

HOW NOT TO CREATE A SHRIMP STANDARD

Presentation Notes

(Slide 2) BACKGROUND

The tremors and aftershocks of tropical aquaculture can be felt across the social, economic, environmental and cultural web of life—human rights, consumer rights, indigenous peoples rights, land and water use, agriculture, environmental law and conservation, labour rights, marine and coastal ecology, soil science, social science and traditional fisheries.

Simply put—one cannot describe the impacts of aquaculture in a sentence.

In the early 2000s consumers were told that eating certified farmed tropical shrimp "helps develop local economies by bringing in much needed export-led profits." This was not true; the economic consequences of destroying mangroves and building shrimp farms are quite clear now—it is better to create sustainable, diverse, small-scale economies than to grow shrimp for export.

The environmental and consequences are clear too— island and coastal communities that had conserved their mangrove forests escaped the destruction of the tsunami in 2004—the mangroves absorbed the impact of the tidal waves. Islands that had destroyed their mangroves did not survive.

Ten years later, today, consumers are being re-told the same old story—eating "certified" shrimp will help small-scale farmers earn a livelihood. That it is now possible to enjoy tropical shrimp without being racked by the guilt of destroying the environment.

The same old story is appropriate to the same old falsehood: "certified" or "labeled" shrimp today is exactly the same as the shrimp that was sold to you ten years ago.

I have been invited here by the Stockholm Society of Nature Conservation to present research findings from data collected over the past ten years on the subject of shrimp aquaculture.

(Slide 3) THE GLOBAL CRITICAL OUTSIDER ALLIANCE

I represent an international network of NGOs all opposed to shrimp certification—we are called the Global Critical Outsider Alliance.

We used to call ourselves the Polder 22 group in honour of an island-community in Bangladesh whose inhabitants, 20 years ago, did not allow shrimp farming on their land. Today, the islands neighbouring Polder 22 are barren—nothing grows on the toxic land, the water is saline, animals don't have fodder to eat. Polder 22 thrives and shares its forest resources and drinking water with its neighbours. It is the only island in the region whose farmers can grow cereal crops and vegetables twice a year. They raise poultry and cattle and have a thriving economy. It is a small economy. But it is self-sustaining and is growing.

Our present name—the Critical Outsiders—was coined by the General Steering Committee of the WWF Shrimp Aquaculture Dialogue because we have been consistently critical of the certification process.

(Slide 4) A.K THAVARAJ—Name and Contact information

(Slide 5) THE CONSUMERS' GUIDE TO SHRIMP CERTIFICATION

Swedish consumers are told that it is OK to eat tropical shrimp now. That the new WWF-supported standards certify "responsible" shrimp farms.

What does this mean? What does "responsible" mean in practice? What is the environmental impact of these certified farms? What is the condition of workers on these farms? Do they use pesticides? Do they test for antibiotics?

The answers to these questions cannot be found on the product leaflets that you read on supermarket freezers.

To answer them, we must analyse the contents of the ASC shrimp standard:

Stage 1) What exactly is being claimed?

S2) What are the criteria that support the claim?

S3) What are the indicators that verify these criteria?

S4) And, finally, how are these indicators checked? And with what accuracy?

The answers to each of these questions, in turn, tells us whether the standard is any good... The process is, essentially, a kind of gap-analysis. We check each stage and compare it with the previous stage. If the answer say, a Stage 4 does not fully satisfy Stage 3, it shows that the audit protocols are not precise enough or accurate enough. These gaps add up and as we shall see later, sometimes they add up to the point where the claim made by the ASC is far enough from the truth to be called a lie or (depending upon how charitable one feels) a "misleading claim."

(Slide 6) EDITION DETAILS

The 2nd edition of the consumer guide has been online since 2013.

The most recent version is being prepared for a July 2015 release.

If you want a copy sent to you, or wish to be informed as soon as the new version is available, please send an e-mail to:

globalariaproject@gmail.com

(Slide 7) THE VALUE CHAIN

The ASC certified shrimp does not address the entire value chain of shrimp aquaculture.

It does not certify feed. This omission in itself is enough to dismiss any claim of sustainability!

Shrimp are carnivores. The fishmeal industry trawls up large quantities of perfectly edible fish like anchovies and sardines and other small pelagic species just off the coasts of Peru and Chile. These small fish are eaten by the poor in these countries. They are "an inexpensive source of high-quality protein."

The fishmeal industry processes these fish into "fishmeal" and then transports the lot across the world to China and Indonesia and Thailand and other south-east Asian countries where it is fed to shrimp. The shrimp, fattened on fish, is then processed and transported across the world to the EU, US and Japan where it is sold as an inexpensive source of high quality protein!

In other words, the people in less developed countries who need an inexpensive source of high quality protein are being deprived of it. Instead, people in richer countries get to eat shrimp. It is like farming tigers for food. You raise goats to feed the tigers and then eat the tigers.

The ratio of fish to shrimp is called the Fish Feed Equivalence Ratio (FFER) i.e., the amount of fish that is ground up to produce the feed that will raise the same amount of shrimp. The best shrimp farms use twice the amount of fish—in other words, two kilograms of fish caught in Peru results in one kilogram of shrimp in Sweden.

The people in Peru can (and do) eat this fish. The poorer people certainly do because they cannot afford the more expensive species.

The people in Sweden can eat this fish too. But they don't. Because the shrimp that eats the fish is still cheap enough for them.

From an environmental perspective, fishmeal production is extremely destructive. The species used in fishmeal (called "trash-fish") are all over-fished.

To sum up, ASC certified shrimp are fed fishmeal and the standard does not attempt to regulate its use or to promote farms that are currently at a sustainable FFER.

The standard applies only to products and processes inside the shrimp farm. And not to all of these either, as we shall see later.

(Slide 8) THE ELEMENTS OF A RIGOROUS STANDARD

How can we tell if a standard (any standard that certifies Better Management Practices) will be effective? Is having a "good" standard enough?

Effective certification-led sustainability of large-volume products must ensure the following, in order:

A) The standard itself is rigorous—Level 1 is appropriately high, Level 2 is tangible and Level 3 is verifiable and measurable—and precise.

B) The audit requirements are practical (time and personnel costs are low) and allow an audit whose proficiency and fairness can be verified after the fact.

C) There should be enough of the certifiable product available to make an impact on the market: If there's too little of the certified product, it won't make any difference.

(Slide 9) MATRIX OF CERTIFICATION RESULTS

We need ALL of these to exist. For example, if the standard is rigorous, but cannot be audited effectively, then:

(a) a lot of unsustainable produce is labeled sustainable and dumped on the market and/or

(b) sustainable producers don't volunteer to apply for the standard because their legitimately sustainable product is lumped together with the unsustainable products of other producers. No one wants to be associated with a bad label.

The matrix you see shows the different outcomes.

(Slide 10) HOW NOT TO CREATE A SHRIMP STANDARD

We analyzed the ASC Standard using gap analysis. We also analyzed the trends within the standard—how did the standard change over the three drafts starting from the first in 2010 to the final version in 2014. This was done to determine the priorities of the standard-setters. Whose interests were they protecting? Were they being pragmatic? Or promoting environmental performance?

The results are online in the Consumer Guide. Two examples are presented here.

(Slide 11) Using gap analysis on the criteria, indicators and auditing of PESTICIDES AND ANTIBIOTICS

What did the ASC want?

There are three courses of action:

- 1) Disallow use of antibiotics and pesticides—this is an extreme step but is essential to a purely organic market.
- 2) Regulate usage—Define a list of allowed chemicals and allow their usage under special circumstances which are clearly defined. Require that the farm mention if and when these chemicals are used and check by sampling that the farm has done what it says.

For example, the WHO has different categories of antibiotics and two of these are relevant to this discussion: these are "critically important" and "highly important" categories. Antibiotics in these two categories are essential to human medicine. If bacteria become resistant to these drugs then curable diseases are rendered incurable—people are in hospital longer, healthcare becomes more expensive because more potent drugs must be used and so forth. Therefore, a standard could, for example, disallow usage of drugs in these two classes. Or it could regulate the usage of drugs in these two classes.

- 3) Monitor usage—Don't define or regulate usage. Merely monitor. This is expensive but simple to implement. The farm submits a sample for testing to an independent laboratory (or the auditor collects a random sample during a surprise check) and determine whether the residual levels are legal in the farms jurisdiction.

There are advantages and disadvantages to each method. However, each of these courses of action has one requirement that is common—a test for the chemicals. The more the tests, the better the accuracy of the audit.

(Slide 12) How did the ASC go about it?

They contradict themselves. First they disallow, outright, the use of all antibiotics. Then they disallow only drugs listed in the WHO critically important category. Does this mean that drugs in the "Highly Important" are allowed? How will this be checked?

The standard document is not clear on these issues. It should be. It is a standards document, after all.

To answer these questions, we turn to the auditor. How is the auditor asked to interpret this instruction?

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First, we find that the ASC has made an exception to the rule:

Hatcheries and nurseries are not covered at all. Immediately this implies that a shrimp farm can use any kind of antibiotic drug in its hatcheries and nurseries! Hatcheries are where usage of antibiotics is prevalent. They are used not just as a disease-prevention measure but as a prophylactic to promote growth.

A big gap has appeared already.

(Slide 14) The auditor is then given an illogical instruction—he or she is instructed to look for evidence of lack of evidence. In other words if we remove the double-negative, the auditor is asked to look for nothing. This is not the kind of rigour we expect in a standards document.

(Slide 15-18) Gap analysis shows that the claim of "No Antibiotics" is reduced to a check of the farm's knowledge of antibiotics and an empty register of antibiotic use.

Worse still, the auditor does not take a sample. (This gap exists in the criteria for pesticides too.)

The farm is not required to conduct independent tests either. No one checks if potentially harmful or banned chemicals are used.

This is not merely a poorly drafted criterion, but a poorly audited one. Yet the claim is made in press releases to consumers.

This is not an isolated case of gaps in the ASC Standard. The entire document is filled with gaps, of varying width. Vertically within criteria as well as horizontally across the entire standard these gaps add up to quite a wide span between what is claimed and what is being certified.

(Slide 19-23) TRENDS ANALYSIS—Does the ASC Standard improve worker's conditions?

The first draft of the standard had a broad definition of who would be considered a "worker" on the farm. Essentially, everyone who worked on the farm in return for remuneration (wages, fees, or payment in kind) would avail all benefits defined within the standard.

The first draft used the phrase "living wage" which would be given to all workers on the farm. This was acceptable and was a suitable starting point, from which to further improve working conditions over the years.

The term "living wage" was removed from the final draft; the broad definition of employees and workers in the first draft was muddled by the inclusion of a new term—the "hired worker. The standard-setters defined no less than 5 different kinds of workers in the standard. Permanent worker, hired labour, hired worker and temporary worker. They did not define the term "worker."

(Slide 24-25)

The matrix shows workers' benefits.

The "permanent worker" defined as someone with a contract of "unlimited duration" is the only person who gets a "fair wage." The term "fair wage" is not defined and is determined by the owner of the shrimp farm.

The vast majority of workers on a shrimp farm are given "minimum wage as applicable" i.e., the shrimp farmer determines the workers wages. In other words, workers compensations on ASC-certified farms are exactly the same as any other farm. The standard-setters gave the shrimp industry exactly what it wanted even though they were fully aware (as the first draft shows) of the low wages on shrimp farms.

Why was this done? What can be determined about the priorities of the GSC/ShAD that created the shrimp standard?

(Slide 24-26) Do remember that the ASC auditor spends, perhaps, a day speaking to workers. Do you think that it is plausible to assume that a worker (who is desperate enough to work for low wages) is likely to complain about the owner?

Wages and labour rights are a major concern in developing countries and indeed lower wages make these countries competitive in the international market. Low enough to be competitive does not have to mean —"exploitatively low to maximize profits"—we expected the ASC to promote those farms where workers are paid a "living wage". This would be a multi-stakeholder, voluntary process of the kind that certification can promote—stakeholders in the value chain (owners, exporters, importers and, finally, supermarkets) agree to reduce their profits marginally at each step and pay the difference to workers. The GSC's job was to determine living wages for each country or region and specify this figure in the standard or in the audit manual. This was attempted in the second draft but the industry representatives on the committee would not accept it. (We assume that the NGOs pressed for its inclusion, so we can conclude that the industry representatives vetoed it.)

We are collecting information about actual wages on shrimp farms.

(Slide 27) TRENDS ANALYSIS—WHERE TO ALLOW SHRIMP FARMS

(Slide 28-30) Firstly, the economic valuation of services rendered by standing mangroves are far more than those from a shrimp farm. This is non-controversial and has been documented by the TEEB project. For example, as protection from tsunami and tropical cyclones, standing mangroves have been valued at US\$34000 per hectare. A shrimp farm produced a net profit of US\$1164 per hectare. Even marketable services and commodities such as fish spawning grounds (coastal fisheries) and sustainable forest produce (dyes, firewood so forth) outstrip the revenue from shrimp farms. The claim that shrimp farms benefit the local community as whole has been proven to be false.

Note: these are the economic values alone... The social, cultural, spiritual and environmental services of mangrove ecosystems exist in addition to the economic or marketable services.

(Slide 30) So the question is: What were the intentions of the standard-setters in the GSC, General Steering Committee?

Would they exclusively promote small, sustainable, mixed-produce farms that were low-volume?

Would they protect the fragile intertidal zone?

Let us examine the trends.

(Slide 31-33) The first draft of the standard was quite clear and unambiguous about location—shrimp farms inside natural wetlands and mangrove ecosystems would not be certified by the ASC.

The second draft diluted this requirement—shrimp farms could be allowed inside these fragile ecosystems provided a B-EIA (Biodiversity-inclusive Environmental Impact Assessment) was commissioned and it evaluated the immediate and potential threats to the local biodiversity and environment. The standard did not mention whether this crucial B-EIA report would be made public. The Critical Outsider Alliance was assured in 2010 that every effort would be made to publish this document. They have not kept their word.

The final draft diluted the criterion even further—the B-EIA was one of three options available to a shrimp farm. The farm could be established if the business entity had a permit from either the national or state or local government. The standard is not clear which would take precedence; it does not list what kinds of permits would be allowed; it makes no distinction between an established farm and one that is (or has) expanded.

For example—A mangrove forest may be cleared by one business entity then sold, as is, to a second business entity which (legally) claims that IT has not cleared any forests. This second business entity is then entitled to certification even though it was established inside a recently cleared mangrove forest. This loophole seems to have been exploited in Vietnam.

(Slide 34-35) The standard setters seemed eager to please the interests of the shrimp industry rather than promote environmental performance. How can we say this?

The trends were quite clear early on in the ASC process —

The General Steering Committee (GSC) of the Shrimp Aquaculture Dialogues (ShAD) were not elected; the members selected themselves and nominated like-minded supporters both inside the shrimp industry and among the northern NGOs; one could not be a member unless one supported certification of shrimp—which meant that there was no scope for dissent within the GSC on the important issue of certification as a useful tool. This is important because other certifiers like SSNC and Krav came to the conclusion that certification would not be useful to improve the environmental performance of tropical shrimp farms.

One member first joined the GSC as a WWF representative. He resigned the post and was selected again, this time as a representative of a shrimp exporter.

The dialogues itself showed a strong bias towards industry interests: The GSC spent its first two years of existence meeting solely with the shrimp industry and importers of shrimp. They were promoting their standard at Brussels and Paris long before the standard was ready.

The "dialogues" were held in posh hotels. At the second stakeholder dialogue in Jakarta, contract shrimp-farm workers who were invited to attend the meeting did not understand what was happening; local community representatives protested outside the venue.

These incidents took place far away from consumers, out of sight. The protests against the WWF-led scheme were loud. But then, Jakarta is half-away around the world...

(Slide 36-41) SOME EXAMPLES OF SHRIMP FARM LOCATIONS

The CP Prima farm in Lampung is one of the largest in the world. Satellite imagery clearly shows that the requirement for mangrove buffers around the perimeter of the farm are violated. Comparing current images to Landsat imagery from 2000 shows that mangroves have been cut.

Another farm, not certified, but also owned by CP and sharing processing facilities with its certified neighbour was cleared well past the 1999 cutoff date. Some mangroves were cleared as recently as 2010.

There are many more examples of this kind from Indonesia, Vietnam and Ecuador, i.e., from every country where the ASC has certified farms. I invite you to check the Consumer Guide for these. As mentioned earlier, the 3rd edition of the guide will be available in July 2015.

(Slide 42-43) Key findings

THE AS SHRIMP STANDARD DOCUMENT IS WEAK

THE AUDIT QUALITY IS BAD

—Many avoidable mistakes (minor concern)

—INACCURACIES resulting from poorly designed protocols (MAJOR concern)

ASC CERTIFIED FARMS ARE NOT SUSTAINABLE

ASC CERTIFIED FARMS ARE NOT MOVING TOWARDS SUSTAINABILITY

(Slide 44-45) TASKS BEING DONE AND MOVING FORWARD

What is the CO Alliance doing?

The ASC standard is in the wild now. There is nothing to be gained from saying "We told you so."

The CO Alliance is tracking the ASCs work:

We are mapping all ASC farms.

We are trying to get independently verifiable evidence of workers' conditions and the effluent discharge from these farms—by independently verifiable, I mean data that YOU, the consumer can verify.

(Slide 46-49) SOME EXAMPLES OF AUDIT PRECISION

What have we found thus far?

Firstly, the audits are full of errors. Some of them are "human errors"—incorrect GPS coordinates being recorded. For example, there are farms in the middle of nowhere; there is a Vietnamese shrimp farm with coordinates in Thailand; the area of farms on the maps differs from what is declared on the audit report...

Secondly—and this is a major concern—the weak auditing protocols reveal the gaps that we spoke about:

A massive 150 sq. km. farm has been certified in 2014 without a recent B-EIA report. The auditor made a note in his report but certified the farm, regardless. This was not human error. This was because of a weak standard.

As such, we feel that our demand to see the p-SIA and B-EIA reports is justified. We were aware of this problem in 2010 (when the standards were not finalized) and now, after seeing the audit reports, we are convinced these reports are being withheld because they lack the precision and scope necessary to support ASCs claim that their standard promotes social and environmental performance.

(Slide 50) What can the ASC do now?

Increase transparency.
Show us the B-EIA reports.
Show us the p-SIA reports.

You already have these documents. Make them public.

(Slide 51-52)

We intend to link brands to farms. Show consumers the farms that supply shrimp to brands. Information from the field can be photographs, interviews and video of shrimp farms and workers on these farms.

You, the consumer and retailer and supermarket can decide whether you wish to be associated with a label that endorses unsustainable practices while it claims to promote what it calls "responsible production." You decide.

(Slide 53)

Timeo Danaos et dona ferentis

—Virgil (Aeneid, II, 49)

I fear the Greeks, even when they are bearing gifts

Do not be misled by the ASCs latest offering. They should be offering you sustainable produce; instead they offer you a label. These are not equal or equivalent.

A Swedish research initiative in Sidoarjo, Indonesia and Ecuador exposed Naturland's organic standard—what they claimed was false, the standard was weak and not complied with, active, non-compliance could not be detected by the auditors, or it was detected and hushed up with bribes. In some cases, certified farms were found violating Indonesian law. Moreover corruption was abundant. Naturland shrimp was neither organic nor was it sustainably produced; the label implied that it was both.

In 2004, Sweden was one of the few countries that said "no" to tropical shrimp. You decided to do so because you took a principled stand to promote sustainable produce. We applaud your courage to put the environment before business interests.

The ASC claims that it is doing its best. Their best is not good enough.

(Slide 54) Contact information.