



The mission of the Sustainable Fisheries Partnership is to maintain healthy ocean and aquatic ecosystems, enhance fishing and fish-farming livelihoods, and secure food supplies.

The Sustainable Fisheries Partnership Update is a periodic newsletter reporting on the partnership's work to improve fisheries and fish farms.

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Steve Phillips of Phillips Seafood



Steve Phillips, the President and CEO of Phillips Foods, witnessed the demise of the blue crab in the Chesapeake Bay. Now he's leading a movement to involve industry in developing sustainable practices to protect the Indonesian blue swimming crab.

Steve recently shared some of his thoughts with SFP.

On Growing Up Near the Chesapeake Bay

To discuss sustainability, I have to tell a story. From the time I was 3 years old, I worked the water with my grandfather on his boat, crabbing and fishing during the summer and oystering during the winter. When I was young, the abundance and variety of seafood in the Chesapeake Bay was immense, and I thought to myself, "This seafood bounty will be here forever." It is amazing how things can change in a lifetime. The majority of the crab and seafood plants that once existed have now closed, and the few that remain are struggling for existence and, at best, just breaking even. The Chesapeake Bay today produces just a small fraction of the oysters, crabs, and other seafood products that it used to. What are the reasons? There are many, but what has been most affected is the 'seafood resource,' and without the resource, all things come to a gradual halt, as we have seen in the Chesapeake over the past 50 years.

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CEO UPDATE

Dear Readers,

Over the past few months, one retailer after another in the North American market has announced that it is working with an NGO or aquarium to “audit” its supplies and develop sustainable seafood strategies.

Moving further into 2010, suppliers can expect to see increased customer demand for sustainable seafood. Will that demand translate into a simplistic pursuit of already “green” fisheries, bid prices up, and ultimately make sustainability too expensive for most? Or will it translate into recognition and reward for suppliers and fisheries that are reversing overfishing and bringing more sustainable fish to market as a result?

At SFP we are firmly committed to the latter vision, noting that the vast majority of seafood consumed in the U.S. and Canadian market is imported from overseas, often from countries without the government capacity to effectively manage their fisheries. Under such circumstances, simple demand for sustainable seafood or campaign pressure from NGOs isn’t going to translate into improvements unless suppliers play critical roles in ensuring fisheries are managed sustainably. Those critical roles include working together to ensure at the outset that the fishery is operating legally, so that subsequent improvements, whether quota reductions, gear modifications, or other

measures, are complied with and generate their intended results.

The exact nature of any improvement measures is dictated by both what will work technically in each situation and, crucially, what is politically viable. And that depends on what can be agreed upon between suppliers, catchers, and other stakeholders. What is easy and quick to do in one fishery may be difficult and take many years to achieve in another.

In our view, there is therefore simply no way outside observers can reliably or fairly determine whether improvement processes are taking too long or are proceeding as expected. And “inside” observers, such as members of the industry or NGOs (including SFP) participating in improvement efforts, are clearly not impartial third parties.

Yet if major buyers are going to recognize and reward improving fisheries, they need credible “proof points” and a clear framework for measuring progress. Such proof points include tracking increases in the amount of fish in the water as estimated by formal stock assessments, or tracking whether public quotas are following public scientific advice. Of course, such proof points are only possible if stock assessments and other reports are made readily available in full over the Internet, at the click of a mouse.

Such data is taken for granted in North America and Europe, but it is not the norm elsewhere. Unfortunately in many fisheries, stock assessments are not public, the data and methods are not disclosed, and there is no independent review. Such secrecy makes it virtually impossible for major buyers to source with confidence. Getting fisheries information into the public domain is a priority for SFP,

and, we argue, should be a priority for every responsible supplier. In this issue we describe the efforts of our partner CeDePesca to get stock assessments and other information made public in South America.

Even if such efforts to promote transparency are successful, other critical improvement proof points may require formal audits that can provide the basis for B2B claims. This additional requirement is necessary because public information is rarely sufficient to confirm improvements such as the use of low-impact gears or compliance with quotas or bycatch regulations.

Given a range of improvement proof points, some major buyers may choose only to source from fisheries after improvements in the water have been confirmed. Others may simply require that improvement plans are in place and are being followed. Either way, major buyers’ more stringent requirements would amplify market incentives for suppliers to engage in improvement efforts.

Such incentives would increase the pool of suppliers engaged in improving fisheries. Some, of course, have already made great progress, as we’ve profiled in previous issues of this newsletter. In this issue, we highlight the work of Phillips Foods, because they have initiated and lead key fisheries improvement efforts, rather than relying on the leadership of an NGO or other party to get things moving. If all suppliers had the same “can do” spirit and acted upon it, seafood supply chains as a whole would find it much easier to satisfy their customers’ rapidly growing demand for sustainable seafood.

Jim Cannon



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PHILLIPS SEAFOOD COVER STORY CONT'D

On the Blue Swimming Crab of Indonesia

Phillips pioneered the development of pasteurized crab meat in Asia and now operates 17 factories, which are now managed by our Phillips Asian Corporate office in Bangkok, Thailand, with direction from our World Headquarters located in Baltimore, Maryland.



About the Blue Swimming Crab Fishery in Indonesia, this fishery has expanded beyond anyone's imagination in terms of development and export sales. It has grown so quickly that it has escaped attention from governmental officials. Rules and regulations are desperately needed to assure that this resource is sustainable for future generations. Because of the creation of the Indonesia Crab Processors Association (APRI) and SFP's recent efforts, Indonesian governmental officials are finally becoming more aware of the issues and the need for action. That action includes implementing enforcement efforts, along with potential hatchery development for restocking and replenishment programs and other educational aspects that can be supported by the Indonesian universities.

To move forward, I would strongly recommend an "export tax" or a "resource management sustainability charge" which would be levied on any export of crab meat or crab-related product, in the form of half of one percent. These monies should go to the establishment of hatcheries for the restocking and replenishment programs to assure sustainability. The reality is that doing the "right thing" does cost money, and this funding scheme would provide a yearly flow of funds to improve the fishery. I will also say to the critics of this sort of funding scheme that the long-term cost of not doing this is the potential devastation of the industry, so tell me what you prefer. If my two grandfathers could come back today to visit our devastated Chesapeake Bay, I know how they would vote on this issue.

On Fisheries Management

I cannot tell you how important working from a "grass roots" or "bottom up" approach is in understanding what is actually happening in a fishery. Last year in Indonesia, the entire country's production of crab meat was down close to 20 percent and that trend will likely continue throughout the next year. This is not the direction that this fishery needs to go and not a direction that is healthy. But you can learn just as much about a fishery's prospects by sitting down with fishermen and their families, the ones that are going out to sea each and every day, to see how they feel about what is happening today versus what happened 10 years ago, and how they feel about their future.

I think that if you look at fisheries in general, most of them have been very poorly managed. If you look at a farmer who raises a crop, he tills the soil, waters the soil, weeds the soil, fertilizes the soil, turns the soil, always takes care of the soil, which produces the crop from which the farmer earns an income. If this farmer does not take care of the soil, the

soil will not take care of him. I think with fisheries, it has too often in the past been take, take, take, and never give anything back. Unlike the farmer who takes care of his soil and profits, the fisherman is not taking care of the water (his soil), and the potential bounty is not being realized.



On Industry's Role in Sustainable Seafood

Industry's role needs to be one of good leadership. It also must be one of creating transparency and addressing the realities of a situation, and making good long-term decisions versus the short-term decisions that are just good for the day. The industry must understand that there can be no greater issue than that of the health of the resource and providing for future generations.

Phillips feels a tremendous responsibility to the Indonesian people, to make sure that what we are doing as an industry is sustainable for future generations in Indonesia. It may be too late for the Chesapeake Bay, but we have a chance to do the right thing at this time in history, and we should not fail in our duty as an industry.

My position on sustainability is that first of all, it's good business and it's the right thing to do. If you are going to produce seafood, you have a duty and a responsibility to focus on making the resource that you are working with sustainable. You owe that to the future generations.



FISHERY IMPROVEMENT PARTNERSHIPS UPDATE

Fishery Improvement Partnerships

A Fishery Improvement Partnership (FIP) is an alliance of buyers, suppliers and producers that work together to improve a fishery by pressing for better policies and management. By voluntarily changing purchasing and fishing practices, FIP members can reduce problems such as illegal fishing, bycatch and habitat impacts.



Russian Far East (RFE) Salmon – Sakhalin Island

SFP and Wild Salmon Center led a trip to Sakhalin Island for major buyers from North America and Europe. The buyers visited a number of trap fisheries, processing plants, hatcheries, and government offices, providing the buyers with first-hand information of fishery conditions in Sakhalin Island and issues salmon producers currently face. The buyers expressed their support for sustainable development of Sakhalin salmon resources. Several other North America seafood companies have expressed interest in working with SFP to identify sources of sustainable Russian salmon. SFP is assisting the Wild Salmon Center in launching several regional improvement partnerships on Sakhalin Island to move fisheries toward MSC certification.



Russian Far East (RFE) Pollock

Participants of the RFE pollock FIP presented progress reports on fishery improvement efforts at a formal session of the Vladivostok International Fishery Congress last September. The participants reiterated the market needs for sustainable pollock and the benefits for companies to engage in the fishery improvements partnership. RFE pollock splits into two units of certification, Sea of Okhotsk and West Bering Sea—both have been under MSC full assessment for the past year.



Baltic Sea Cod

Eastern Baltic cod is currently under MSC full assessment. The eastern stock component has responded positively to improvement measures and implementation of the recovery plan and has doubled in size in the last few years. ICES advises the stock is at its highest since 1996, and fishing mortality is at its lowest since the 1960s. We believe this improvement is at least partly due to the improvement efforts of our partners. The western stock is not improving as rapidly as the eastern stock. Participants of the Baltic Sea cod FIP presented the progress of the fishery improvement during the Baltic Sea Conference in October, in addition to holding regular updates with the Baltic Sea Regional Advisory Council.



Atlantic Menhaden

SFP held its first FIP roundtable meeting on Atlantic Menhaden in St. Petersburg, Florida, in January at the Florida Fish and Wildlife Research Institute. The meeting brought together members of government, industry, and academia to discuss ways to address the stock assessment process, which is not adequately capturing the low recruitment of the stock.

While the coastwide stock appears to be healthy, concerns include the use of a single limited adult index in the assessment, localized depletion in the Chesapeake Bay region, and low recruitment. However, current data neither substantiates nor disproves those concerns.

The roundtable was formed to discuss ways to implement a broad-scale adult survey to be used as an index in the assessment, and to address any deficiencies in the fishery that may surface either through the survey or through an MSC assessment process.

The roundtable aims to:

- Sponsor workshops to design an aerial survey as a first step in launching a full-scale survey
- Create a plan for implementing the survey, including identifying the appropriate institutions to fund and manage it
- Work with major buyers and NGOs to advocate better monitoring and assessment of Atlantic menhaden
- Engage partners to participate in management processes to secure sustainable fisheries policies.



FISHERY IMPROVEMENT PARTNERSHIPS UPDATE

The Silent (Successful) Battle for Transparency

The most effective weapons for fighting for higher levels of transparency in the fisheries of Argentina, Chile, Peru, and Uruguay are not machine guns or cannons, but repeatedly filed forms, persistent letters, and lots of patience on office lines.



The Centre for Development and Sustainable Fisheries (CeDePesca), with the support of SFP, has been successful in recent years at taking advantage of the sometimes limited transparency laws in South America, and is making an important contribution to the public understanding of the status of whitefish and forage fish fisheries in the region.

"At the beginning it was pretty hard," confesses Denise Boré, CeDePesca's representative in Chile. "The process was slow and officials gave us hundreds of copied documents 'to avoid manipulation of the reports.' But now they are learning how the transparency law must work and the process is faster and electronic."

In Peru, the transparency law is older but more limited than Chile's. Nevertheless, the environmental lawyer Carmen Guerrero, CeDePesca's representative in Peru, learned that when a scientific source is released to the public, the technical report in which the source is cited must also be publicly available. So, after completing many forms, paying fees, and walking office halls, Guerrero got scientific reports from Instituto del Mar del Peru (IMARPE) released officially for the first time in Peruvian history.

"Sometimes I got desperate, but in the end it was encouraging to see how the officials were accepting, step by step, this new situation," remembers Guerrero. "There is a new system now, a simplified one. I still have to fill forms, but the reports can be sent by email—faster and for free!"

In Uruguay, the Joint Management Commission, in partnership with Argentina, is in charge of ruling the Hake Northern Stock, which is very depleted. After an exchange of formal letters between the Commission and CeDePesca, in which CeDePesca strongly but privately criticized program deficiencies, the last response from the Commission was very positive, promising changes to improve transparency, research, and management.

"The shift in attitude was certainly surprising," said Alejandra Cornejo, in charge of the Northern Stock project at CeDePesca headquarters in Mar del Plata, Argentina. "We really did not expect such a change, but I think that our style—keeping our criticisms private and voicing a strong rationale behind our comments—was effective. We took a risk, and it was a good one."

In Argentina, the transparency law was approved three years ago, reinforcing earlier advances: fisheries statistics are updated weekly, quarterly reports inform individual quota evolution, and VMS images are updated every two days. Next, the CeDePesca team plans to survey the new Capture Certificates system, particularly the production yield item and the local market requirements.



"There are many things yet to do to improve transparency," stated Ernesto Godelman, SFP Director for South and Central America.

"Underreporting and corruption are general issues, and participation in the decision-making process is still very weak; but these first accomplishments have been encouraging and persistence has always been a crucial part of CeDePesca's character."



SFP PROGRAM UPDATES

Global Ocean Health Program Update

During the past year, SFP's Global Ocean Health (GOH) program has been busy raising awareness about ocean acidification within the seafood industry.

SFP continues to forge alliances to tackle ocean acidification among industry and conservation groups. The international marine conservation organization Oceana, helped raise funds to support our work with a growing roster of commercial fishermen, seafood firms, and fishing communities that are learning about ocean acidification and, increasingly, pressing governments to take action.

With support from Oceana, Oak Foundation, and the Rockefeller Brothers Fund, SFP expanded outreach and education efforts in the U.S. and internationally. Among other accomplishments, we organized three delegations of fishermen, shellfish growers, processors, and scientists who traveled to Washington, DC, from all three U.S. coasts to educate federal lawmakers about the unforeseen consequences of CO₂ emissions for fisheries.



In September 2009, GOH Program Director Brad Warren coordinated a joint initiative involving several conservation and fishing organizations with support from the Oak Foundation.

More than 100 vessels assembled to spell out: "SOS ACID OCEAN" on the bay outside Homer, Alaska. More than 500 people participated in the effort, which generated international news coverage and video footage of fishermen calling for urgent measures to limit the carbon dioxide emissions that are acidifying the world's oceans.

In December 2009, Bering Sea crab vessel owner Erling Skaar traveled with us to the U.N. climate negotiations in Copenhagen at his own expense to encourage U.N. climate negotiators to set carbon caps designed to protect fisheries and oceans. In Copenhagen, SFP's Brad Warren welcomed an announcement from the U.N. Intergovernmental Panel on Climate Change that ocean acidification will be a major subject of scientific advice for the 2010 global negotiations. "Acidification is the ultimate 'big tent' issue for people who care about fisheries and oceans, so it is heartening for all of us to see that the ocean consequences of carbon dioxide emissions are starting to command high-level attention here at the climate talks," Warren said.

Partnership Updates

SFP partners with businesses that are dedicated to sustainable seafood sourcing.

We recently announced partnerships with High Liner Foods Inc. and ALDI USA.

SFP announced in January that it will work with High Liner Foods to develop programs and strategies that move the company forward on its long-term goal of purchasing 100 percent of its raw materials and commodities from certified sustainably caught or farmed seafood.

"We are very committed to running our business sustainably. Well managed and sustainable fishing is essential for healthy oceans, cultures, and economies," said Henry Demone, president and CEO of High Liner Foods.

High Liner Foods has worked with the SFP and suppliers on fishery improvement projects to ensure that High Liner Foods' "High Liner®", "FPI®", "Fisher Boy®" and Sea Cuisine™ brands, as well as its private label portfolios, include certified sustainable products according to standards set by the MSC and the ACC. These initiatives will help to ensure that procured seafood meets High Liner Foods' standards of quality and food safety.

In February, SFP and ALDI announced plans to partner on evaluating the sustainability of the company's seafood products.

"We're very pleased to launch this partnership with SFP to assist us on forming the foundation of our seafood sustainability work at ALDI. We recognize the value that they bring to the table in respect to fishery and aquaculture improvement, and are appreciative of the fact that they are so highly regarded throughout the seafood supply chain. This initiative is designed to ensure that the products we offer to our customers are derived from sustainable fisheries and aquaculture sources", said Daniel Malechuk, Director of Corporate Purchasing for ALDI.



FEED FISHERIES AND TUNA

Creating Sustainable Aquaculture Feeds

SFP recently released a position statement about the importance of creating sustainable aquaculture feeds. Our challenge was to create guidance for how such fisheries can be identified, an effort that is not necessarily straightforward and involves a number of considerations.

Given the urgent need to protect and maintain marine ecosystems, SFP developed practical steps for addressing the aquaculture feed standard, summarized here. The full briefing and position statement are on our website.

Long-Term Aim

All fisheries should be managed according to sound, ecosystem-based principles that ensure sustainably managed fishing alongside a high degree of protection for the marine ecosystems that support those fisheries.

Medium-Term Aim

The medium-term target for any standard that seeks to exclusively source feed ingredients from sustainably managed fisheries should be an independent, third-party, FAO- and ISEAL-compliant eco-label scheme such as the Marine Stewardship Council (MSC). Ideally, one could point to existing certified fisheries and expect

participants in an aquaculture accreditation scheme to ensure that their feeds are derived only from those fisheries. Unfortunately, this is not possible because there are insufficient certified fisheries to provide the amount of feed required.

SFP recommends setting a target (of exclusively sourcing feed ingredients from sustainably managed fisheries that are certified by an independent, third-party, FAO- and ISEAL-compliant eco-label scheme) in the future. We suggest that this period should not exceed 5 years, starting from the beginning of 2010.

Interim Period

Between now and the end of 2014, we need to find a workable set of guidelines for choosing feed ingredients that avoids sourcing from fisheries that available data indicate would fail MSC minimum requirements. Such guidelines should be based on information that is currently available, as up-to-date as possible, and useful in sourcing for the aquaculture supply chain.

Dilemma in Doha

By the time this newsletter is published, the member nations of CITES (Convention for the International Trade of Endangered Species) will have met in Doha, Qatar, and there will be a decision about whether the bluefin tuna will be listed under Appendix I of CITES, which would end legal exports of East Atlantic/Mediterranean bluefin tuna (BFTE).

A CITES I listing would immediately eliminate a large component of the fishing pressure on East Atlantic/Mediterranean bluefin tuna stocks, certainly that which is currently legal and bound directly for Japan (an estimated 60%). Should the Appendix I listing not succeed, there is the possibility that an Appendix II listing could occur which would trigger mandatory new catch reporting requirements for exporting countries.



Bluefin Tuna

SFP's concern throughout the process leading up to Doha and beyond is that there's no obvious consideration of a backup plan to guide the tuna trade in the absence of a CITES listing. SFP recently released a statement advising participants to consider a backup plan to minimize further damage to the East Atlantic/Mediterranean bluefin, as well as other tuna species that will see increased pressure should the listing succeed. Our plan focuses particularly on the role traders can play in eliminating IUU (Illegal, Unregulated and Underreported) fishing.

Details of SFP's advice on Doha and the tuna debacle can be found on our website.



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SUPPORT SFP AND ANNOUNCEMENTS



Founded in 2006, The Sustainable Fisheries Partnership (SFP) is a nonprofit project that is fiscally sponsored and legally organized under the Trust for Conservation Innovation, a nonprofit, tax-exempt organization under Section 501(c)(3) of the USA Internal Revenue Code.

SFP operates as a 'virtual nonprofit' with low overhead so that we can direct a greater percentage of our funds towards programmatic results. We do this through our global network of experts who are based in the field and who know the fisheries we engage and advise. We welcome your support for SFP. Your donation will make a critical difference in how quickly and effectively we can restore key fisheries worldwide.

Support SFP

Donations may be made out to the:

Sustainable Fisheries Partnership

c/o: Trust for Conservation Innovation,

423 Washington Street, 5th Floor

San Francisco, CA 94111 USA.

You may also contribute online:

www.trustforconservationinnovation.org/sfp.html

FishSource 2.0



The recently updated FishSource website now profiles more than 180 fisheries. The site features updated and expanded profiles and easier access to fisheries through improved search engines, as well as a comprehensive FAQs section. A News section on the site will provide regular updates.

Pedro Sousa, Director of FishSource, can be reached at [pedro.sousa\(at\)sustainablefish.org](mailto:pedro.sousa(at)sustainablefish.org).

New to SFP

SFP is fortunate to welcome some outstanding individuals to the organization since our last update:

Jennifer Dianto Kemmerly,
Program Manager;

Kathryn Novak,
Sustainable Fisheries &
Markets Program Manager;

Stephanie Strutt,
Fundraising Advisor;

Duncan Leadbetter,
Technical Director;

Blake Lee Harwood,
Advisor on feed fisheries; and

Gayatri Lilley
Indonesian FIP Consultant.

Staff biographies can be found on SFP's website.

In the News

SFP's Howard Johnson and our South American partner, CeDePesca, were named finalists of the Seafood Champions Award announced in Paris, France, at the Seafood Choice Alliance's annual Seafood Summit.

Upcoming Events

SFP will be at the following events:

International Boston Seafood Show

March 14 - 16, 2010
Boston, USA

European Seafood Exposition

April 27 - 29, 2010
Brussels, Belgium

To arrange an appointment with SFP please email [info\(at\)sustainablefish.org](mailto:info(at)sustainablefish.org)

