

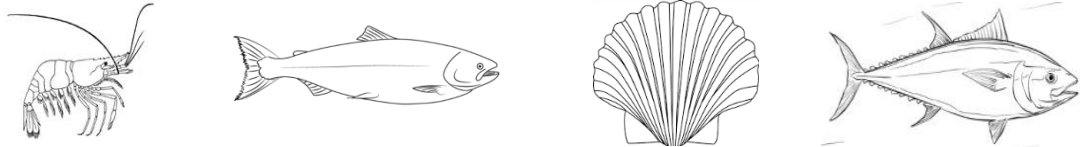
Learnings and Best Practice of the Fair Trade Seafood Program

November 2018

Executive Summary Impact of the Fair Trade Seafood Program (2014-2018)



Images courtesy of Fair Trade USA and associated websites



1. Overall Findings

Fair Trade’s vision is to build a global model around the concept that economic empowerment and sustainable livelihoods are the basis for a market that works for everyone.

Fair Trade empowers farmers, fishermen, and workers to fight poverty in ways that improve lives and protect the environment. Rather than creating dependency on aid, it harnesses the power of markets to help producers, businesses, and consumers alike to invest in a better future. Capture Fisheries Standard Version 1.1.0 Fair Trade USA Published: November 15, 2017 Effective: January 15, 2018

The Fair Trade mission is to help build resilient fishing communities by ensuring financially viable supply chains, safe working conditions, access to community services, and healthy marine ecosystems for future generations. They aim to achieve this through applying the Fair Trade Capture Fisheries Standard to fisheries and the corresponding supply chains.

The Fair Trade Capture Fisheries Standard was envisioned as a solution for small and medium-scale fishermen to demonstrate good practices and be rewarded for it. At the time of the Standard’s initial development, existing certification and ratings were, “*largely based on the condition of the [fish] stock versus fishing practices used,*” (Maya Spaul, FTUSA VP, Apparel and Home Goods and previously Director of New Category Innovation within the Seafood team). This also “*put small-scale fishermen in developing countries at a disadvantage*”.

This is an executive summary of a larger report on the socioeconomic and environmental impacts of fishing communities certified over the course of the Fair Trade Seafood program and Capture Fisheries Standard to date; the first five years of operation. The report includes analysis of transaction and audit data, in-depth case studies of each of the Fair Trade fisheries using survey data, publicly available information, and interviews with representatives from the certified fisheries. It also draws on interviews undertaken with Fair Trade Seafood program staff.

The overall aim is to depict the Fair Trade USA story; the benefits and learnings. In this summary, the benefits of each Fair Trade pillar are outlined, common elements of success and opportunities highlighted, and key recommendations given to address and build on learnings.

As shown in the map below, the Fair Trade Capture Fisheries Standard has been applied to a total of six fisheries in five countries from the United States to the Maldives and the Solomon Islands (the latter was in process at the time of writing this report).



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The Capture Fisheries Standard launched in 2014, with the first fishery becoming certified in the same year. The program has grown steadily on an annual basis, as can be seen in the timeline below.



The first certification began with handline-caught yellowfin tuna from Indonesia, in partnership with Anova Food. In 2016, Del Pacifico's Mexican shrimp supply chain was certified out of Sinaloa. This fishery uses artisanal hand cast nets (locally known as suripera nets) and artisanal bottom trawling (otter) nets. In the same year, the program expanded to include yellowfin tuna from the Maldives in collaboration with the import company Blue Circle Foods. 2017 saw expansion in the Maldives with the addition of skipjack tuna imported by Blueyou and the first US sea scallop certifications in partnership with Bristol Seafoods, Northern Wind, and Atlantic Capes. 2017 also brought an Alaskan salmon certification with the brand Wildfish Marketing. Currently (2018), a small-scale seine and pole and line caught tuna fishery in the Solomon Islands is under assessment.

Since Fair Trade-labelled products launched in 2014, sales have grown rapidly to almost 5 thousand metric tonnes with a value of USD \$35 million in 2017, the last full year of

sales. This has contributed \$250,000 of service fee revenue for the organization.

In total, the program has seen around 250 non-compliances, with 60% of these being minor non-compliances across the certified fisheries. These non-compliances are required to be closed out and thus represent improvements attributable to Fair Trade.

The Fair Trade Seafood program team has achieved these milestones and delivered a robust certification that has brought benefits to fishermen globally. In addition, it must be recognized that the efforts have had the less tangible benefit, but no less important, of raising awareness around social sustainability of fisheries. These have been achieved whilst facing the reality of needing to reach small and medium-scale fishermen in remote locations often experiencing socioeconomic issues. The program has so-far relied on foundation grants to operate, but its service fee revenues have grown, demonstrating although the program is not yet self-sustaining, it has built a solid foundation on which to further expand the program.

Benefits Against Each Fair Trade Pillar: Empowerment; Economic Development; Social Responsibility & Environmental Stewardship

Empowerment




One of the important benefits relating to empowerment has been the organization of fishermen into over 40 Fair Trade cooperatives or associations (across all certified fisheries), allowing them to build a collective voice. This collective voice and greater organization improves bargaining power when negotiating with traders or middlemen as well as defending their rights, where necessary.

Capacity development has involved not only establishing cooperatives or associations, but also setting up of Fair Trade Committees, a requirement of the certification. Fair Trade Committee members are chosen via democratic elections and are responsible for managing the Fair Trade Premium; community development funds earned with each sale of Fair Trade product. Within these Committees, people are empowered through participation, enabling greater consensus on decisions, for example in relation to the use of the Fair Trade Premium, and of problem resolution where necessary. Most of the surveys carried out on behalf of Fair Trade confirmed that interviewees had a good understanding of the Fair Trade program and the Premium (generally over 60%); as such they should be able to make informed decisions.

Survey data has shown that between 10% and 63% of those in the Fair Trade community interviewed said that life improved over the last year. Fishermen are being listened to, with feedback showing around a quarter of fishers citing that their complaints have been effectively dealt with.

The Fair Trade Program has directly benefited a total of 2,245 fishers and 1,179 post-harvest processing workers across eight supply chains (see Table 1).

Table 1: Fair Trade fishermen, processing workers, and Associations

Fishery (Importer)	Fair Trade Fishermen 	Processing Workers 	Fair Trade Associations 
Indonesian Yellowfin Tuna (Anova Food)	700	150	30
Mexican Pacific Shrimp (Del Pacifico Seafoods)	833	144	9
Maldivian Yellowfin Tuna (Blue Circle Foods)	265	55	2
Maldivian Skipjack Tuna (Blueyou)	378	486	3
US Atlantic Sea Scallops (Bristol Seafood & Northern Wind)	49	175	1
US Atlantic Sea Scallops (Atlantic Capes Fisheries)	20	126	1
US Alaskan Salmon (Wildfish Marketing)	109	43	2
Total	2,354	1,179	48

Economic Development: Fishing Communities

The Fair Trade Premium earned by certified producers from sales of Fair Trade seafood is a tangible economic benefit that can be easily measured. The total Premium generated for all fishing communities over the life of the program to-date amounts to a total of USD \$1.25 million. Funds already dispersed totals almost \$900,000.¹ The Premium dispersed to each fishery is illustrated in the map below.

Map: Fair Trade Premium Dispersed through November 2018



To put the Premium into perspective, this value must be compared to the conditions in each fishery where Fair Trade has been active. These fisheries are often characterized by poverty and socioeconomic issues. For example, the average income in one Fair Trade fishing community is twelve dollars a day. Food insecurity may also be a major issue. In one fishery, survey data show up to 63% of people surveyed said they skipped a meal due to not having enough money; in another fishing community this figure was 30%.

There are examples of how the Premium has been used within Fair Trade communities, including safety at sea training, education (teacher training and better facilities), landing site improvements, and investments in post-harvest and waste management projects. The Premium is also being used for long-term investments such as savings accounts for children and health insurance (see Table 2 below).

Table 2: Examples of projects funded by the Fair Trade Premium

Fishery (Importer)	Premium Projects
Indonesian Yellowfin Tuna (Anova Food)	<ul style="list-style-type: none"> ○ Safety training and equipment ○ Training and equipment for post-harvest improvement ○ Savings accounts for fisher's children ○ Donations to local mosques ○ Conservation education projects
Mexican Pacific Shrimp (Del Pacifico Seafoods)	<ul style="list-style-type: none"> ○ Air conditioning units for schools ○ Personal protection equipment ○ Fishing vessel and gear repair ○ Renovation of landing docks ○ Professional training ○ Waste clean-ups

¹ Value calculated based on volume data through November 2018.

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	<ul style="list-style-type: none"> ○ Surveillance against illegal fishing ○ Mangrove restoration
Maldivian Yellowfin Tuna (Blue Circle Foods)	<ul style="list-style-type: none"> ○ Improved health care facilities ○ School resources ○ Solar energy & waste management projects
Maldivian Skipjack Tuna (Blueyou)	<ul style="list-style-type: none"> ○ Premium funds not used at the time of this report
US Atlantic Sea Scallops (Bristol Seafood & Northern Wind)	<ul style="list-style-type: none"> ○ Fisheries fund to support research and science
US Atlantic Sea Scallops (Atlantic Capes Fisheries)	<ul style="list-style-type: none"> ○ Premium funds not earned at the time of this report
US Alaskan Salmon (Wildfish Marketing)	<ul style="list-style-type: none"> ○ Premium funds not earned at the time of this report

In addition to the Premium, there are other examples of economic benefits that have a wider benefit for the local community, including expanded local processing in the Maldives (for skipjack tuna). Surveys also indicate that individuals' quality of life or incomes have improved (for example in the Maldivian yellowfin tuna, Maldivian skipjack tuna, Mexican Pacific shrimp and Alaskan salmon fisheries).

Economic Development: Supply Chain

Fair Trade certification has also improved market access or increased demand through the supply chain where markets recognize the benefit of the Fair Trade label. For instance, there has been increased market demand for Fair Trade Certified™ seafood, including in high-end retailers and food service. One of the challenges of the Program so far has been to gain recognition with mainstream retailers.

Seafood buyers appreciate the traceability that comes with the program as well as the ability to lower their social risk profile without carrying out separate labour or social accountability audits.

Social Responsibility

Fair Trade certification immediately impacts the lives of the workers that are part of the program, either at-sea fishing or on-land processing. Their basic human rights are checked in accordance with the Capture Fisheries Standard and assured through the assessment process. These rights cover the core ILO conventions and include assuring no discrimination, excessive disciplinary practices, human trafficking, or forced or child labour. It requires freedom of association and that health and safety provisions are in place to protect fishers and workers.

Audits of the fisheries which achieved Fair Trade certification show there are no forced labour or labour abuses occurring at the fishery, which provides assurance to the supply chain of social accountability. Where non-compliances are identified during an audit, corrective actions are put in place to rectify the non-compliances and improve social and working conditions for fishermen and workers. Examples of this happening in practice were identified by comparing audit report results over time.

Audits also ensure that any labour or health and safety issues that do not meet the Standard are flagged (which might otherwise go unnoticed) and are addressed as part of required post-audit activities. In Indonesia, for example, it has been reported that all registered fishermen have received life jackets as part of the program and two thirds have received safety at sea training.

Environmental Stewardship

Overall, the environmental stewardship of the fisheries involved in the Fair Trade Program is good either due to the validation of low-impact fishing methods (for example, Indonesian handline tuna, pole and line Maldivian tuna, or drift nets used in the Mexican shrimp fishery) or by the virtue that the fisheries are also certified to the Marine Stewardship Council (MSC) standard (e.g. US sea scallops and Alaskan salmon).

In all certified fisheries, 30% of the Premium must be used (or planned to be used) on environmental projects, as required by the Capture Fisheries Standard. These include interventions such as monitoring, control and surveillance, improved data collection, and environmental education.

Furthermore, the Fair Trade process attracts wider environmental projects. For instance, in the Maldives, Fair Trade companies have supported a local waste management project within the islands. They work with NGOs on the ground to run the project and plan to use the story in their advertising.

The environmental requirements that Fair Trade expects has led to improvements in fishery management, including data collection. For example, more fishermen are now using logbooks, vessels are equipped with VMS systems, and there have been reductions in waste. The environmental criteria within the Standard are not always popular with fishermen however, with up to a quarter of survey respondents expressing that changes to fishery management are the biggest challenge of Fair Trade certification.

Common Elements of Success and Opportunity

An important element of success within the Fair Trade seafood program's first five years was having a dedicated person or team on the ground facilitating the certification and capacity building process. It was also noted there was greater success with Fair Trade certification when a fishery was already part of a Fishery Improvement Project (FIP) or MSC certified.

Several fisheries' stakeholders saw an opportunity to expand the program, subject to sufficient market demand. However, the logistics of this are often complex especially, for example, where fisheries operate with workers originating from highly dispersed communities. Having the support of a well-networked NGO in the country/region is seen as a potential solution to addressing and resolving these challenges.

Stakeholders recognize the opportunity to maximize Fair Trade value by connecting to other initiatives. These include Fair Trade certification within Fishery Improvement Projects and joint marketing by fisheries also certified through MSC.

Many of the fisheries' stakeholders identify the need for further support on resources that can support or enable Fair Trade certification, especially in developing fisheries management plans and developing and prioritizing Premium spending plans.

Stakeholders identified building more market demand to improve uptake of Fair Trade Certified™ seafood as the main challenge for the program. This involves growing existing markets, but also new areas such as food service and education institutes, as well as new geographies where the fair trade concept is well received, for example in Europe.

2. Recommendations

The following is not intended to be an exhaustive list of detailed recommendations, but rather highlights those that could reap rewards toward the Fair Trade mission in the next three to five years of operations.

1) *Define, measure and communicate impact; Improve data*

It is recommended the program continues to refine the monitoring and evaluation processes and infrastructure in order to continue to support robust data collection and impact measurement.

2) *Enhance communications*

It is critical the program improve external communication on a number of levels to build awareness, educate stakeholders, strengthen connection, and grow markets. In other global markets, Fair Trade value is built on the ability of the shopper to connect with producers who are benefiting from producing the commodity.

3) *Education & protocol support*

What Fair Trade has done really well is educate stakeholders on the importance of socioeconomic sustainability in fisheries. This needs to be continued and expanded so that demand grows and supports the development of the program.

4) *Certify producers and supply chain partners; Smart targeting*

Now momentum has been built in the first certified fisheries, across different species and geographies, it is recommended Fair Trade explore and define the model of fisheries best suited to certification in order to achieve maximum impact.

5) *Certify producers and supply chain partners; Market development (beyond USA)*

The fair trade movement is mature and well understood in a number of global markets, and across a variety of commodities. While development of new product offerings takes effort and investment, it is appropriate to explore where the unique proposition of Fair Trade seafood is best received. Northern Europe, in particular the UK and Germany, are strong fair trade markets and may present opportunities to expand the impact of the program.

6) *Enable producer services which build competitiveness; Build a portfolio of partners to accelerate and deepen action*

Program staff and stakeholders believe good partners, local to the fishery undergoing or having received certification, are a great benefit. Identification of future partners, not only on the ground locally, but also those with similar and complimentary propositions (for example NGO programs looking at livelihoods and social good, or standard holders offering high quality certification of seafood production) would be a proactive way to accelerate outreach and knowledge.