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Eco-labels and Aquaculture

An emerging policy instrument to drive sustainable practices?

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2. Why eco-labelling?
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History of Eco-labelling

- Ecolabelling is a growing force in the production, marketing & consumption of food and other products
- Diverse systems and products ranging from coffee, timber, food, and manufactured products
- The usefulness of ecolabelling in creating a market-based incentive for environment-friendly production was recognized about two decades ago when the first ecolabelled products were put on sale in Germany in the late 1970s.
- Since then, and especially during the 1990s, ecolabelling schemes have been developed in most industrialized countries for a wide range of products and sectors.

History of Eco-labelling

- Ecolabelling was globally endorsed in 1992 at UNCED, where governments agreed to:

"encourage expansion of environmental labelling and other environmentally related product information programmes designed to assist consumers to make informed choices".



Why Eco-labelling?

A definition:

OECD has defined environmental labelling as the:

"voluntary granting of labels by a private or public body in order to inform consumers and thereby promote consumer products which are determined to be environmentally more friendly than other functionally and competitively similar products"

Why Eco-labelling?

International Standards Organisation identifies 3 types:

- **Type 1:** voluntary, multiple criteria, 3rd party programs that award a licence indicating overall environmental preferability and based on life cycle considerations;
- **Type 2:** self declared environmental claims, made without independent 3rd party certification;
- **Type 3:** quantified information about products based on life cycle impacts (ISO 14040) or Environmental Product Declarations – EPDs.

Why Eco-labelling?

- Ecolabelling is a market-based instrument that seeks to direct consumers' purchasing behavior so that they take account of product attributes other than price.
- Consumers' preferences are expected to result in price and/or market share differentials between products with ecolabels and those without
- Potential price and/or market share differentials provide the economic incentive for firms to seek certification of their product's.

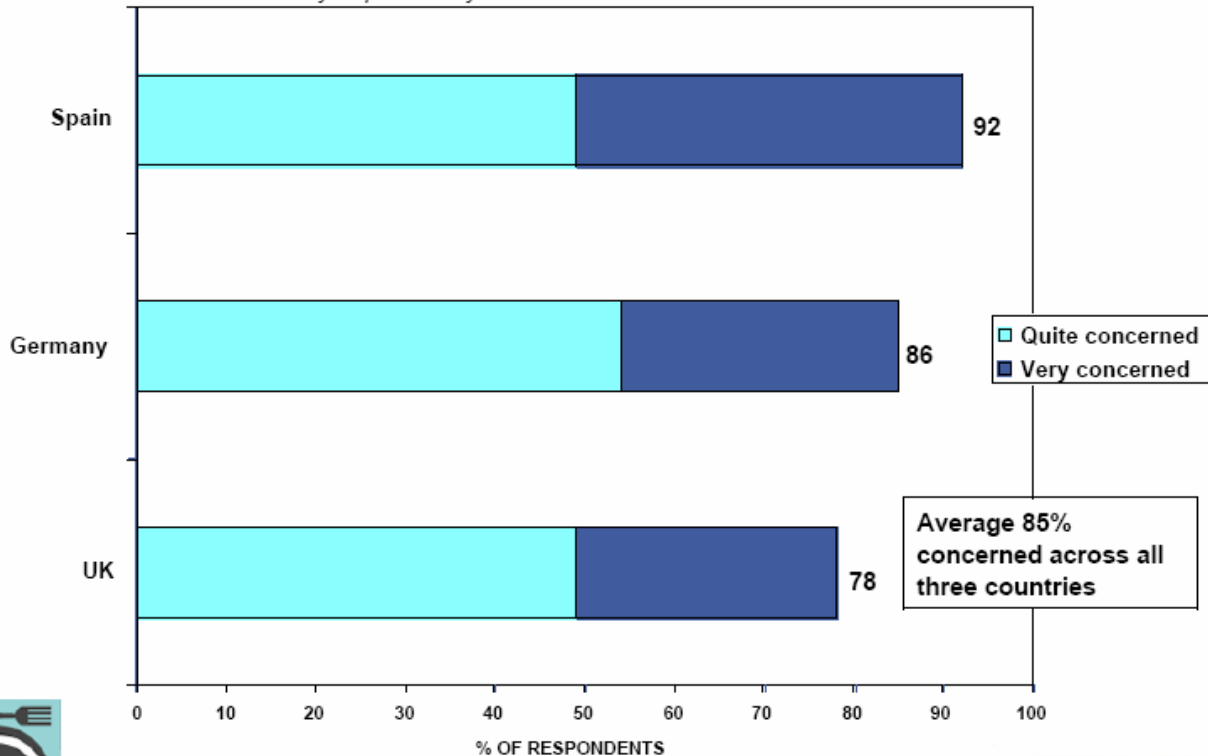
Benefits & Concerns: the consumer

- The consumer can positively influence the system through purchasing power
- Increased choice of products
- Consumers increasingly want more information on seafood product life history & impact.

- Consumers need to care about sustainable practices!
- Labels need to be seen as legitimate & transparent
- There is an emerging issue of label saturation
- Lack of information of consumer response to labels

Consumers - Level of Concern about Environmental Condition of Oceans

How concerned are you personally about the environmental condition of the oceans?

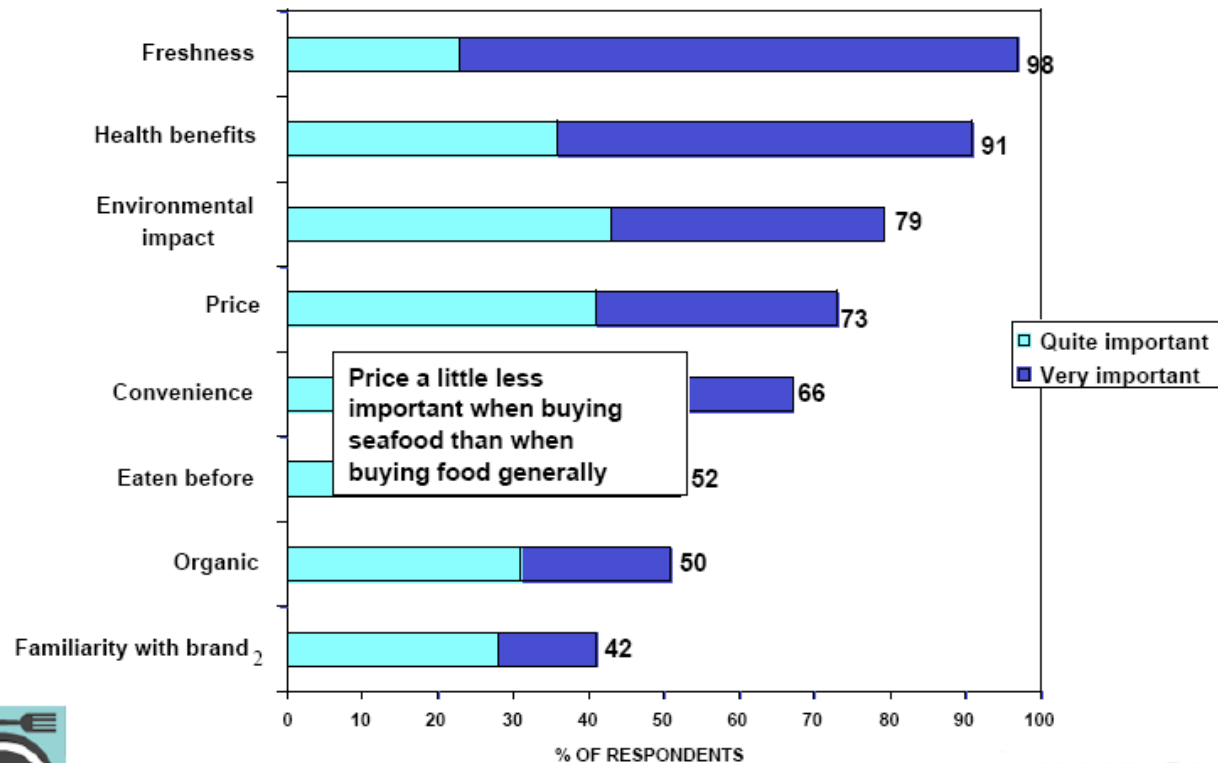


Base: 751 (Germany 251, Spain 250, UK 250) - weighted data



Consumers - Seafood: Importance of Purchase Attributes

I would like you to tell me if the following factors are ...important ...or not ...important in your decision ...to buy seafood?



Base: 751 (Germany 251, Spain 250, UK 250) - weighted data

RSM
What do you need to know?

Benefits & Concerns: the producer

- Potential increase in market share and price for certified product.
- A rapidly growing market
- Demonstrates corporate social responsibility and responds to public / government concerns
- Needs support of retailers to promote schemes and pass on premiums
- Certification is expensive & time consuming
- Suspicion of 3rd party, NGO supported schemes

The Marine Stewardship Council



- Initiated by WWF & Unilever in 1997.
- Now an independent body funded from a mix of sources.
- Has faced substantial criticism
- Reformed governance in 2000
- Is now reforming the Principles & Criteria & evaluation

In 2005/ 2006:

- 50 fisheries certified or currently in assessment
- 3 million tonnes from MSC certified fisheries
 - 42% of global wild salmon
 - 32% of global prime whitefish
 - 18% global spiny lobster
- More than 50% growth in seafood products displaying the label
- Retail sales of MSC labelled product grew 76% in 2005/06



Aquaculture and eco-labelling

- 'Organic' label is becoming increasingly attached to aquaculture. Source of considerable debate.
- Organic products are growing at a rapid rate – in the UK the market is growing at 11% pa and is worth £1.2 billion.
- Marketing of organic salmon is occurring – in 2006 4900t produced in UK, 60% increase from 2005.
- Projected to grow to 10 000t by 2008 (SOIL Assoc)

Aquaculture and eco-labelling

SOIL Association UK is developing certification standards for:

- Salmon
 - Shellfish
 - Carp
 - Warm water prawns
-
- Other organisations such as the Organic Food Federation (UK) & Aquaculture Certification Council (UK) have developed standards.
 - Its very early days!



Current organic standards under discussion in SOIL:

<http://www.soilassociation.org/>



Soil Association

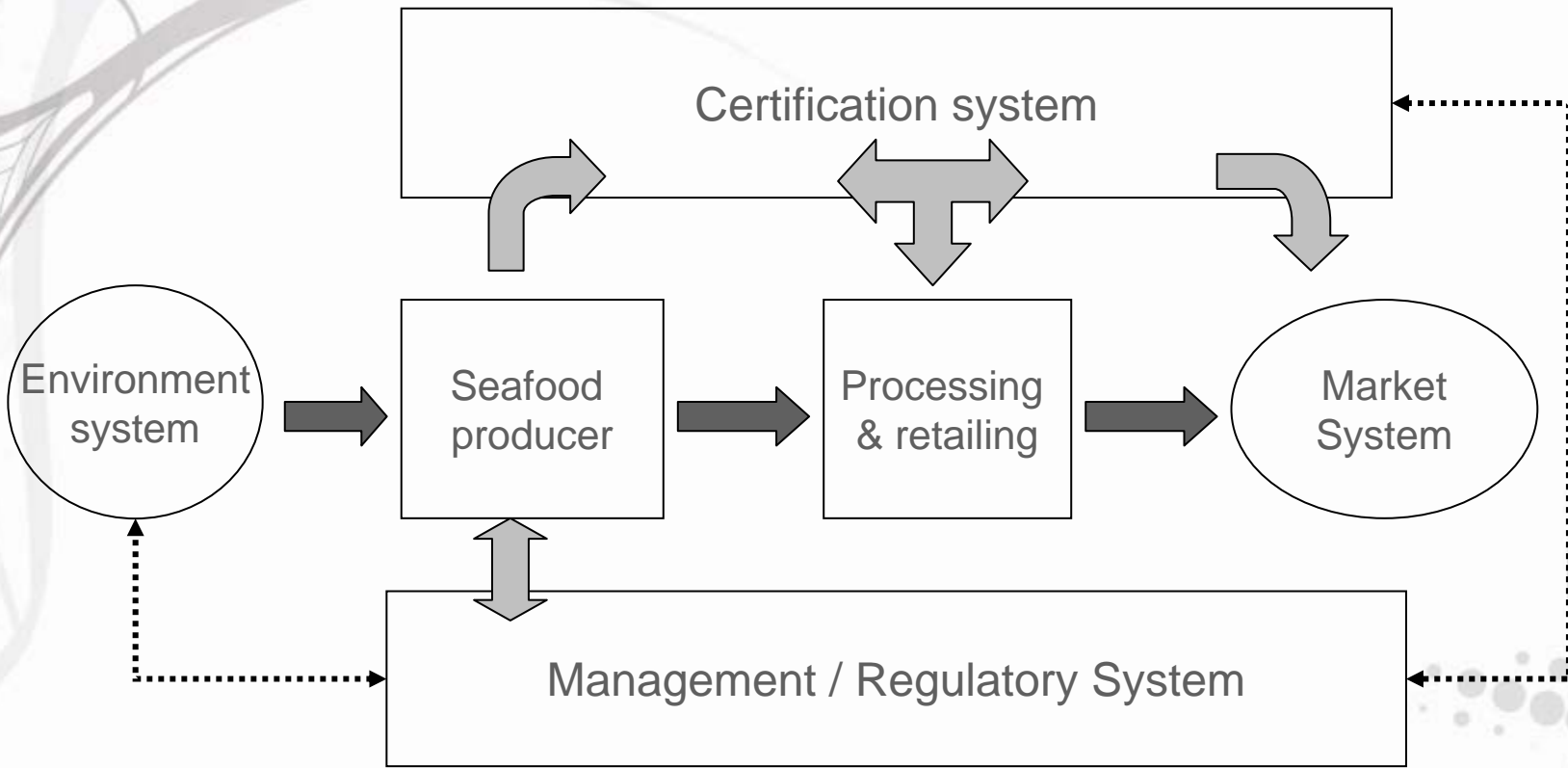
Current organic standards

- Very low stocking density
- Low energy feeds made primarily from recycled processing wastes of fish and shellfish already caught for human consumption
- Natural pigments
- Well flushed sites
- Restricted use of chemical treatments
- Extended withdrawal periods to eliminate residues
- No other chemicals such as antifoulants



New Research

1. How are the primary ecolabelling systems designed in order to differentiate 'sustainable' or 'organic' products from other like products in the market? What are the instruments used in this process?
2. What processes are in place for the certification body to build legitimacy, credibility and transparency? How is the certification process governed?
3. What is the impact of certified products in the market? Specifically, do sustainably labelled marine products influence retailers and consumers and therefore provide incentives for certified producers?
4. Do certification initiatives influence and improve management practices in fisheries and aquaculture?



Conclusion

- Fisheries – eco-labelling a response to a perceived failure in management to achieve sustainable systems. Also a response to emerging issues such as ‘ecosystem based management’ and consumer concerns from overfishing.
- In aquaculture – ‘organic’ labelling driven by consumer concerns to a rapidly expanding industry (with emerging impacts) and a desire for organic produce.
- Eco-labelling is here to stay but its future role is uncertain.
- More data is needed on label effectiveness, consumer response & markets.



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Thanks for the invitation!!

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