

Certification by the Marine Stewardship Council is vital to the continued prosperity of the South African deep-sea trawling industry

The certification of the South African trawl fishery for hake by the Marine Stewardship Council (MSC) has boosted the international competitiveness of the deep-sea trawling industry. This position paper presents an economic argument for the continued pursuit of MSC certification by the industry. It draws on an analysis published in the respected journal *Fisheries Research* in 2016¹.

The Marine Stewardship Council

The MSC is an independent non-profit organisation that sets a standard for sustainable fishing and uses an eco-label to recognise and reward fisheries that meet the standard. Collectively, MSC-certified fisheries catch about 9.3 million metric tonnes of seafood per year, about 10% of the annual global harvest from wild capture fisheries.

The South African trawl fishery for hake was first certified as “sustainable and well-managed” by the MSC in 2004. It was re-assessed and re-certified in 2010, and again in 2015. In each case, certification followed a rigorous 12-month re-assessment process during which an independent certification agency scrutinised every aspect of the fishery’s management. The South African trawl fishery for hake is one of approximately 286 fisheries in 36 countries that are certified to the MSC standard. **It is the only fishery in Africa to have achieved accreditation from the MSC.**

Benefits of MSC certification

The study *Estimating the economic benefits of MSC certification for the South African hake fishery* (Lallemand *et al.*, 2016) found that MSC certification has had “a considerable impact on the management of the South African hake resource with respect to governance; the promotion of sustainable fisheries management practice; and the application of ecosystem-based management approaches. The new paradigm has resulted in improvements in the management process. Underlying all of this is the acknowledgement that MSC certification brings substantial economic benefit to the hake trawling industry; to processors and traders; and consequently also generates employment opportunities.”

The authors found that MSC certification has created new opportunities in export markets and, as a result, has helped to sustain the value of the South African hake trawl fishery. They point out that until 2008, demand from Spain for “non-fillet” type hake products accounted for a large proportion of South African hake exports. However, the financial crisis of 2008 led to a sharp decline in Spanish demand for hake and the industry was compelled to develop alternative markets. On the strength of the trawl fishery’s certification by the MSC, it was able to create new markets in Northern Europe (Denmark, France, Germany,

Netherlands, Sweden, Switzerland and the United Kingdom) where there is a high degree of consumer awareness of seafood sustainability. These markets prefer value-added fillet-type products in small portion sizes that can be traced to a sustainable source – demand that coincides perfectly with what South African producers are able to deliver.

With markets in Northern Europe so tightly linked to the MSC certification, its importance to the fishery cannot be understated. In fact, Lallemand *et al.* (2016) suggest that the loss of MSC certification would “lead directly to exclusion from vital, sorely won overseas outlets on which the present day industry is heavily dependent.” The authors note that export markets for uncertified hake products are limited and that uncertified products are likely to achieve a much lower price. Therefore, under current market conditions, the loss of MSC certification would likely result in an oversupply of hake on the domestic market. The consequences would be:

- Hake prices and market structure would be greatly affected, with a negative impact on shore-based employment. In a worst case scenario, this could mean the loss of 1 421 skilled workers, or 32.5% of those employed in hake processing.
- A considerable decrease in the contribution of the hake trawl industry to South Africa’s gross domestic product – the decline would be between 28.3% and 54.3%.

Lallemand *et al.* (2016) conclude that if it is to remain internationally competitive, the South African trawl fishery needs to increase exports of MSC-certified hake. The authors predict that demand for certified fish products will rise on the back of increasing consumer awareness, and an expected increase in the number of MSC-certified whitefish fisheries, i.e. fisheries that compete with South African hake products for market share.



¹ Lallemand, P., Bergh, M., Hansen, M. & Purves, M. 2016. Estimating the economic benefits of MSC certification for the South African hake fishery. *Fisheries Research*, 182: 98–115.

Why the MSC and not another seafood sustainability certification programme?

The MSC is the only certification program for wild-caught seafood that is a member of ISEAL, an organisation that aims to strengthen sustainability standards for the benefit of people and the environment. It also follows the guidelines of the Food and Agriculture Organization of the United Nations (FAO).

A study undertaken by the international conservation organisation WWF in 2012² that compared seafood sustainability certification schemes, found that the MSC is the most compliant with international sustainability criteria. The WWF report compared four certification programmes for wild-caught fish, building on a previous study³ that compared 17 seafood sustainability certification programmes. The earlier report revealed poor performance and serious inadequacies in a number of eco-labels and cast doubt on their overall contribution to effective fisheries management and sustainability. The 2012 report made use of the same criteria as the previous study

and added two more with the purpose of determining the extent to which the schemes are responding to the changing expectations of consumers, how wild fish stocks should be maintained and the standards to which credible certification schemes should aspire. **The MSC scored the highest of all four schemes against both the original 2009 criteria and the new criteria.**

The South African deep-sea trawling industry considers the MSC to be the “gold standard” of seafood sustainability certification schemes. No other program for assessing the environmental sustainability of wild-caught seafood has the same level of rigor and stakeholder involvement.

The MSC’s standard for sustainable fishing takes account of the entire fishery and ecosystem on which it depends. Fisheries are assessed according to the sustainability of the fish stocks they target; their impacts on the wider marine environment, including habitats and other species; and how effectively they’re managed. Other programs may consider just one or some of these elements.

Other factsheets and position papers in the SADSTIA series:

SADSTIA. 2016. Economy of scale and the danger of fragmentation to the South African deep-sea trawling industry. SADSTIA Position Paper No. 1. Available at: www.sadstia.co.za/publications-and-media/

SADSTIA. 2017. Markets for South African hake. SADSTIA factsheet No. 7. Available at: www.sadstia.co.za/publications-and-media/

Further reading

FAO. 2009. Guidelines for the ecolabelling of fish and fishery products from marine capture fisheries. Revision 1. Rome, FAO. Available at: <http://www.fao.org/docrep/012/i1119t/i1119t.pdf>

Lallemand, P., Bergh, M., Hansen, M. & Purves, M. 2016. Estimating the economic benefits of MSC certification for the South African hake fishery. *Fisheries Research*, 182: 98–115. Available at: <http://www.sadstia.co.za/publications-and-media/>

Lallemand, P., Bergh, M., Hansen, M., Venter, C. & Purves, M. 2014. An analysis of the economic benefits of MSC certification for the South African hake trawl fishery. In: Proceedings of the 17th IIFET Conference, July 7-11, 2014, Brisbane, Australia. Available at: <http://ir.library.oregonstate.edu/xmlui/handle/1957/55162>

Websites

Marine Stewardship Council:
<https://www.msc.org/>

ISEAL:
<https://www.isealalliance.org/>

² WWF. 2012. Comparison of wild capture fisheries certification schemes. Gland, Switzerland, WWF Marine Program. Available at: http://d2ouvy59p0dg6k.cloudfront.net/downloads/wwf_report_comparison_wild_capture_fisheries_schemes__2_.pdf

³ WWF International. 2009. Assessment of on-pack, wild-capture seafood sustainability certification programmes and seafood ecolabels. Gland, Switzerland, WWF International. 146 pp. Available at: http://d2ouvy59p0dg6k.cloudfront.net/downloads/full_report_wwf_ecolabel_study_lowres.pdf



Contact:

The South African Deep-Sea Trawling Industry Association
Tel: 021 425 2727 or 082 829 3911
Email: johann@sadstia.co.za www.sadstia.co.za

52 members unlocking the value of the Cape hake resource