

Grand Theft of the Oceans - 30th April 2007.

**Cliff Morrison, Chairman of the FDF Seafood Group
Speaking Note**

Ministers, your Excellency, thank you for the opportunity to address the issue of IUU (Illegal, Unregulated, Unreported fishing) today.

The FDF Seafood Group represents many of the seafood processors and brand owners in the UK, as well as those companies processing for retailers and food service providers. Our combined turnover exceeds £1.3bn.

The group is also the UK representative body at AIPCE, the European Seafood Processors Association, based in Brussels. Membership comprises most member states organisations, including Norway as associate members, so we represent the majority of seafood processing across Europe.

Both as FDF and AIPCE, we work closely with our national governments and the EU Commission, particularly DG Fish, where we have seats on the ACFA, the Advisory Committees.

IUU has risen rapidly up all our agendas recently, but as responsible processors, we've always worked to ensure authenticity of fish supply, so it's not really new to us. However, given the state of many EU and global fish stocks today, even more rigorous steps have to be taken to ensure that our supplies are from legal and sustainable sources, so we now need to develop full-chain traceability 'back to the boats', wherever possible.

Eurostat figures for 2005 indicated that 58% of all fish consumed in Europe originated from third countries. This has been a steadily increasing trend as many European fish stocks have continued to decline. For white fish in particular, the level of imports now consistently reaches 90% overall, and even higher for certain other products, such as shrimps and tuna.

As processors, therefore, we've probably got a greater responsibility to ensure none-IUU supplies from third country and developing nations than we do from our own EU waters. Although, of course, we need to make sure our EU caught supply-chain is in order before we preach to others.

In parallel with the growing dependence on imports, the nature and form of delivery of the imports has changed as well. Exporting fishing nations want to maximise their added value from the fish. They prefer to carry out a degree of semi-processing themselves, so we now receive tuna loins, cod fillets or cooked and peeled shrimps rather than the whole fish.

A further factor in the development of this import trend has been the utilisation of the processing skills of other countries, which are independent of fishing nation. China is a classic example of this, processing Russian cod and Alaska salmon.

So, when either the fishing nation exporter, or the European importer arranges such third party intermediate processing, there's obviously an even greater obligation to ensure the validity of the supply chain.

Steps taken at international government level to curb the high levels of IUU cod fishing in the Barents Sea are now clearly having an impact, but we're still aware of a two tier market for this Russian Cod in Europe with a 20% discount for none-traceable fish.

As a consequence, we've worked together to develop what we've called 'The AIPCE Control Document for Purchase of Barents Sea Cod'. This is signed up to by our members across Europe to ensure we only buy legally caught cod.

It was developed in discussion with the EU Commission and Defra, and outlines the measures to be taken to ensure legality throughout the chain. We're very pleased as well to have WWF endorsement for the initiative.

Whilst the Barents Sea problem is an example of IUU outside of the EU, The Baltic is an example where IUU for cod fishing takes place within a shared EU jurisdiction.

A Danish member, with significant interests in the Baltic, has recently begun an independent financial and traceability audit of all of its suppliers in the region, pledging to de-list any company found to be involved in IUU cod.

AIPCE members and the industry as a whole, have been working to stop this problem and we're pleased that positive action is now being taken at EU and member state levels. However, we're developing our own control protocol similar to that for the Barents Sea. Why not the same protocol? Well the former is a frozen product fishery whilst the Baltic is a fresh fishery, so the supply chain issues are different. This is an example of specific actions for specific fisheries according to risks.

Many fishery product imports are subject to EU trade tariff duties. Recently, the work on the AIPCE Control Documents was recognised by the EU, where favourable increased tariff allowances for specific imports are under consideration. Unexpected benefits like this benefit the responsible third country suppliers as well.

However, the EU Commission launched a consultation in January this year proposing measures to control IUU. This is envisaged to impact imports, via trade sanctions on third countries and on flag states not effectively controlling IUU. Whilst we've given broad approval to the proposals, we've also expressed concern that there could be unforeseen consequences on some developing nations that may not have the necessary resources to fully control IUU, so the support programme outlined today for Africa by the Minister is particularly helpful. We're calling for a proportionate, targeted and risk based approach to any legislation, but firstly, we'd like to see existing legislation more effectively and uniformly applied across the EU.

Within the arena of economic trade, under WTO trade categorisations, fishery products fall under leather and industrial goods. Moving fish into the food category would surely help to highlight the important issues surrounding fish sustainability and IUU.

I've talked about our associations' initiatives in Europe, but our members are applying these principles internationally and no doubt they'll form part of the due diligence control requirements within the proposed EU legislation as well.

If IUU could be stopped, not only would fish stock sustainability improve, but fishermen could achieve the same level of profitability fishing less and landing less in the short term, then see their catches rise as stocks and therefore, quotas increased.

This would be particularly important for developing countries, where IUU, is often prosecuted by outside interests, thereby having major impacts on local economies that the prosecutors would neither see nor care about.

I'd like to finish by mentioning some of the initiatives being undertaken by our FDF members present here today:

- I was part of the EU funded 16-nation Tracefish project, along with J Sainsbury's and Seafish, that developed the European standard for traceability from boat to final sale. The emphasis in this standard is electronic traceability, which can be utilised in initiatives being developed today.
- Young's has developed an electronic traceability system, YoungsTrace, which is fitted to Nephrops (Scampi) vessels in the UK and Ireland recording catch locations and weights. For vessels not fitted with an on-board system, a quayside alternative is available. Nephrops vessels tend to be relatively small boats, so such a system could be ideal for developing countries.
- Seachill is developing an active tracing system for tuna and they are encouraging MSC certification, via a Tesco funded initiative, in Colombo next week.
- Members are committed to MSC certification of fish stocks, which brings with it, not only the confidence of sustainability, but also independent verification of the supply chain.

As an example from Africa, the MSC certification of the South African Hake fishery has brought with it lucrative European market opportunities.

- BirdsEye, within Unilever at the time, was instrumental in establishing the MSC in conjunction with WWF. The MSC is now a fully independent of its founding fathers of course, but BirdsEye remains an active participant.
- I'll be chairing an international discussion on chain-of-custody for the MSC here in London over the next 2 days.
AND FINALLY.
- Unibond, an Anglo-Chinese based company has fully implemented MSC certified traceability control of white fish into Europe, delivering confidence to our processors.

This has been a quick run through of some of the initiatives being undertaken by FDF and its members. IUU impacts fish and marine sustainability, developing nations, international trade, profitability and of course the reputation of brands, so FDF is committed to controlling IUU and will be pleased to assist Government in their initiatives.

Our members here would be pleased to discuss any of the issues raised today.

Thank you.