

Fishy Business

Why Retailers Should Demand Effective Governance of Sustainable Aquaculture Ecolabels



Al Mare

The aquaculture industry is on the rise: since 1950, aquaculture production has grown 8.8 percent per year and shows little sign of slowing. This “blue revolution” shows great promise for reducing pressure on depleted wild fish stocks, providing a source income in developing economies, and serving as an important protein source in undernourished regions. Unfortunately, the serious environmental and social impacts caused by some current aquaculture production practices threaten to undermine these goals. Ecolabels offer a way for retailers and consumers to distinguish between products that are produced in a sustainable fashion and those that are not. While demand for labeled products has shown tremendous growth, questions remain about whether labeled products are truly superior or if labeling is a form of greenwashing. In the Gold Standard for Sustainable Aquaculture Ecolabeling, the Environmental Law Institute (ELI) and The Ocean Foundation (TOF) identified key components of credible, effective ecolabels. By assessing an ecolabel against the Gold Standard, retailers can determine whether it is designed and implemented in a credible and effective way that will provide meaningful information to their customers.



OceanBoy Farms/Marine Photobank



Ken Hammond/USDA

What are the impacts of aquaculture production?

The impacts of aquaculture production differ by species and production practices. In general, however, aquaculture may produce a wide range of impacts on the environment and on local communities, including, but not limited to:

- Dependence on overfished wild feedstocks
- Creation of protein deficits in developing world due to export of fish for meal and oil
- Production of nitrogenous waste from fecal matter and excess food
- Escape of nonnative species and genotypes that interfere with native species
- Transmission of diseases and use of prophylactic antibiotics and parasiticides
- Animal welfare concerns due to overcrowding and growth in suboptimal conditions
- Reduction of freshwater resources, including salinization of aquifers
- Destruction of coastal habitats, such as mangroves
- Interference with historical use of land and water by local communities
- Lack of consideration for worker's or women's rights

The types and seriousness of the relevant impacts of production differ by species, by locality, and by production process. For example, production of tuna requires much larger amounts of fish meal and oil than does tilapia, and systems that treat and re-circulate waste water release less nitrogenous waste than do open net pens. Similarly, facilities located in estuarine areas may have different impacts on habitat than those located in marine or freshwater areas. Ecolabels must determine how to address all of these variables to assure consumers that their products are sustainable.

Are there any potential ways to address these impacts?

Ecolabeling offers one way to ensure that aquaculture production is environmentally, socially, and economically sound without relying on government regulation. The

Marine Aquaculture Task Force has noted that eco-labeling, can significantly improve aquaculture sustainability. In fact, a number of aquaculture ecolabels have already been developed, and more are expected in coming months and years. However, according to an independent review, all existing ecolabels lack key institutional controls and inadequately consider key impacts of production and processing. In addition, it is not clear that these efforts have resulted in improvements in environmental or social practices on the ground to date.

What is an ecolabel?

Ecolabeling is a simple idea that has been implemented in a wide array of industries, ranging from agriculture to fishing. Ecolabels rely on the power of the market to create incentives for producers to implement sustainable practices that avoid environmental, social, and economic harm. Ecolabels create standards that producers must meet to become certified. These standards cover a range of topics, such as pollution limits, protection for workers' rights, and ensuring community access to land. Producers that meet these standards can seek certification; if they pass inspection, certified producers can add the ecolabel mark to their products. The mark indicates that a product meets the standards set by the ecolabel, encouraging consumers to pay a premium for labeled products. In addition, stores may require that their merchandise be certified, allowing certified producers to benefit from increased access to markets.

Why is ecolabel governance important?

The theory behind ecolabeling is the same from industry to industry, but individual labels implement that theory in different ways. Differences in institutional design and governance play an important role in determining whether a particular label will be successful. As a result, labels must be carefully designed to ensure that they are credible and produce appropriate incentives for producers. Consumers and public interest organizations may not accept labels that are not transparent or lack participation mechanisms – a com-



Ryan Somma



Peter Gugerell

mon concern for labels created or controlled by a trade association. Conversely, labels may struggle to attract producers due to limited price premiums or high certification costs. In both cases, ecolabels are unlikely to accomplish their environmental and social goals. Robust institutional design and governance are needed to avoid these pitfalls.

What makes ecolabel governance effective?

The Gold Standard for Sustainable Aquaculture Ecolabeling provides a comprehensive guide for effective, credible ecolabel design specifically for aquaculture certification. The Gold Standard recommends design processes and substantive standards for four key elements of ecolabel design that every ecolabel must consider during the course of its operations. Ecolabels that consider and apply these recommendations are operated in a credible and effective manner.

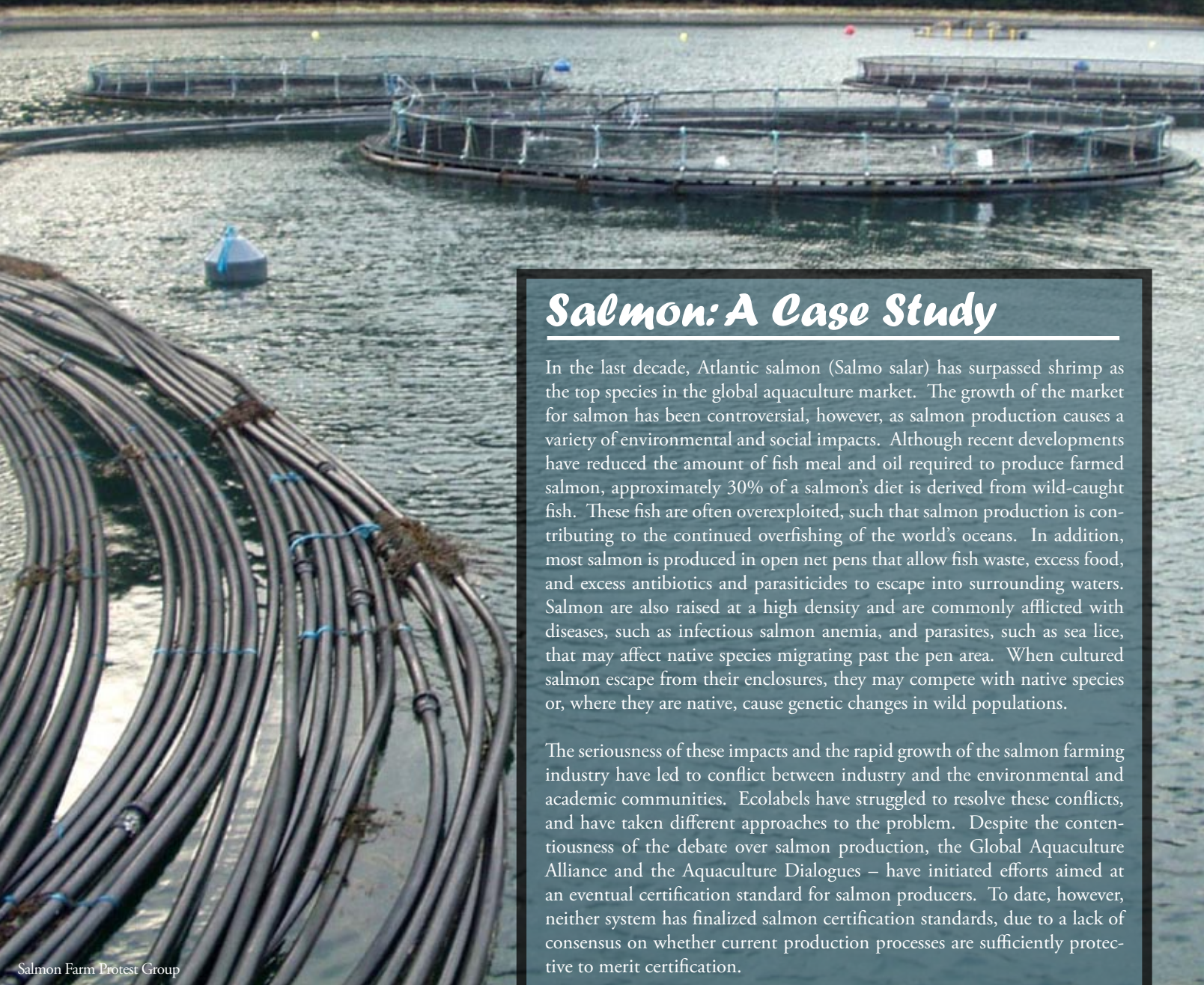
- **Scope:** Scoping documents establish the goals for which the label is created so that stakeholders and designers develop a shared understanding of the relevant impacts the ecolabel will seek to avoid and the benchmarks to determine ecolabel success.
- **Governance structure:** Ecolabels are implemented by bodies ranging from a board of directors to dispute resolution panels. Effective ecolabels ensure that the structure of and procedures used by these bodies are credible, ensuring participatory, transparent, and accountable systems that incorporate the views of all stakeholders.
- **Standards:** Standards are the heart of any ecolabel. Credible, standards are developed through written procedures and provide objective measures of compliance that can be directly applied during certification.
- **Implementation:** Certification bodies apply ecolabel standards by evaluating producers for compliance. Ecolabels rely on certifiers to implement their systems fairly and must ensure adequate participation, transparency, and accountability mechanisms to ensure that the worthy producers are certified and others are excluded.

What is the difference between sustainability and best practices?

Ecolabels come in two basic forms. Some focus on encouraging producers to implement ‘best practices’ – at best, measures that are agreed upon as the state of the art. By their nature, these systems are rooted in measures that are currently feasible and are incremental in nature. Others are based on sustainability. Sustainability is a high bar – it seeks economic development that does not degrade natural systems or undermine basic human needs for this generation or future generations. Ecolabels attempting to ensure sustainability certify only producers that fully mitigate their harms, without regard to current feasibility. As a result, sustainable ecolabels might not certify producers of a given species that cannot feasibly be produced in a sustainable manner, while a ‘best practices’ system might certify such producers, provided that they comply with the industry’s best practices. Thus, at retail, sustainability-based ecolabels will provide price premiums for only a subset of species, whereas ecolabels based on best practices may provide certified products from all species.

The Gold Standard recommendations are based on the idea that certification should be available only to producers that are truly sustainable. This requires comprehensive and complex evaluations of how production affects the environment, society, human health, and animal welfare. Undoubtedly, it will limit the number of producers who are eligible for certification. However, only a focus on sustainability can assure consumers that labeled products fully mitigate their environmental and social impacts. In addition, only sustainable ecolabels can ensure that their rigorous standards are successfully translated into sustainable practices. These factors should result in price premiums, produce developments in technical ability as producers have an incentive to become sustainable, and enable consumers to determine which species are sustainably produced and which are not.

For more information and to download a free copy of the Gold Standard for Sustainable Aquaculture Ecolabeling, please visit www.eli.org/Program_Areas/ocean_aquaculture.cfm



Salmon Farm Protest Group

Salmon: A Case Study

In the last decade, Atlantic salmon (*Salmo salar*) has surpassed shrimp as the top species in the global aquaculture market. The growth of the market for salmon has been controversial, however, as salmon production causes a variety of environmental and social impacts. Although recent developments have reduced the amount of fish meal and oil required to produce farmed salmon, approximately 30% of a salmon's diet is derived from wild-caught fish. These fish are often overexploited, such that salmon production is contributing to the continued overfishing of the world's oceans. In addition, most salmon is produced in open net pens that allow fish waste, excess food, and excess antibiotics and parasiticides to escape into surrounding waters. Salmon are also raised at a high density and are commonly afflicted with diseases, such as infectious salmon anemia, and parasites, such as sea lice, that may affect native species migrating past the pen area. When cultured salmon escape from their enclosures, they may compete with native species or, where they are native, cause genetic changes in wild populations.

The seriousness of these impacts and the rapid growth of the salmon farming industry have led to conflict between industry and the environmental and academic communities. Ecolabels have struggled to resolve these conflicts, and have taken different approaches to the problem. Despite the contentiousness of the debate over salmon production, the Global Aquaculture Alliance and the Aquaculture Dialogues – have initiated efforts aimed at an eventual certification standard for salmon producers. To date, however, neither system has finalized salmon certification standards, due to a lack of consensus on whether current production processes are sufficiently protective to merit certification.

The case of salmon is a good example of the difference between ecolabels focused on adoption of best management practices and those focused on privileging sustainable practices. From the standpoint of an organization focused on best management practices, certification of salmon production is sensible, regardless of whether it sustainable production will ever be feasible. Both GAA and the Dialogues have adopted this stance, but most of their environmental stakeholders prefer not to provide incentives for production or sale of salmon. This is the 'sustainability' view, which opposes certification until and unless salmon production is shown to be sustainable. Under this system, consumers can more easily determine which species impose the least environmental and social costs, providing incentives for the sale and production of those species in particular. Lack of consensus on the appropriateness of the best-management versus sustainability viewpoints for aquaculture ecolabeling can explain why attempts to reach consensus on salmon certification have been fruitless so far.



THE OCEAN FOUNDATION



ENVIRONMENTAL
LAW • INSTITUTE®