



## Supply Chain Tools for Improving Fisheries' Compliance

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### Who We Are?

Pesca Responsable y Comercio Justo is a Mexican private company aimed at supporting the fishing sector in the adaptive process to fulfill the social and environmental responsibility requirements that markets are currently demanding



## Who We Are?



Pesca Responsable has ten years of experience advising civil organizations, government institutions, producer associations and private companies in different topics, including:

- Design of public policies for the management of natural resources;
- Design of monitoring programs for productive activities in protected natural areas and their areas of influence;
- Improvement projects design and implementation for artisanal and industrial fisheries;
- Design and supervision of procurement policies and purchase agreements;
- Certification processes on social and environmental responsibility; and
- Design and implementation of traceability and chain of custody systems.



## Legal verification system for high risk fisheries: The case of Mexican Pacific shrimp and crab



### Background:

- Mexican shrimp exports to the USA round the 27 thousand MT and the 295 million USD per year
- Mexican crab exports to the USA round the 5 thousand MT and 60 million USD per year
- 30% of the total Mexican seafood exports value
- 55% of the total exports value to the USA
- Both fisheries are in the top 5 in exports value, volume and socioeconomic importance.
- According to national statistics 56% of the seafood production could have an IUU provenance:
  - The combined volume of exports and domestic direct consumption is 92% above the national production combined with the imports.
  - The difference is 71% when considering the indirect consumption
  - Consumption *per capita* is 30% above to national production combined with imports

## Key elements of a legal verification system for high risk fisheries:



### 1.- Regulatory framework

Regulatory instrument	Shrimp	Crab
Constitution (Mexico)	✓	✓
Fisheries Law	✓	✓
Fisheries regulation	✓	✓
Mexican Official Standard	✓	✓
Fishery Management Plan	✓	No
Seasonal/spatial closures	✓	✓
Seafood Import monitoring Program	✓	✓
Sea turtles protection	✓	N/A
Marine mammals protection act	✓	No

## Key elements of a legal verification system for high risk fisheries:



### 2.- Mandatory & standardized registry procedures for captures and landings

- Large-scale shrimp vessels are mandated to keep a logbook during the entire fishing trip.
- Large-scale shrimp vessels are monitored 24/7 via a government Vessel Monitoring System
- All license holders are required to declare the landings using the standard landing report (paper or online).
  - Large-scale vessels one/trip
  - Small-scale one/permit (which can cover several vessels)
- When the license holder makes a first-hand sale is mandated to make reference in the invoice to the landing report exclusive serial number
- When a processor/distributor makes a second hand sale is mandated to reference the first hand sale invoice in his invoice.
- When a shipment is made, a waybill needs to be processed where landing reports and invoices are declared

Additionally the processing facility registries are useful to match captures with final product invoices

## Key elements of a legal verification system for high risk fisheries:



### 3.- Control documents

Letter of warranty where:

- **Supplier certifies** that, to the best of its knowledge, all products and materials supplied from an specific fishery are legally caught and conform fully to all applicable national and international laws (including all statutes and regulations) governing the capture, landing processing and transportation.
- **Supplier accepts** to generate, collect and make available the evidence of such compliance.
- **Supplier acknowledges** that activities in execution of the certification are subject to regular audit measures by independent third parties.
- **Supplier Recognizes** that failure to comply with the covenants, representations and warranties made in the certification may lead to legal and commercial consequences
- **Supplier Lists** the vessels and/or facilities subject to the warranty
- **Supplier recognizes** the legal instruments against which the compliance will be assessed

## Key elements of a legal verification system for high risk fisheries:



### 3.1- Control documents' Geographic scope



The geographic scope of the Upper Gulf of California shrimp fishery is restricted to the area of study for the shrimp populations designed by INAPESCA as "Zona 10"

El alcance geográfico de la pesquería de camarón en el Alto Golfo de California se restringe al área de estudio de las poblaciones de camarón designada por INAPESCA como "Zona 10"

## Key elements of a legal verification system for high risk fisheries:



### 3.2- Control documents' seafood products scope

Shrimp and shrimp products captured and/or landed in the Upper Gulf of California	<b>Final Processing:</b> <ul style="list-style-type: none"> <li>• Headless Shell-on in 5-Lb blocks packaged in 50-lb master box.</li> <li>• Headless Shell-on individually frozen packaged in plastic bags and master boxes of different volumes</li> <li>• Peeled and deveined tail-on or tail off individually frozen packaged in plastic bags and master boxes of different volumes</li> <li>• Easy-peel individually frozen packaged in plastic bags and master boxes of different volumes</li> <li>• Head-on in 5-Lb blocks packaged in 50-lb master box</li> <li>• Head-on individually frozen packaged in plastic bags and master boxes of different volumes</li> </ul>
<b>Species:</b> <ul style="list-style-type: none"> <li>• Blue shrimp (<i>Litopenaeus stylirostris</i>)</li> <li>• Yellowleg shrimp (<i>Farfantepenaeus californiensis</i>)</li> </ul>	
<b>Fishing method:</b> Bottom-trawl net as described in the numeral 4.3.2.1 and the Normative Appendix "C" of the Mexican Official Standard NOM-002-SAG/PESC-2013, published in the Diario Oficial de la Federación on July 11, 2013.	
<b>Onboard processing:</b> brine frozen bulk packaged in sacks or plastic boxes	

## Key elements of a legal verification system for high risk fisheries:



### 3.3- Control documents' audit protocol

Based on:

- The product flow map through the entire supply chain (from capture to final wholesale)
- License holder declarations and registries related to the capture:
  - Logbook
  - Vessel Monitoring System
  - Landing report
  - Processing report
  - First and second hand invoice sales
- USA Import documentation:
  - SIMP certificates (harvest and processing)
  - Shrimp Exporter/Importer declaration (sea turtles protection program)
  - Shrimp Certificate of admissibility (MMPA)



## But...How it Works?



The information of the shipments subject to Audit is processed into a set of dynamic tables where, using logic formulas, the auditor is able to detect inconsistencies between declarations and registries of the product transit through the supply chain.

Examples: Captures reception form volume  $\geq$  Landing report volume  $>$  Processing report volume  $\geq$  Sales invoice

Once the product lots with inconsistencies are detected, a visit is agreed to work deeper on the inconsistent lots identified.

During the visit the auditor works with the supplier to review the inconsistencies and require additional information.

PESCA RESPONSABLE Y COMERCIO JUSTO S DE RL DE CV									
LAGO ERRE 327 B VALLE DORADO ENSENADA BAJA CALIFORNIA CP 22890									
LISTADO DE AVISOS DE ARRIBO									
EMPRESA: AQUJASTAR									
INFORMACIÓN GENERAL									
FECHA	AVISO DE ARRIBO	RAZÓN SOCIAL	BARCO	EMPA	CAMARÓN AZUL EXPORTA	CAMARÓN BLANCO EXPORTA	CAMARÓN CAJÉ EXPORTA	CAMARÓN AZUL MEX	ESPEC
13/10/2019	AE000027742	BM BARCOS CAMARONEROS SA DE CV	LINDA	50002944	1120			1000	
13/10/2019	AE000027741	BM BARCOS CAMARONEROS SA DE CV	NUVEZTA	50041897	1000			960	
13/10/2019	AE000027748	BM BARCOS CAMARONEROS SA DE CV	VLLADMIR	50026217	1000			1730	
12/10/2019	AE000027749	BM BARCOS CAMARONEROS SA DE CV	DON ESTEBAN	50025089	1120			2000	
12/10/2019	AE000027747	BM BARCOS CAMARONEROS SA DE CV	JORGE IVAN (A.50041339)	50041339	1100			960	
21/10/2019	AE000028245	BM BARCOS CAMARONEROS SA DE CV	DON ESTEBAN	50025089	862			525	
21/10/2019	AE000028246	BM BARCOS CAMARONEROS SA DE CV	JORGE IVAN	50041339	1000			458	
10/10/2019	AE000028247	BM BARCOS CAMARONEROS SA DE CV	LINDA	50002944	1041			200	
24/10/2019	AE000028248	BM BARCOS CAMARONEROS SA DE CV	NUVEZTA	50041897	960			1340	
21/10/2019	AE000028249	BM BARCOS CAMARONEROS SA DE CV	VLLADMIR	50026217	379			771	
14/11/2019	AE000029699	BM BARCOS CAMARONEROS SA DE CV	JORGE IVAN	50041339	4180			548	
14/11/2019	AE000029700	BM BARCOS CAMARONEROS SA DE CV	LINDA	50002944	4126			400	
18/11/2019	AE000029772	BM BARCOS CAMARONEROS SA DE CV	DON ESTEBAN	50025089	4100			584	
21/11/2019	AE000030025	BM BARCOS CAMARONEROS SA DE CV	VLLADMIR	50026217	2448			257	
27/11/2019	AE000030348	BM BARCOS CAMARONEROS SA DE CV	NUVEZTA	50041897	3714			400	
10/12/2019	AE000031141	BM BARCOS CAMARONEROS SA DE CV	JORGE IVAN	50041339	1036			200	
10/12/2019	AE000031146	BM BARCOS CAMARONEROS SA DE CV	NUVEZTA	50041897	854			200	

A report is prepared and presented to the involved parties. If the inconsistencies are solved that is stated in the Audit report. If the inconsistencies are not solved, the auditor prepares improvement recommendations for the involved parties.

## Total traceability

The product lot history is synthetized in a document which includes, based upon the lot number, the most relevant information and support documentation.

Traceability reports are hosted in an online platform accessible to interested users through exclusive username and password.

The platform displays, based upon the product lot number the report and backup documentation



### Track Your Lot

## Traceability report



## LOT INFORMATION

PRODUCTION LOT NUMBER: **82701**IMPORTER/DISTRIBUTOR: **OCEAN GARDEN PRODUCTS**

## PRODUCT INFORMATION

PRODUCTION DAYS	2018-10-23 - 2018-10-24 2018-10-24 - 2018-10-26
DATE OF LANDING	10/24/2018
LANDING REPORT NUMBER	<a href="#">A1213152</a> <a href="#">A1213153</a>
PORT OF LANDING	EL CERRO CABEZON, SINALOA
TOTAL CAPTURE LANDED	2200.00 KG
DATE OF PROCESSING	10/24/2018
PROCESSING REPORT NUMBER	<a href="#">82701</a>
PROCESSING FACILITY	GARDEN FOODS
ADDRESS OF PROCESSING FACILITY	TOPOLOBAMPO KM 3.5, BURÓCRATAS, 81290 LOS MOCHIS SINALOA
FDA REGISTRATION NUMBER	<a href="#">18012015108</a>
NOAA IUU/SIMP CERTIFICATE	<a href="#">HARVEST &amp; LANDING</a> <a href="#">PRIMARY OR SECONDARY PROCESSING</a>

## Traceability report



## VESSEL INFORMATION

VESSEL NAME	SCPP JOSE MARIA PEREA S DE RL DE CV
VESSEL ID NUMBER	2505001061
VESSEL LICENSE NUMBER	<a href="#">125056175259</a>
LICENSE EXPIRATION DATE	04/20/2020
FISHING COMPANY	SCPP JOSE MARIA PEREA S DE RL DE CV

PRODUCTION

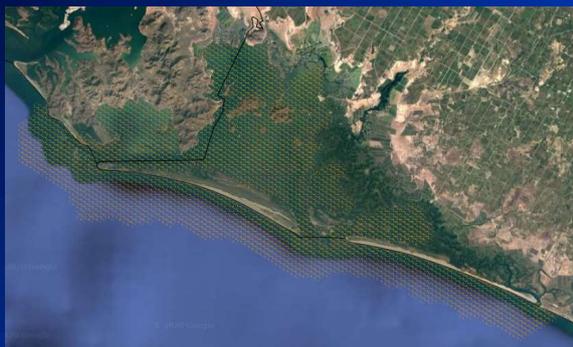
2018-10-23 - 2018-10-24

AREA OF PRODUCTION



## Traceability report – fishing grounds

### Small-scale shrimp and Crab



### Industrial shrimp



### Final remarks:

- The documentation process required is not sufficient to tackle the risks related to the procurement process from these fisheries
- Sustainability commitments and procurement policies are not sufficient to tackle the risks related to from these fisheries neither.
- Both instruments require a mandatory or complementary process to verify the legal provenance of captures and landings entering the supply chain.
- Local governments are not willing/capable to tackle IUU activities within their constituencies, while colluding with producers, processors and exporters to greenwash this landings.

