

Dialogue on Eco-labelling and Certification Practices for Shrimp Aquaculture

REPORT

1. BACKGROUND

Aquaculture is one of the fastest growing industries around the world. There is an increasing demand for seafood in international market and will continue to grow in future. Shrimp farming is the most prominent among the aquaculture sectors in India and a major revenue earner for many States, but there are concerns regarding its environmental and social impacts. The World Heritage Site 'The Sundarbans' is no exception to the negative impacts of shrimp farming. State of West Bengal is second only to Andhra Pradesh in terms of shrimp production as well as area under aquaculture in India. About one-third of the total brackish water area in the country lies in the State mostly falling under the Sundarbans region.

WWF-India is implementing a multi-stakeholder project, 'Trade Liberalization, Rural Poverty and Environment: A Study in The Sundarbans. West Bengal' through which we studied collection of seed from wild resulting in bycatch problem and sustainability of shrimp aquaculture as there are no shrimp hatcheries in the State. To address the issues WWF have initiated multi-stakeholder dialogue to identify and to come to consensus about mutually agreed good practices for shrimp industry.

This report speaks about the dialogue WWF had with Exporters and Processors of West Bengal where possibilities of shrimp eco-labelling and certification were examined.

2. OBJECTIVES

The key objectives of the dialogue were to:

- a) Build awareness about commercial and environmental benefits of shrimp certification
- b) Provide know how about eco-labelling and certification process
- c) Identify concerns of exporters about the certification process

3. PROCEEDINGS

The dialogue was structured with presentations by WWF India and SGS (a multinational certification company) staff; it was facilitated by Dr. Sejal Worah, Programme Director, WWF-India

3.1 The following presentations were made to initiate the dialogue:

- Current Scenario of shrimp aquaculture practices in the Sundarbans and the need to protect the fragile eco-system - by Subhro Sen, WWF-India
- Export market regime and the existing standards – by Mr Sunnykutty, SGS
- Market Scenario of Eco-labelling and Certification – by Mr Subhrata Saha, SGS
- Case Study Presentation – by Mr Sunnykutty, SGS

The presentations were followed by a Question & Answer session; discussion was moderated by Dr. Worah, WWF India

Following is the summary of the presentations and the concerns raised by the participants:

3.2 The Sundarbans in West Bengal covers a sizeable portion of the districts of North and South 24 Parganas. Out of a total of 4263 sq km of mangrove forest in the Sundarbans, 1,781 sq km is comprised of watercourses. Core area of the Sunderban Tiger Reserve comprising of 1330 sq km was declared a UNESCO World Heritage Site in 1989. Multiple reasons like sea level rise due to global temperature changes, unsustainable fishing practices, collection of PL Shrimp from the wild, bycatch issues and overall increase in aquaculture are making the region vulnerable. Overcoming these vulnerabilities are the major challenges. Also, migration of people into Sundarbans and further concentration of aquaculture has added to the vulnerability.

The State of West Bengal is the second highest producer of shrimps in the country, most of which are frozen and sold with some processing and the Sundarbans eco-region is ideally suited for the extensive culture of shrimps and prawns. Export market for shrimps and prawns have been growing, particularly the Japanese, US and European markets. With growing export market the demand on supplying shrimps, meeting the existing market standards is becoming more of a necessity than choice for the exporters some of whom recognize the fact that they need to meet these standards. The process of eco-labelling and certification is seen as a great opportunity by WWF to protect the environment and to lessen the impacts of aquaculture on fragile ecosystems. One of the key concerns is the by catch problem. Post larvae shrimp seed collection from the wild is illegal as per the 1996 directives of the Supreme Court of India. Subsequently

West Bengal has declared the use of fine mesh net for collection of wild post larvae shrimp seed as illegal. However, according to our project findings, despite the policy initiatives, collection of shrimp seeds from the wild and consequent bycatch remains unabated. To overcome the bycatch problem the current practice of shrimp seed collection from the wild has to be discontinued which has socio-economic implications given the large number of collectors.

3.3 Driven by the consumer and market concerns over food safety, environment and social sustainability of aquaculture practices, there has been attempt to respond to consumer and retailer perceptions. The standards and the trade regimes are constantly evolving and the regulations are becoming tougher globally. Policy and regulations governing environmental sustainability are in place in many countries, requiring aquaculture producers to comply with more stringent environmental standards and protection measures. Certification of aquaculture products is seen as a best way of securing a market. The complying standards are reviewed now and then keeping the existing market demands and this attracts the buyers, retailers and consumers as the complying products meets the norms of the market and are seen as potential commodities. Many markets increasingly recognize that some form of certification is a way of assuring buyers, retailers, and consumers that fishery products are safe to consume and originate from aquaculture farms or fisheries adopting responsible management practices.

- 3.4 The increasing importance of eco-labelling in environment management can be traced to increasing awareness and concern of consumers about environmental issues and the demand for information. Ecolabels meet the concern by providing easily understood information on the environmental status of a product to consumers. In addition it provides consumers 'right to choose' while also creating an opportunity of using environment friendly product. Eco-labelling is a voluntary method of "environmental performance certification and labelling" that is practised around the world.

The overall goal of environmental labels is communicating accurate information that speaks about the services which will not have negative impacts on the environment, thereby stimulating the potential for market-driven continuous environmental improvement.

- 3.5 Proper methodology has to be ensured for undergoing the certification process; certification of a product would ensure access to overseas and domestic markets. As more and more retail chains moving to India would be demanding for a quality finished product, the process of Eco-labelling and certification is lucrative and viable option.

Compliance of products with various requirements laid down by certification authorities like BRC, ISO Certification, ACC etc. would fetch good price and will have an open and wider market. In specific to shrimps the certification exercise can be carried out from farm level, this will not only make shrimp aquaculture sustainable but will also assure traceability in the chain.

4. CONCERNS & DISCUSSION

India has some of the finest environmental laws and regulations but the real problem is with implementation of the same at the grass roots level. Exporters and processors along with government have to take proactive steps in order to harness the potential of emerging and niche markets across the globe. Government may frame the product certification standards but it's the market forces, as in case of free market economy, which decides the standards acceptable to the international markets and subsequently to the consumers. The producers and exporters, government agencies need to work jointly through a kind of feed back system from the major markets in order to stay updated regarding the standard requirements of the major markets. Understanding the market standards before moving in for certification is seen by exporters as the logical thing to do. Officials of Fishery Department, Govt. of West Bengal also felt there is a need to know the standards and process of certification so as to come up with options which can be adopted by the exporters. The need to address traceability issues was also expressed in the course of the discussion session.

Even though only 5percent processed shrimps are used by domestic market while 95 percent is exported to the international market, the quality concerns of the domestic market also needs to be addressed. For the export market certification, preparedness of producers as well as exporters/processors is imperative before the international market introduces new set of quality standards and requirements for future imports as the consumer preparedness is also on rise.

NABARD (participant) has shown interest in strengthening the existing practice of polyculture in traditional shrimp farms. It was also found that there is a possibility of seed banks to be a practical solution as this idea exists in government of India's (MPEDA)

priority and various schemes can support this to be implemented on the ground.

Shrimp Auctioning in local market:

Shrimps from the farms reach 52 auction centres and there is no distinct spatial linkage or fixed pattern of supply between specific farms and specific auction centre. Each farm may be linked with more than one auction house. These 52 auction centres have more than 700 auction houses. Shrimps arrive in different lots from different locations each day and are auctioned on a daily basis during the season. So, in order to issue the certificates it is necessary to identify and trace the source of lots (which vary between 5-5000 kilograms) back to the farms. Number of suppliers varies between 50,000 to 100,000 who supply to 29 major exporters in the city.

There are many layers of traders and middlemen in between farmers and exporters. Socio-political concern is raised about their elimination in case the exporter tries to procure shrimps directly from the farms. Sea Food Exporters Association has been able to put in place the system of traceability but only up to auction houses / fishing vessel (along with time of harvest) level and not back to the shrimp farms.

Important action point: Preparedness of producers as well as exporters/processors is imperative before the international market forces introduce new set of quality standards and requirements for future imports which is the reflection of the consumer awareness of matured markets.

5. FUTURE ACTION

Depending on the concerns shared and issues raised for clarification, following check list was prepared for follow-up and action:

1. **Traceability:** Produce needs to be traced across many layers of value chain

especially up to the farm it is originating from.

2. **Scattered:** The shrimp farms are spread out in Sundarbans, lack of spatial correlation between the farms and auction centres (who finally supply shrimps to exporters) is a major concern when it comes to certification and eco-labelling.
3. **Organized approach:** Shrimp farmer's need to be organized for sustainable farming as well as for getting certification and eco-labelling and subsequently getting the benefit of premium prices.
4. **Livelihood of shrimp seed collectors:** Skill development and generation of effective and practical livelihood options for the seed collectors is an issue which needs to be addressed. Especially when there is a possibility of establishing seed banks and reduce the dependence on wild seed supply of the entire value chain in future.
5. **Standards and compliance:** How product standards can be framed with common consensus and who ensures the compliance at grass root level. Need to ensure clear picture of existing standards and mandate of different agencies before the designing of the certification scheme and later during the implementation.
6. **Eco-labelling and certification:** Certification scheme must be a home grown, version keeping in mind all the local and regional issues. International market acceptance must be procured before the design of the scheme.
7. **Cost Benefit Analysis (CBA):** CBA needs to be carried out for the entire exercise including exploration and

design phase. It needs to be strong enough to demonstrate the benefit of eco-labelled and certified shrimps over the non certified and non labelled products in market scenario. Global giants like Wal-Mart and Carrefour's examples can be involved in this process.

8. **Domestic market:** Concentration on domestic market is also important and the quality standards need to be maintained.

6. CONCLUSION

Further to the above discussion and concerns raised, it was decided that a focused group would take the initiative further and a forum for the focused group to discuss and resolve the issue would be organized and facilitated by WWF-India in coming months. Thereby exporters who are interested can be linked with aqua farmers who are participating in our conservation work which is looking at facilitating the availability of good quality tested and certified tiger shrimp post larvae from hatcheries.

ANNEXURE 1

AGENDA

Welcome Note	Mr. Anurag Danda, WWF-India
Overview	Dr. Sejal Worah, WWF-India
Current Scenario	Mr. Subhro Sen, WWF-India
<i>Tea Break</i>	
Existing Standards: Export Regimes	Mr. Murali Krishna, SGS
Market Scenario: Eco-labelling and Certification	Mr. Sunnykuttu Abraham, SGS
Case Study Presentation	Mr. Sunnykuttu, SGS
Responses	Representatives: Government & Industry
Discussion, Question and Answer Session	
Vote of thanks	Ms. Moulika Arabhi, WWF-India

ANNEXURE 2
Participant list

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