biggest frustrations are a lack of confidence and understanding among seafood suppliers about what they can do to improve depleted fisheries or substandard farms they source from.

It's not because they don't see the problems – in most wild-caught sectors, examples of overfishing, depleted resources and declining supplies are well known. So, too, are the disruptions to supply caused by overcrowding or poor management of fish farms.

Certain kinds of suppliers simply don't care – they aren't in it for the long haul and if the fish runs out they'll move to another business.

Sometimes suppliers say it's not their business, leave it to governments or producers. Well, sometimes regulators and producers do a good job but they clearly haven't in depleted fisheries

or shutdown farms, and assuming they'll get their act together may be wishful thinking.

Sometimes suppliers think they'll be able to muddle through, or perhaps even find an alternative source. After all, historically that's exactly what has happened. Run out of crab in the Chesapeake, source from the Philippines and Indonesia. No more cod in Canada or Scotland, buy pollock.

But there are no significant volumes of underexploited whitefish or tuna to be found anywhere worldwide, and that's increasingly the case for most wild-caught seafood sectors. And, as demand for seafood continues to grow, global seafood suppliers can ill afford losing a farmed source, even temporarily.

The most cynical understand all these points, and simply assume someone else will fix the fisheries or farms – the classic “free-rider” problem. Other suppliers simply don't take action until disaster hits, or they or their fishery are front-page news, or a major customer pressures them.

But suppliers often resist engaging simply because they don't know what to do, doubt they can make a difference, and think it will cost too much to do anything useful. And that's a shame, because making a difference can be as simple as asking suppliers a few choice questions, or attending a few meetings with regulators to make the case for fisheries improvements.

Major buyers also seriously underestimate their own power to affect change, and incorrectly think that committing to sustainability means dropping species, loss of business or loss of supply.

In fact, committing to sustainability through improving fisheries and fish farms does the opposite. By rebuilding depleted fisheries and preventing the depletion of currently healthy ones, major buyers and their supply chains can deliver a win-win for the environment and their businesses.

We're trying to help buyers, suppliers and producers understand what they can do to improve fisheries. To date, SFP has been working with suppliers and producers on a fishery-by-fishery basis. We share examples of what's worked and what's not to improve fisheries in similar circumstances, and brainstorm around how best to proceed.

In the future, we'll publish the examples to help make it easier for suppliers to figure out how to proceed, but there are other resources out there – in academia, industry associations, fisheries management bodies etc. – that suppliers can tap into now.

Getting suppliers to engage is often an uphill battle, even at the best of times. The current economic and financial challenges facing the industry make it that much harder. But improving fisheries is about having fish in the water now and in the future, and no seafood company can make money without fish. So it's not a luxury, it's a core business issue, right up there with quality assurance, branding, and sales.

**Characterize the current state of seafood sustainability.**

The current state of seafood sustainability is



**MCPROGRESS:** Cannon says the most significant thing about his work with McDonald's was the development of a new approach to sustainability that changed the emphasis from “buy/don't buy” to improving depleted fisheries.



very diverse and changing quickly.

On the resource side, after decades of overfishing, many but certainly not all fisheries in developed countries under “western” management systems are now making good progress on the basics, such as rebuilding stocks and reducing environmental impacts.

Virtually none, however, are currently using what I’ll call “proper” ecosystem-based management, meaning things like target levels have not been set for other marine life and there are no complete networks of marine national parks – although these are in development in places like the United States, European Union and New Zealand.

But from a narrower sustained yield perspective, many of these fisheries are now stable or rebuilding, which is great news.

So much of supply is now coming from fisheries in developing countries, where little is known about the fisheries and management systems are either non-existent or ineffective. Many of these fisheries are being depleted as we watch, and the seafood industry has a lot of work to do to prevent these fisheries collapsing and jeopardizing future supplies.

In the short-term, the stop-gap answer may be codes of conduct and procurement policies enforced through supplier contracts. But for the longer-term, suppliers, producers, development agencies and developing country regulators need to work together to build basic institutional capacity in fisheries science, management and enforcement.

And then there are the true scandals, where the science is good and government capacity to manage is strong, yet through political horse-trading, vested interests and inaction, fisheries are being destroyed in front of our eyes, like bluefin tuna in the Mediterranean.

Climate change throws a potentially devastating wrinkle into the mix. Not only are changing sea temperatures changing fishing grounds, but a lot of the CO<sub>2</sub> from the world’s smokestacks and tailpipes is mixing into the oceans and making them more acidic, which is having serious repercussions for marine food webs. We think a lot of the seafood industry’s future may depend on achieving strong policies to reduce the amount of CO<sub>2</sub> in the air and water.

In terms of the industry response, we’ve seen a dramatic increase in the level of engagement of the industry in sustainability initiatives. European companies are a bit further ahead of the U.S. in developing sustainable seafood policies, but not in terms of engaging supply chains to promote improvements.

But even in the past year the industry, par-



**MAKE CHANGE:** Cannon says major seafood buyers seriously underestimate their own power to affect change.

ticularly large retail and foodservice buyers, are beginning to understand more clearly that something needs to be done to protect seafood supply quickly, and that solutions exist to help them do it in a way that fits well within their corporate goals and objectives.

**There has been a great deal of energy and money pumped into the sustainable seafood movement over the past decade. Has it made a difference in the health of marine resources?**

The focus of most of that money has been on the “demand side” in importing countries, such as developing eco-labels, promoting consumer demand for sustainability, raising public awareness, and campaigns.

I feel most of it has made a big difference. For instance, when I started attending the major seafood shows there was no mention of sustainability; now it seems more than half the booths are making some claim or another. That growing buzz has principally caused relatively well-managed fisheries to come forward for certification, but I argue it has been less successful at promoting improvements in depleted fisheries. I think support for the “demand side” needs to continue, but we also need to strengthen the connection to the supply side in producer or exporting countries.

Such initiatives are relatively new, and in many countries there is not enough government or even private-sector capacity, and regulations and information are inadequate. So we’re in for a long-haul, starting with basic steps such as forming catcher and exporter associations, and securing development assistance to improve the basic science, run pilot projects such as gear reforms, and improve monitoring.

Im-

provements in the health of marine resources may be some way off. However, in developed producer countries, where the capacity was already in place, then more rapid progress has been possible, such as the case of eastern Baltic cod.

**Finish the following sentence: “If I could change one thing about the seafood industry, I would change ...”** supply chain contracts, to record in every transaction the exact origin – fishery, farm or even boat – of the seafood being supplied. The technology exists to do this cost effectively today.”

**What worries you most about the current way seafood is traded around the world?**

There is a severe lack of transparency throughout the supply chain. It allows for illegal fishing, fraud, food safety and biosecurity concerns, and greatly confounds efforts to source sustainably and promote improvements.

Unfortunately, as fish get processed and change hands many times, the companies further along the supply chain simply don’t know, as standard operating practice, where the fish originally came from. But a company needs to know which exact fishery its seafood is coming from in order to make any progress in improving fisheries.

**What one thing would you like to accomplish before you end your career in sustainable seafood?**

I’d like to see all North Atlantic cod stocks back to healthy levels.

**What does winning the IntraFish Person of the Year award mean to you?**

I appreciate the recognition, of course, but it feels odd since it’s the executives of the companies we work with, and not me or SFP staff, that are doing the most to improve fisheries. I hope the award will help introduce us to even more of the global seafood supply chain, and that we can translate those introductions into sustainable business practices and more healthy, sustainable fisheries.

