



Expected Benefits of Fisheries Certification: Results of a Survey of MSC Fisheries Clients

by

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Introduction

The purpose of the Marine Stewardship Council (MSC), formed in 1997, is to use the market, through its fisheries certification and seafood ecolabel, to recognize and reward sustainable fishing. An environmental goal is not simply to reward those fisheries which are already at a stage that would be considered well-managed and sustainable, but to use these market-based incentives to reform poorly managed fisheries to set them on a path toward sustainability and possible certification.

From the inception of the MSC, fisheries entering assessment have done so for a variety of reasons. The initial fisheries entering assessment were test cases for the application of the MSC standard (Western Australian rock lobster, Alaskan salmon and Thames River herring, see Phillips *et al.* (2003)). However, since that time, over 100 fisheries have entered assessment and re-assessment, based on their expectations of what the future might bring once certified. What motivates these fisheries to enter assessment? What expectations do these fisheries have with respect to possible market and non-market benefits from certification? Do these expectations reflect the motivations of fisheries which are already well managed, as well as reform of those fisheries which are less well managed? To date, a systematic compilation of these reasons has not been gathered.

Better understanding of the expectations of fisheries for becoming certified is likely to be helpful for a number of reasons, and to a number of interested parties. For example, the assessment process is not costless; the assessment process itself has a cost, as do subsequent audits once certified. In addition, being or becoming a well-managed, sustainable fishery also carries costs, in the form of possibly changing fishing practices, increased monitoring or data gathering, or other fisheries management needs. Thus, undertaking certification to some extent implies the benefit of certification justifies these costs – however, it is of interest to determine from the fisheries if they indeed believe this.

Policy makers, academics, the media and environmental non-governmental organizations often speculate on reasons why fisheries might pursue certification. Yet other than anecdotal evidence, such as media interviews, little exists which gathers systematic information across the group of fisheries clients. The research presented here is the first such effort to gather such systematic evidence of the motivations of fisheries for initially entering assessment. It should be emphasized, this research does not ask what market or non-market benefits have actually been accrued – as this may be a sensitive subject for individual companies. Rather, it asks more generally the following questions:

- What benefits (market and non-market based) did fishery clients anticipate when entering MSC assessment?
- Did fishery clients expect to enter new markets (geographic and/or niche) after certification?
- Did fishery clients anticipate differences across geographic markets in selling their products with MSC certification?
- Did members within the associations represented by fishery clients generally agree that the benefits of MSC certification outweigh the associated costs associated when entering assessment?

Methodology

Two surveys were developed; one for fisheries in assessment and one for fisheries already certified (example surveys are contained in Appendix C). Several fisheries that are currently certified have been so for a significant period of time; many fisheries in assessment have signed up for assessment only recently. Thus, the factors which may have influenced the reasons for entering assessment may differ between the two groups. In addition, the format of the questions asked what the fisheries expected *when they entered assessment*. Thus, the grammar of the questions is significantly different for those which had already been certified versus those which are currently in assessment. All in all, it simplified the research to create separate surveys for the two separate groups of fisheries, even though the questions are essentially the same.

The list of individuals to whom the surveys were sent was compiled from the MSC website of the current fisheries either certified or in assessment as of May 12, 2009 (excluding those in trial assessments). The surveys were housed on Survey Monkey – a web-based survey subscription. An email was sent to each client, asking if they would answer the survey, with a link to the appropriate survey. There were 3 cases in which an email address was either undeliverable or did not exist.

In some cases, the name listed as the representative for the fishery client is not the individual who responded to the survey. In several cases, a designee of the client was the respondent, not the individual listed on the MSC website. The survey was structured such that: a) the respondent need not identify with which fishery the respondent was affiliated; and b) the individual need not identify themselves unless he/she chose to do so. In the vast majority of cases, the respondent identified both fishery and themselves, and agreed to allow us to follow up with them with additional questions if necessary. We greatly appreciate the willingness of respondents to reply and be open for further questions.

The response rate was as follows: out of 44 certified fisheries as of May 12, 2009¹, 21 replied, for a response rate of 47.7%. The list of certified fisheries responding can be found in Appendix A. No answers in this report are tied directly to a particular fishery, thus confidentiality is not violated. The response rate for fisheries in assessment was as follows: out of 70 fisheries in assessment as of May 12, 2009 (see footnote 1), 25 replied, for a response rate of 35.7%. The list of fisheries in assessment responding can be found in Appendix B. Again, no answers in this report are tied directly to a particular fishery, thus confidentiality is not violated.

The remainder of the report is structured as follows: first, a summary of overall findings is presented, followed by a summary of the findings from the survey of certified

¹ As defined by MSC certification units, see www.msc.org.

fisheries, and then the findings of the fisheries in assessment. Appendices are found at the end of the document.

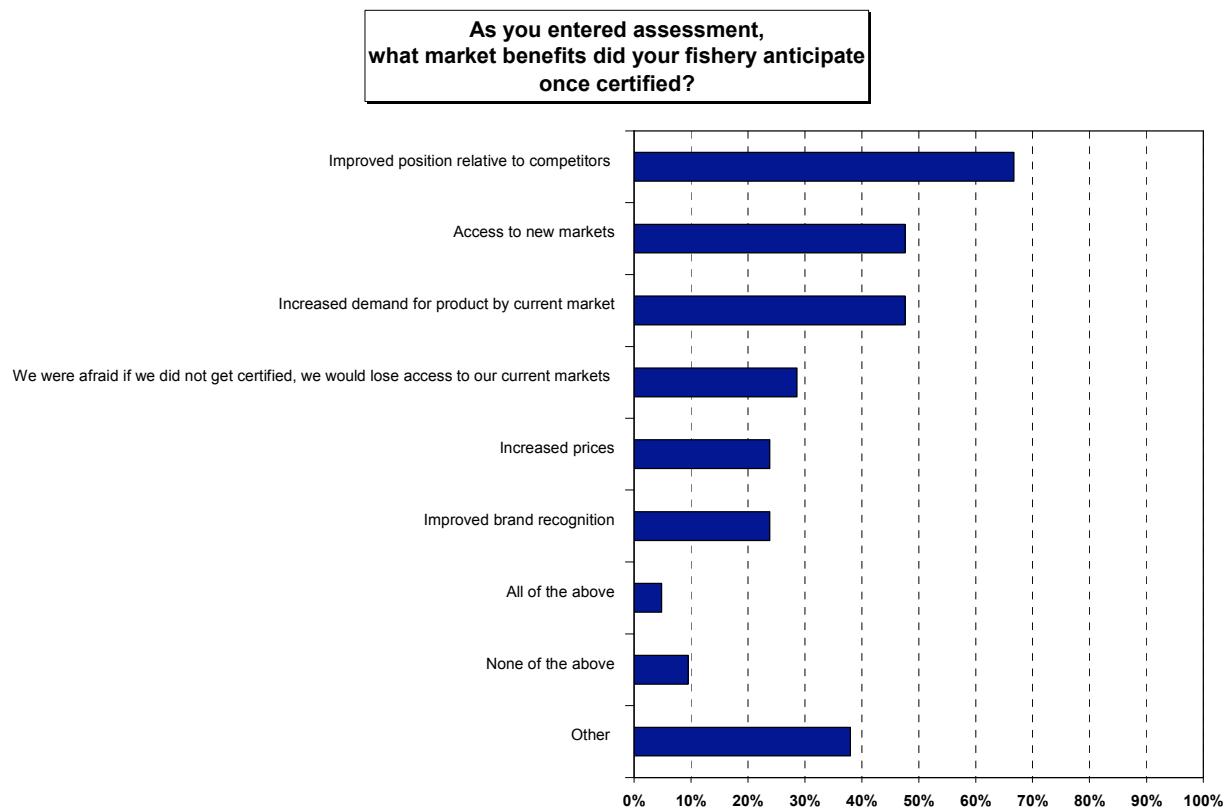
OVERALL FINDINGS:

- Certified fisheries sought different market based benefits compared to fisheries in assessment for MSC certification. The primary market based driver for the former was to improve positions relative to competitors; for the latter it is the fear of losing access to current markets.
- It is of general agreement that the primary non-market based benefit associated with MSC certification is to improve the fisheries' public image, especially with regard to NGOs and other environmental groups.
- The majority of certified fisheries did not expect to enter new geographic markets after certification, whereas the majority of the fisheries in assessment expect to gain new markets in different countries around the world after their products are certified.
- European countries are the main target of all fisheries seeking to gain new geographic markets after certification.
- All fisheries recognize differences between markets around the world regarding the impacts of MSC labeled products.
- MSC certified fisheries generally believed that benefits of MSC certification are greater than costs. Those fisheries in assessment tended to anticipate this to be true as well, but appear more uncertain.
- Both certified fisheries and those in assessment indicated that, while there was some discussion over entering into MSC assessment regarding certain issues, in general, members of their fisheries did not have much disagreement with regards to moving forward with assessment.
- In general, industry is the most frequently cited source of funds paying the costs of assessment for the majority of fisheries that enter the MSC program.

HIGHLIGHTS:

MSC CERTIFIED FISHERIES

The majority of the certified fishery clients surveyed (67%) anticipated that improving their position relative to competitors was the primary market benefit obtained with MSC certification. Access to new markets (48%) and increased demand for certified products by current market (48%) also played an important role in their decision for pursuing MSC certification. One respondent replied in the 'other' category that some customers specifically required certification.



Of those who replied 'Other,' many were anticipating the next question in the survey, on non-market benefits. When asked about the anticipation of non-market based benefits with MSC certification, 55% of fishery clients were in some way hoping to improve their fishery's reputation, especially with environment groups. Thirty percent of respondents had no response to this question, while 15% said they did not anticipate non-market benefits from certification. Some specific quotes are:

“

[...]We hoped that third party certification would have a spillover effect of increased understanding in the NGO community, the media and with the public generally that the fisheries were well managed [...].

North American fishery

”

“

In order to answer our NGO and environmental critics we felt we should certify [...].

European fishery

”

As they entered assessment, two-thirds of the fisheries surveyed (67%) did not expect to enter new geographic markets after MSC certification, while 35% did expect to enter new geographic markets. Of those fishery clients that expected to enter new markets, more than half were looking toward European markets. One fishery mentioned that it was hoped certification would allow them to gain back the market previously lost to another fishery which had earlier become certified.

The great majority of the fisheries surveyed (95%) believed that benefits of MSC certification would differ between markets in different regions of the world. Thirty percent of the respondents mentioned that European countries are more receptive to the MSC label than most places in the world. More than one response stressed the fact that the importance of MSC label has been recently increasing in the U.S.

“

*Europe is more ‘green’ now than other markets.
[MSC label is] mostly [recognized in] EU markets at present, most notably UK. It will be of increasing interest in the US in future years.*

North American fishery

”

A few of the fisheries surveyed highlighted that markets in developing countries do not consider the presence of MSC labeling important on the products that they buy.

“

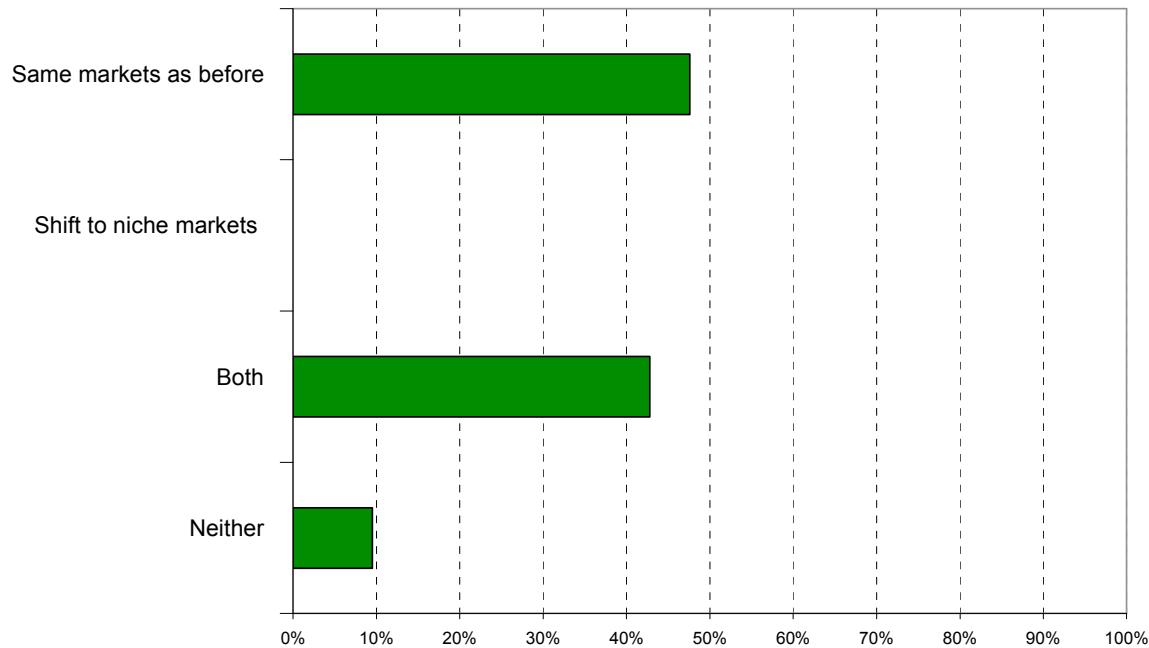
We export the largest part of our catch to markets outside the EU, in particular to countries with low purchasing power. There, sustainable fish or MSC are not issues.

European fishery

”

The majority of the certified fisheries surveyed (90%) anticipated that their products would either continue to be sold in the same markets as before MSC certification or that they would both sell to the same markets and shift some product to new higher-valued niche markets. None of the fisheries anticipated that they would shift to new niche markets alone. The fishery which replied ‘neither’ simply said no specific changes in markets were anticipated upon entering assessment.

When you first entered assessment, did you anticipate as a result of certification that your fishery would shift some of its supply to new higher-valued niche markets or continue to sell the same products as before certification?



More than 75% of the fisheries surveyed indicated that members in the fishery did not experience much disagreement with regard to the decision of moving forward with MSC certification, while 25% indicated there was disagreement.

“ Any move towards eco-labeling our fishery was regarded by all and sundry as an astute move. Transparency and accountability was high on the general community agenda. The fishers knew their business was ‘sustainable’ we needed a process (MSC) that qualified what we already knew. **”**

Among those who indicated there was disagreement, the following quote summarizes the discussions within the members of the fishery in proceeding with assessment.

“ Not much disagreement, but indeed a discussion if this was the way forward. It could be seen as giving in to pressure from NGOs. **”**

European fishery

The responses also mentioned that resistance from science and management personnel was present concerning moving forward with MSC certification, as it would imply more work for them in the form of data gathering, inputs and updates along with other responsibilities.

There is general agreement among the fisheries clients responding that when they entered the assessment process, they had anticipated the benefits of certification would outweigh costs of the certification process, costs to management and costs to the industry. One respondent simply said

“ *Of course. Otherwise they would not do this.*
European fishery ”

One client believes that the benefits have been achieved, in the sense that validation that their industry is a responsible industry to the NGOs, society and government has been met. Another fishery also believes a non-market benefit has been achieved, in so far as specific management legislation for their fishery has been passed. Others characterized the view of costs somewhat differently:

“ *Not so much the benefits outweigh the costs, but the costs are less than the potential costs of not doing so.*
North American fishery ”

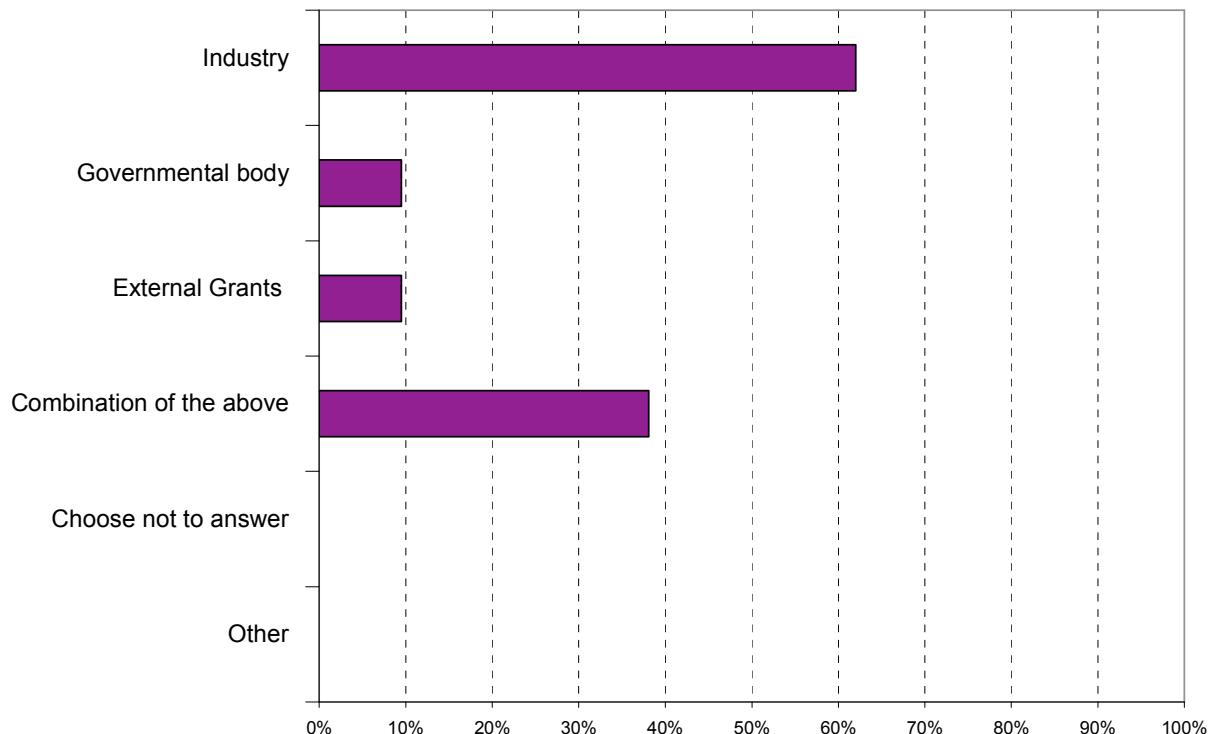
“ *The main issue for us was that the market will ask for MSC [certified] products and if we don't have it, the competition will have. So benefits will be greater.*
North American fishery ”

However, other fisheries believe the market benefits have yet to play out. For example,

“ *Yes. But the answer lies in the future. The skeptics may still be right....*
European fishery ”

Finally, the majority of the fisheries clients (62%) indicated that costs of MSC assessments and subsequent audits were being paid by the industry. Thirty eight percent of the fisheries had their expenses paid by a combination of industry and/or governmental body and/or external grants. A smaller portion of the fisheries surveyed had their costs paid either by a governmental body (9.5%) or with an external grant (9.5%). There were no respondents who chose not to answer this question or who answered 'other'.

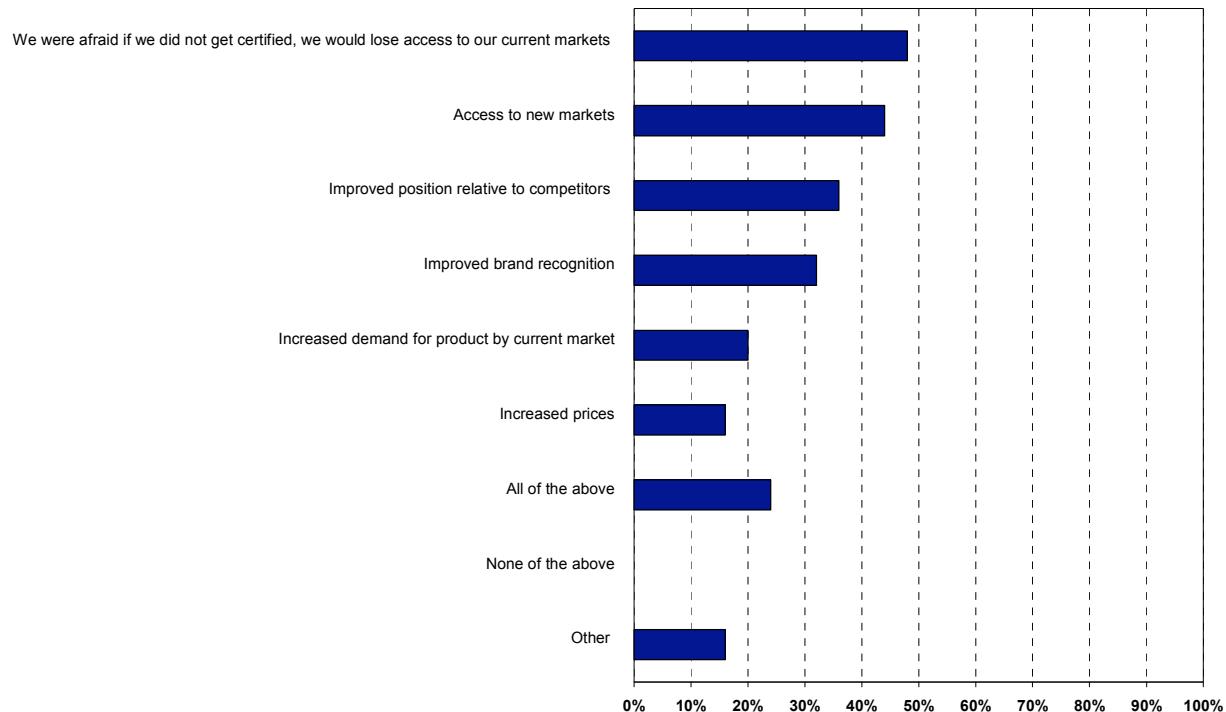
What entity paid the costs of certification and subsequent audits for your fishery?



FISHERIES IN ASSESSMENT FOR MSC CERTIFICATION

Fisheries in assessment to obtain MSC certification have as their primary market-based incentives 1) the fear of losing access to current markets (48%) and 2) gaining access to new markets (44%). Improving position relative to competitors (36%) and improving brand recognition (32%) also play an important role in their decision of entering assessment for MSC certification. Among the 'Other' reasons was regaining markets lost due to not having certification.

What market benefits does your fishery anticipate once you become certified, assuming a successful outcome?



Almost half of the fisheries surveyed (48%) anticipated non-market based benefits of MSC certification. The majority of them expect to improve their public image in general and reputation to NGOs and other organizations after they are MSC certified.

“

Our fishery is sustainable and has used very eco-friendly methods for hundreds of years. We thought we may as well get certified.

North American fishery

”

“

In order to answer our NGO and environmentalist critics, we felt we should certify.

European fishery

”

Two fisheries reported using the process to improve management. For example,

“ *We need MSC [assessment] process to persuade our fishermen of the need to manage the fishery better.* **”**
European fishery

Forty percent of respondents did not respond to this question, 12% did not anticipate any non-market benefits.

A little more than a half of the fisheries in assessment surveyed (52%) expect to enter new geographic markets after MSC certification, the remainder did not. Seventy-six percent of the clients anticipate that benefits of MSC certification will differ between different geographic markets, while the remainder did not. In their comments, the majority agree that European countries have a greater propensity for MSC certified products when compared to other countries in the world, with more demand in western and northern European nations relative to eastern and southern.

Some of the comments include:

“ *Currently, benefits probably more tangible in Europe but we think that US and Asia markets will be looking for rigorous sustainability certification such as MSC within next 3 years.* **”**
North American fishery

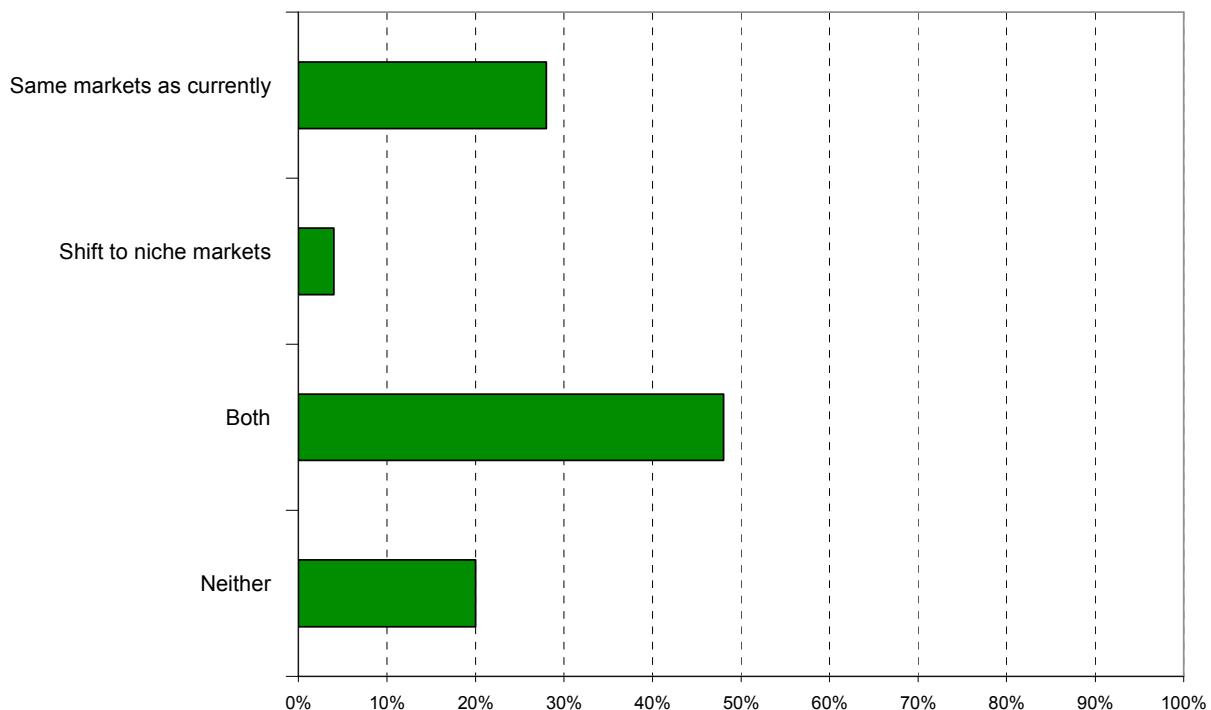
“ *So far, we are mostly feeling the demand for MSC products from western European markets.* **”**
European fishery

“ *Benefits in different geographic markets will vary depending on the status of the fisheries in those areas, education of consumers about the consequences of poor managed, unsustainable fisheries, and how certification programs (and consumer purchasing decisions) can help to improve fishery management. At this time the benefits are most obvious in European countries, and least obvious in Asian countries. Consumer purchasing decisions, and hence the benefits of MSC certification, are largely dependent upon how well the MSC promotes its programs [...].* **”**
North American fishery

“ *We export our certified [product] to many countries in and outside the EU. Especially countries in the third world buying our [fish] are not sensitive to MSC [...].* **”**
European fishery

The majority of the fisheries in assessment surveyed (76%) anticipated that their products would either continue to be sold in the same markets as before MSC certification or that they would both sell to the same markets and shift some product to new higher-valued niche markets. Four percent of the fisheries anticipate that they will shift some of their supply to new niche markets alone. Of those who replied 'neither', comments indicated that these fisheries seem to anticipate for the most part remaining in their current markets. One respondent replied that 'continuity of supply and cost of transport are problems when trying to get into niche markets.' Another replied that 'growth in niche markets {are} aided by the MSC but not made possible by the MSC.'

Do you anticipate, as a result of certification, that your fishery will shift some of its supply to new higher-valued niche markets or continue to sell the same products as you are currently?



Seventy-two percent of the fisheries surveyed responded that there was not much disagreement among members in the fishery regarding the decision to move forward with MSC certification, while 28% indicated there was. Several issues of concerns were cited by a few clients, including resistance by the fishermen and considerations about the costs of certification.

“ *Fishermen [were] very suspicious of the entire process.* **”**
European fishery

“ *There are mixed feelings over certification and whether there are real or perceived benefits and at what cost.* **”**
North American fishery

“ *It's a very politically charged issue, to say the least.* ”
European fishery

“ *Many in our group feel the MSC is extortion. A foreign based certifier giving their blessing to a fishery that has and will always follow all regulatory and management issues. They are afraid the costs of the process benefits MSC and the certifiers more than individual fishermen. But that view is changing.* ”
North American fishery

“ *Lots of minor issues, some reluctant fishery participants that, given some time, change their opinions and agreed to participate.* ”
North American fishery

The issue concerning whether or not the anticipated benefits of MSC certification outweigh the costs provokes mixed reactions from the fishery clients that have their fisheries going through the process of assessment. The opinion seems to be split up between clients that believe that the market benefits of MSC certification outweigh the costs, those who believe that the costs are higher than the actual benefits and those who believe it is still soon to affirm anything. A few of the clients who believe certification to be worth the costs, stressed the fact that the benefits are not price related but actually in the form of market access and/or maintenance of current market space.

“ *Yes, the assumption is partially true. A more correct sentence is however: The anticipated losses were perceived as greater than the costs.* ”
European fishery

“ *Far greater. We have an under-utilized resource; we are not looking to increase prices so much as overall demand.* ”
European fishery

Several responses indicated that the relative ratio of benefits to costs are unclear because non-market benefits from an improved image or reputation with environmental organizations and the public are hard to quantify. Others see it as a definite 'yes.'

“ *I am not sure that the industry recognizes that there will be a continuing cost to remain certified.* ”
North American fishery

“ Unknown: most fishermen hope that there will be a price differential – however, this is less likely with time as other [similar fisheries] attain certification. Processors were interested in market access..

North American fishery

“ No, it is about market access; MSC as a new condition to sell to European markets.

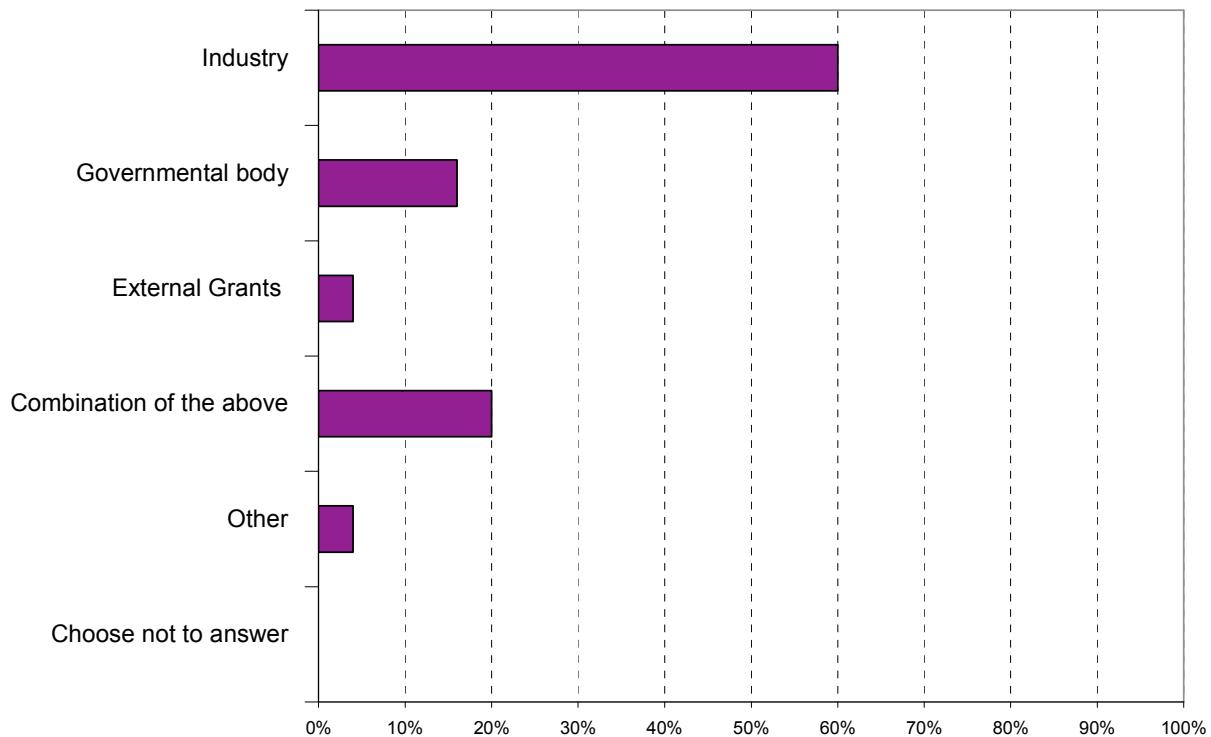
European fishery

“ Well, that is the hope. Whether it actually occurs and to what extent the value, is yet to be seen.

North American fishery

The majority of the fisheries in assessment (60%) indicated that costs of MSC assessments and subsequent audits were being paid by the industry. Twenty percent of the fisheries had their expenses paid by a combination of industry and/or governmental body and/or external grants. A smaller portion of the fisheries surveyed had their costs paid either by a governmental body (16%) or with an external grant (4%). There were no respondents who chose not to answer this question. There was no explanation attached with the 'other' answer.

What entity is paying the cost of certification for your fishery?



References

Phillips, B. T. Ward, and C. Chaffee (editors). 2003. *Eco-labelling in Fisheries: What is it all about?* Blackwell Science Ltd. Publishing, Oxford.

Appendix A

List of MSC Certified Fisheries Responding to Survey²

American Albacore Fishing Association Pacific Albacore Tuna – North
American Albacore Fishing Association Pacific Albacore Tuna – South
Australia Mackerel Icefish
Bering Sea/Aleutian Islands Pollock
Canada Northern Prawn
Domstein Longliner Partners Northeast Arctic Cod
Domstein Longliner Partners Northeast Haddock
Gulf of Alaska Pollock
Gulf of St. Lawrence Northern Shrimp
Gulf of St. Lawrence Northern Shrimp trawl fishery Esquiman Channel
Lakes and Coorong, South Australia
Loch Torridon Nephrops creel
Mexico Baja California Red Rock Lobster
Oregon Pink Shrimp
Norway North Sea and Skagerrak Herring
Norway Spring Spawning Herring
Norway North Sea Saithe
Norway North-east Arctic Saithe
Pelagic Freezer-Trawler Association North Sea Herring
Scottish Pelagic Sustainability Group Ltd. Western Component of North East Atlantic
Mackerel
South Georgia Patagonian Toothfish Longline

² As defined by MSC certification, see www.msc.org

Appendix B

List of MSC Fisheries in Assessment Responding to Survey³

American Western Fish Boat Owners Association North Pacific U.S. Troll and Pole
Albacore Tuna

Barents Sea cod and Barents Sea haddock

Bering Sea and Aleutian Island flatfish

British Columbia Pink and Chum Salmon

British Columbia Sockeye Salmon

Canadian Highly Migratory Species Foundation British Columbia North Pacific Albacore
Tuna

Danish Pelagic Producers Organization Atlanto Scandian Herring

Danish Pelagic Producers Organization East Atlantic Mackerel

Danish Pelagic Producers Organization North Sea Herring

Denmark Blue Shell Mussel

EURONOR Saithe

Gulf of Alaska Flatfish

Hastings Dover Sole Trawl and Gillnet

Isle of Man Queenie Scallop

Maryland Striped Bass

North Menai Strait Mussel

Pacific Hake mid-Water Trawl

Pelagic Freezer-trawl Association North-east Atlantic Mackerel Pelagic Trawl

Ross Sea Toothfish Longline

Russian Bering Sea Pollock

Russia Sea of Okhotsk Pollock

Scottish Pelagic Sustainability Group Ltd Atlanto Scandian Herring

South Georgia Icefish Pelagic Trawl

2 unidentified responses

³ As defined by MSC assessment process, see www.msc.org

Appendix C

Samples of Surveys Used

1. MSC Certified Fisheries Survey

This survey focuses on finding out what market benefits your fishery expected from MSC certification, back when you initially decided to pursue MSC assessment. We are contacting you as someone who is knowledgeable about the fishery and the market for its products. We hope you will provide feedback on these questions. We greatly appreciate your assistance and hope to only take 5 - 10 minutes of your time.

1. We have no way of identifying you. Would you please tell us which MSC certified fishery (or fisheries) you are affiliated with?

2. What type of position do you normally hold within this fishery?

- Fisherman
- Processor
- Wholesaler
- Exporter
- Other (please explain)

3. As you entered assessment, what market benefits did your fishery anticipate once certified? (Please check ALL that apply)

- access to new markets
- increased demand for product by current market
- increased prices
- improved brand recognition
- improved position relative to competitors
- we were afraid if we didn't get certified, we would lose access to our current markets
- all of the above
- none of the above
- Other (please specify)

4. Are there any reasons, not related to the market, which led your fishery to become certified by the MSC? Please explain.

5. When you first entered assessment, did you expect to enter new product or geographical markets after MSC certification?

yes

no

If so, which markets?

6. Did you anticipate, when entering assessment, that the benefits of MSC certification would differ between different geographic markets? (e.g. Europe, US, Asia, or between countries in Europe)

yes

no

Please explain

7. When you first entered assessment, did you anticipate as a result of certification that your fishery would shift some of its supply to new higher-valued niche markets (e.g. change to alternative processing, or sell to higher-end retailers or restaurants) or continue to sell the same products as before certification?

shift to niche markets

same markets as before

both

neither, please explain

8. Back when your fishery first entered assessment for MSC certification, was there much disagreement among members regarding moving forward with assessment?

yes
 no

Please explain

9. By moving forward with assessment for MSC certification, members of your fishery must have decided that future benefits would outweigh the costs of the certification process, costs to management, and costs to the industry.

In your opinion, is our assumption true, that members of your fishery believed anticipated benefits would be greater than the costs? Please comment.

10. Recognizing that this is a confidential matter between the client and certification body, YOU MAY CHOOSE NOT TO ANSWER THIS QUESTION. What entity paid the costs of certification and subsequent audits for your fishery? (Check all that apply)

Governmental body
 External Grants (funding agencies)
 Industry
 Combination of the above
 Other
 Choose not to answer

11. May we contact you for further information? Yes No

If Yes, as this is an anonymous survey, please provide us with your name, telephone number, and/or email address at which you would prefer to be reached:

1. MSC In-Assessment Survey

This survey focuses on finding out what market benefits your fishery expects from MSC certification. We are contacting you as someone who is knowledgeable about the fishery and the market for its products. We hope you will provide feedback on these questions. We greatly appreciate your assistance and hope to only take 5 - 10 minutes of your time.

1. We have no way of identifying you. Would you please tell us which MSC fishery (or fisheries) in assessment you are affiliated with?

2. What type of position do you normally hold within this fishery?

- Fisherman
- Processor
- Wholesaler
- Exporter
- Other (please explain)

3. What market benefits does your fishery anticipate once you become certified, assuming a successful outcome? (Please check ALL that apply)

- access to new markets
- increased demand for product by current market
- increased prices
- improved brand recognition
- improved position relative to competitors
- we were afraid if we didn't get certified, we would lose access to our current markets
- all of the above
- none of the above
- Other (please specify)

4. Are there any reasons, not related to the market, that led your fishery to assessment for certification by the MSC? Please explain.

5. Do you expect to enter new product or geographical markets after MSC certification?

yes

no

If so, which markets?

6. Do you anticipate that the benefits of MSC certification will differ between different geographic markets? (e.g. Europe, US, Asia, or between countries in Europe)

yes

no

Please explain

7. Do you anticipate, as a result of certification, that your fishery will shift some of its supply to new higher-valued niche markets (e.g. change to alternative processing, or sell to higher-end retailers or restaurants) or continue to sell the same products as you are currently?

shift to niche markets

same markets as currently

both

neither, please explain

8. Was there much disagreement among members regarding moving forward with assessment?

yes
 no

Please explain

9. By moving forward with assessment for MSC certification, members of your fishery must have decided that future benefits would outweigh the costs of the certification process, costs to management, and costs to the industry.

In your opinion, is our assumption true, that members of your fishery anticipated benefits are greater than the costs? Please comment.

10. Recognizing that this is a confidential matter between the client and certification body, YOU MAY CHOOSE NOT TO ANSWER THIS QUESTION. What entity is paying the costs of certification for your fishery? (Check all that apply)

Governmental body
 External Grants (funding agencies)
 Industry
 Combination of the above
 Other
 Choose not to answer

11. May we contact you for further information?

yes
 no

If yes, as this is an anonymous survey, please provide us with your name, telephone number, and/or email address at which you would prefer to be reached: