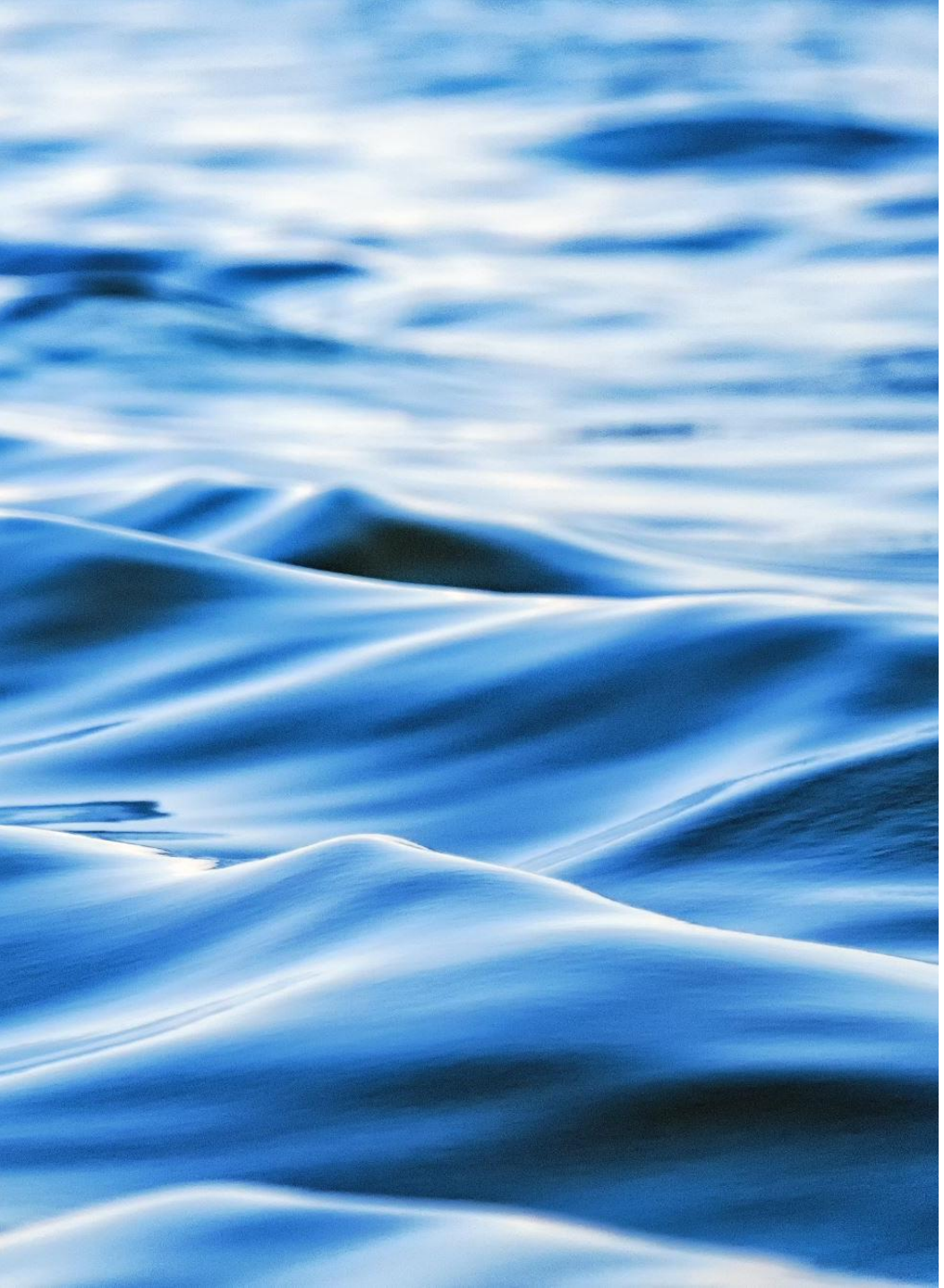

# Trends in the demand for eco-labelled fisheries and aquaculture products: focus on the EU


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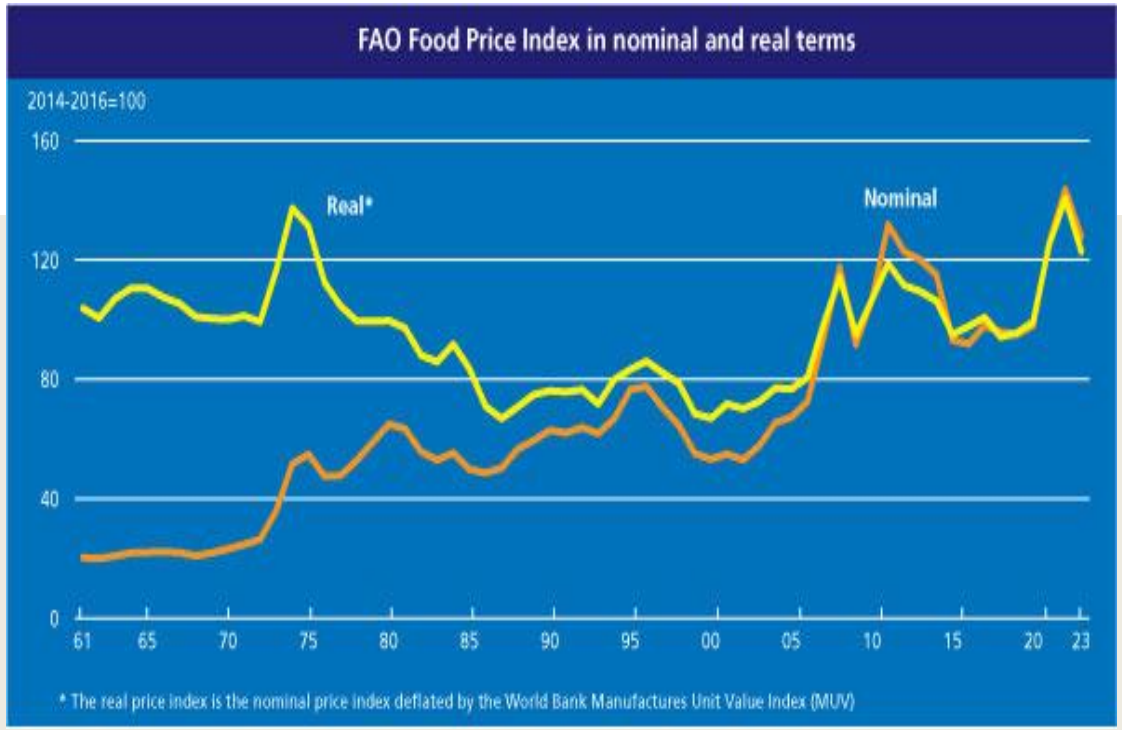
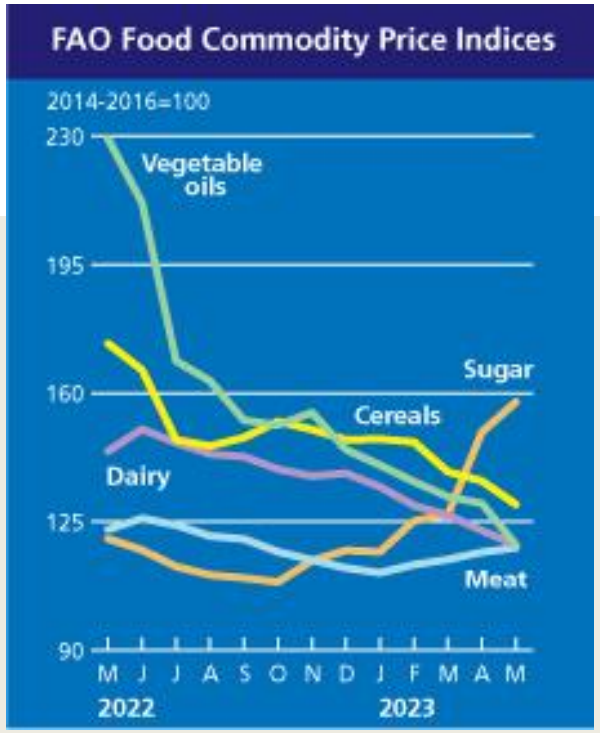
# Outline

- Macroeconomic context
- Consumer reactions
- Drivers of eco-certification
- Supply trends
- Conclusions

# FAO Food Price Index

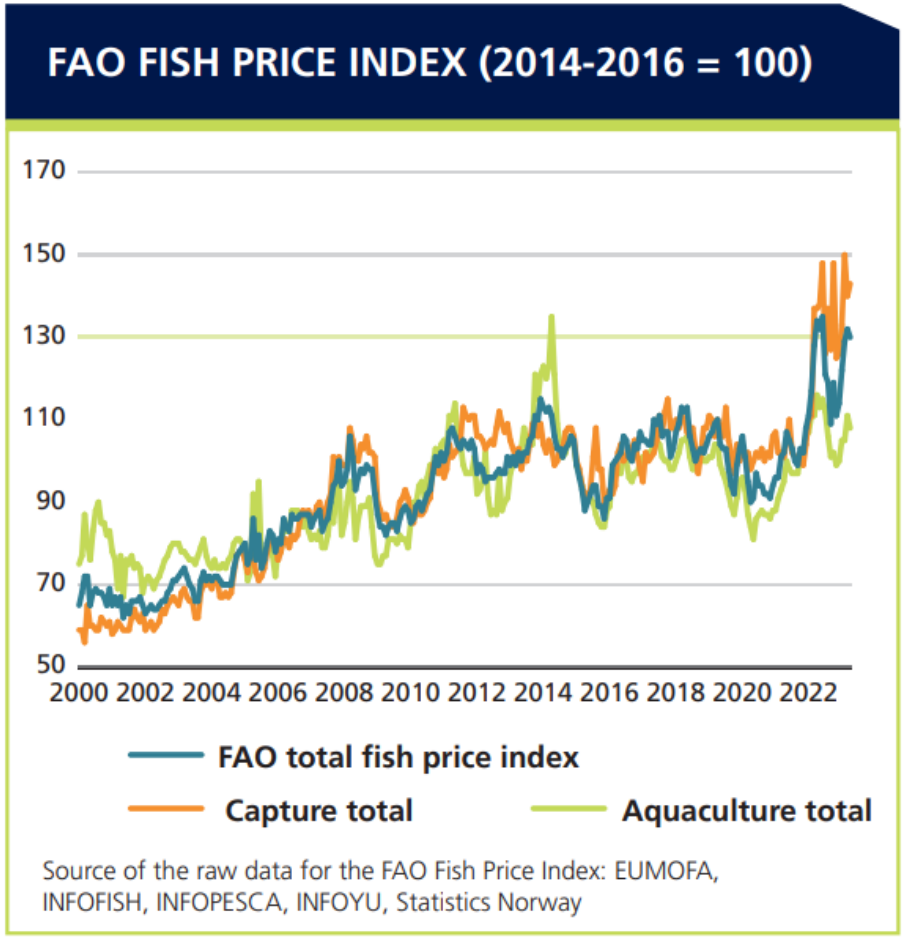


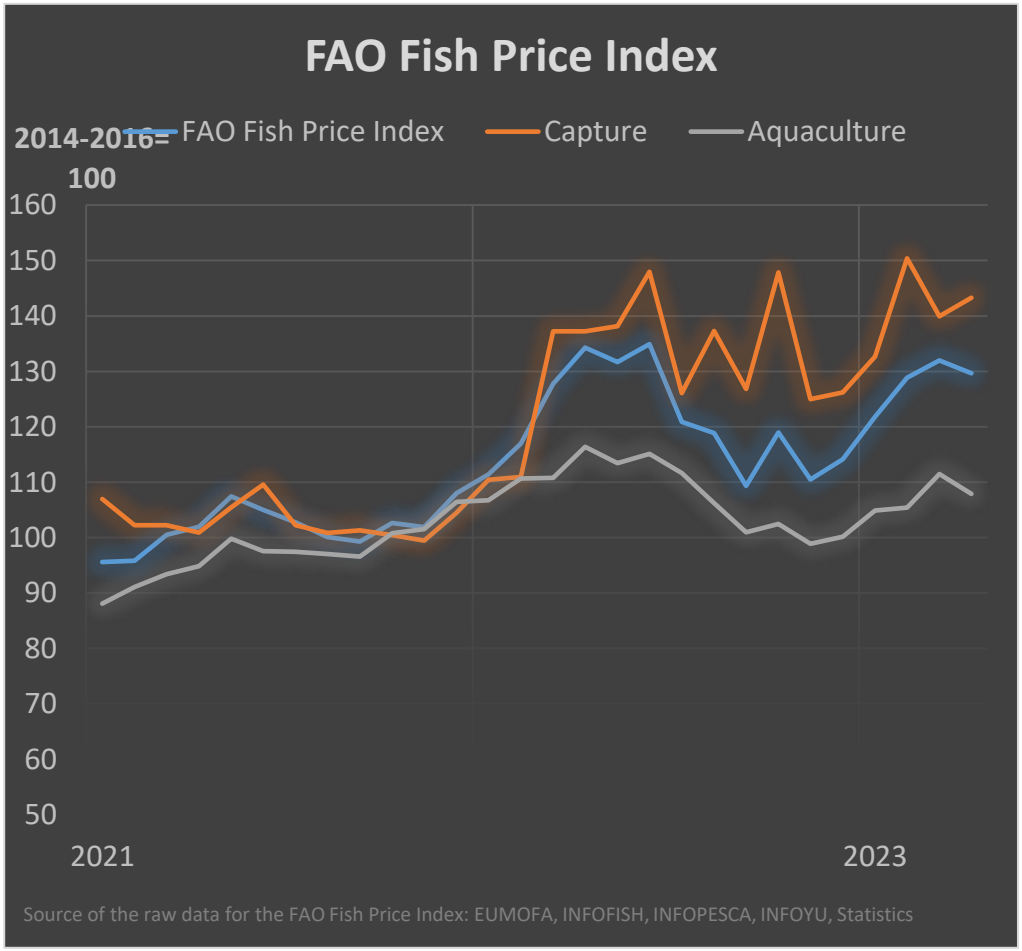



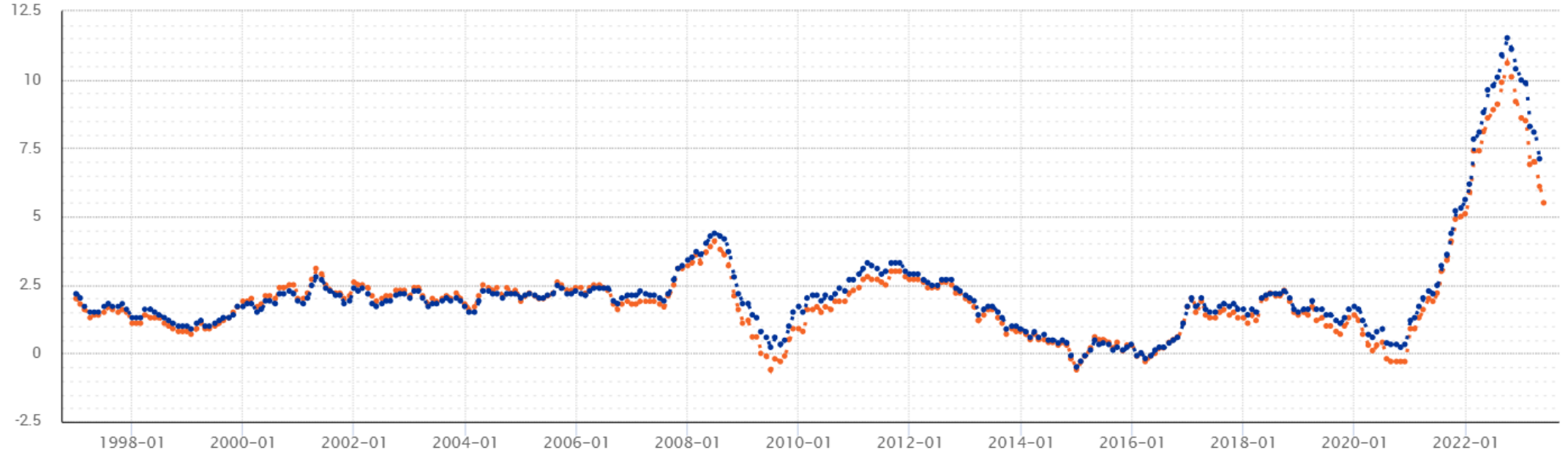

FAO. 2023. FAO Food Price Index. https://www.fao.org/worldfoodsituation/foodpricesindex/en/

FAO. 2023. Food Outlook, June 2023. https://www.fao.org/3/cc3020en/cc3020en.pdf

# FAO Fish Price Index



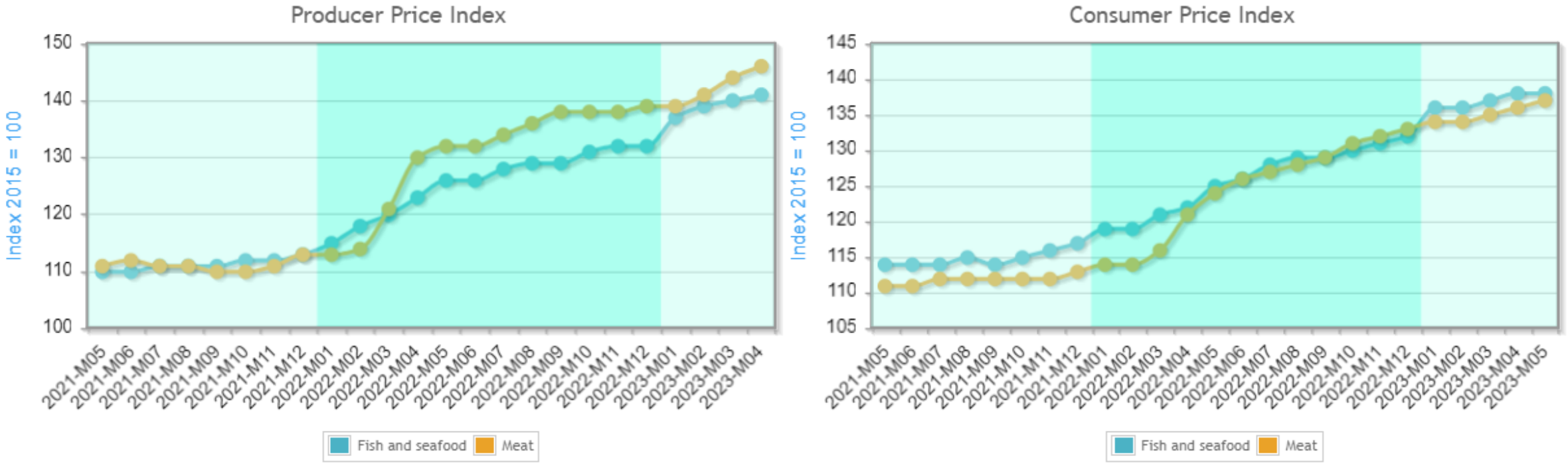






Source: EUROSTAT 2023. HICP Monthly Data

# EU Harmonized Index Of Consumer Prices (HICP)

# Fish price inflation in the EU



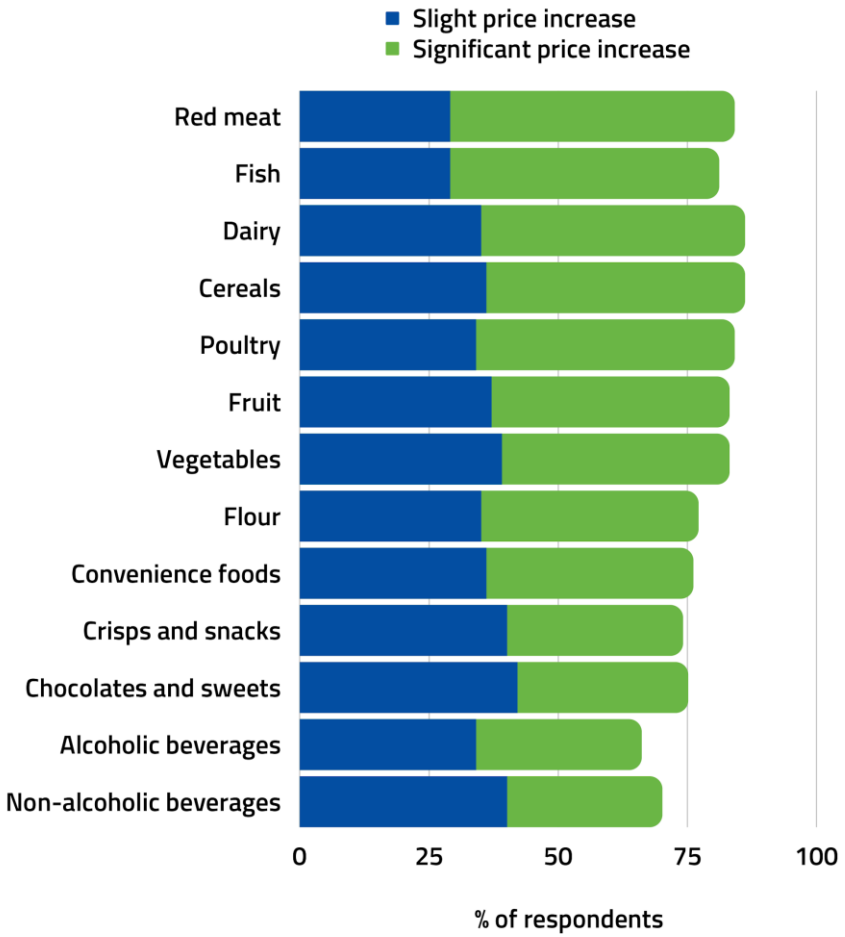

EUMOFA. 2023. Macroeconomic Dashboard. https://www.eumofa.eu/it/macroeconomic

# EU consumer reactions to rising food prices


A study of 5000 consumers from 10 European countries, led by Aaurhus University and funded by EIT Food

## Perceived price increases for most categories of food

The effects of rising prices have been keenly felt by consumers, with shoppers observing price increases for most categories of food.

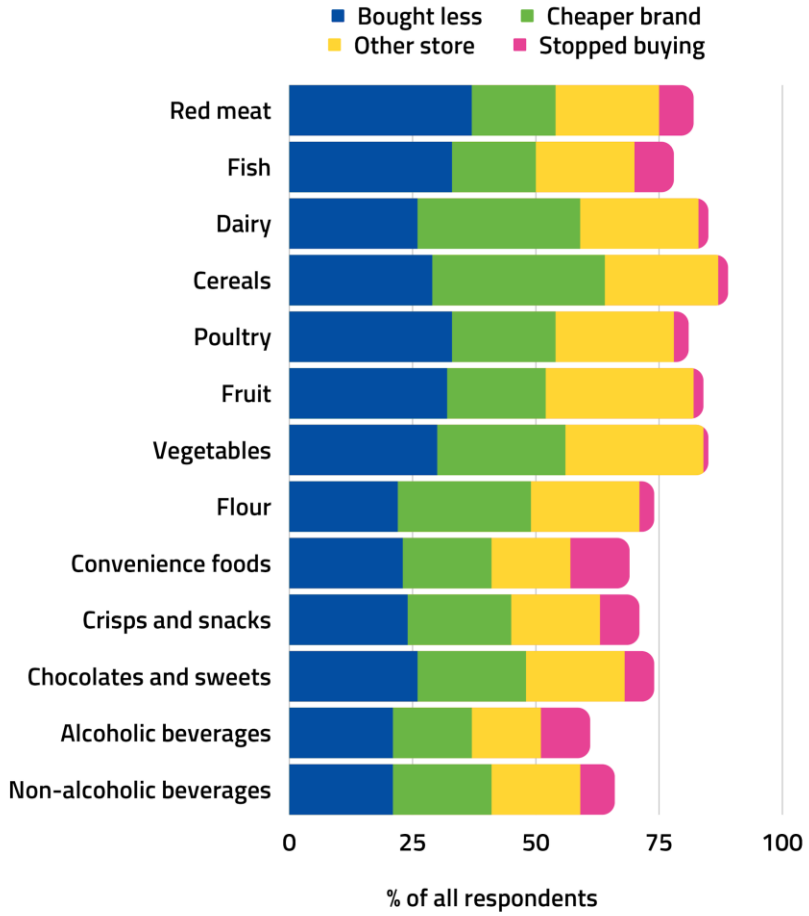



EIT Food. 2022. https://www.eitfood.eu/files/Report-changes-in-food-behaviour-in-times-of-crisis.pdf

# EU consumer reactions to rising food prices

## Consumers cut food costs by buying less or switching brands

Consumers are reacting to increased prices by cutting costs where they can, including buying less, buying cheaper brands, and shopping at cheaper stores.




EIT Food. 2022. https://www.eitfood.eu/files/Report-changes-in-food-behaviour-in-times-of-crisis.pdf

# Household consumption of fresh fisheries and aquaculture products

| Country | Per capita consumption 2020* (live weight equivalent, LWE) kg/capita/year | March 2021 | | March 2022 | | February 2023 | | March 2023 | | Change from March 2022 to March 2023 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Volume | Value | Volume | Value | Volume | Value | Volume | Value | Volume | Value |
| Denmark | 35,17 | 1.380 | 25,33 | 1.042 | 18,31 | 630 | 12,06 | 635 | 12,91 | ▼ 39% | ▼ 29% |
| France | 32,56 | 20.934 | 254,70 | 15.708 | 207,35 | 14.102 | 195,80 | 15.710 | 214,84 | 0% | ▲ 4% |
| Germany | 12,81 | 9.670 | 143,32 | 6.005 | 98,46 | 5.426 | 89,96 | 5.201 | 93,90 | ▼ 13% | ▼ 5% |
| Hungary | 6,50 | 511 | 2,84 | 267 | 2,06 | 262 | 2,11 | 245 | 2,00 | ▼ 8% | ▼ 3% |
| Ireland | 21,22 | 1.488 | 22,32 | 1.204 | 18,64 | 1.008 | 16,45 | 1.343 | 21,71 | ▲ 12% | ▲ 16% |
| Italy | 29,99 | 30.638 | 333,08 | 27.793 | 317,56 | 18.920 | 230,79 | 23.471 | 294,88 | ▼ 16% | ▼ 7% |
| Netherlands | 20,70 | 3.860 | 67,70 | 2.837 | 50,61 | 2.306 | 46,18 | 2.612 | 53,66 | ▼ 8% | ▲ 6% |
| Poland | 13,33 | 4.731 | 31,49 | 4.186 | 29,46 | 3.495 | 28,03 | 4.005 | 33,98 | ▼ 4% | ▲ 15% |
| Portugal | 57,67 | 7.097 | 48,21 | 5.071 | 37,96 | 4.439 | 34,68 | 4.686 | 35,72 | ▼ 8% | ▼ 6% |
| Spain | 44,21 | 55.606 | 474,56 | 43.517 | 388,34 | 38.326 | 372,73 | 43.501 | 415,03 | 0% | ▲ 7% |
| Sweden | 23,99 | 1.179 | 14,78 | 457 | 6,65 | 362 | 5,90 | 483 | 8,10 | ▲ 6% | ▲ 22% |

*Data on per capita consumption of all fish and seafood products for all EU Member States can be found at: https://www.eumofa.eu/documents/20178/521182/EFM2022_EN.pdf/

EUMOFA. 2023. Monthly Highlights – June 2023

volume in tonnes and value in million EUR

# What is the impact on eco-certified fisheries and aquaculture products?





# What is eco-certification?

- A market-based approach to govern certain negative externalities of business practices
- Consumers exert control through purchasing decisions
- Many types of certification:
  - Covering different sustainability issues
  - Different stages of the supply chain (vertical integration)
- But all:
  - are voluntary
  - adhere to ‘third-party’ verification systems
- In theory leads to differentiation and a price premium which offsets the costs for certification

# Drivers of certification: price premium?

| Market | Price premium | Species | Ecolabel | Reference |
|---|---|---|---|---|
| London | 14.2% | Alaska pollock | MSC | Roheim et al (2011) |
| Glasgow, Scotland | 10.1% | Haddock | MSC | Sogn-Grundvåg and Young (2013) |
| Glasgow, Scotland | 12.7% | Frozen whitefish | MSC | Sogn-Grundvåg et al. (2014) |
| Glasgow, Scotland | 13.1% varying by retailer | Salmon | MSC | Asche et al. (2015) |
| Germany | 30%<br>4%<br>0% | High-end cod<br>Alaska pollock<br>Saithe | MSC | Asche & Bronnmann (2017) |
| Spain | 15.2-24.6% | Octopus | MSC | Fernandez Sanchez et al (2020) |
| Germany | 9%<br>6% | Trout<br>Pangasius, Tilapia | ASC | Asche, Bronnmann & Cojocaru (2021) |
| Sweden | No general effect on prices or quantities | Nephrops (Norway lobster) | MSC | Andersson & Hammerlund (2023) |

# Drivers of certification: Retailers commitments to sustainability

- Sustainable seafood consumption is increasing due also to retailers commitments to sourcing only sustainably certified products


Ireland

*"We are committed to sourcing 100% of our own-brand permanent chilled and frozen fish products, as well as fish used as an ingredient in our products, from independently certified sustainable fisheries by the end of 2019 (MSC or recognised Irish FIP's for wild caught fish and ASC or GLOBAL G.A.P. Aquaculture Standard for farmed fish)"*


*"Commodities: 100% of our own-brand tea, coffee, cocoa, palm oil, soy, wood fibers and seafood certified against an acceptable standard"*

# Drivers of certification: Producers' commitment to sustainability

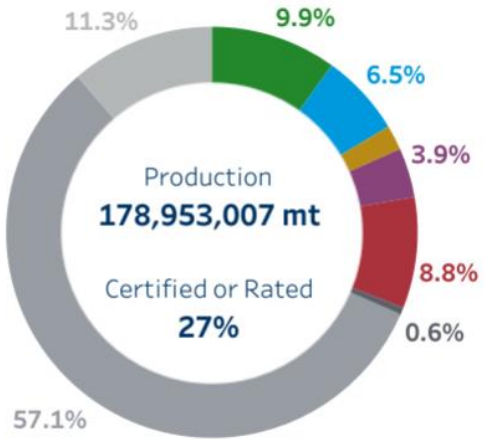
*100% of harvest volumes sustainably certified by a GSSI-recognised standard*


- GSI (Global Salmon Initiative)
  - A pre-competitive collaboration of 13 salmon farming companies
  - Approximately 40% of the global farmed salmon sector
  - Commitment to 100% of production certified by ASC
  - Currently around 55% certified

GSI. 2023. ASC Progress. https://globalsalmoninitiative.org/en/our-work/sustainability-certification-asc-standard/asc-progress/
Mowi.2023. https://mowi.com/blog/sustainability/commitments/sustainability-certifications/

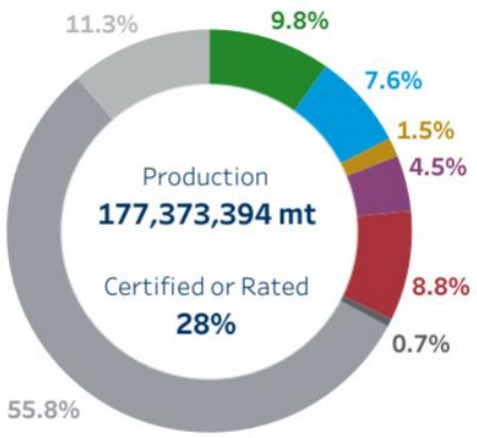
# Certified production from fisheries and aquaculture*

## 2020



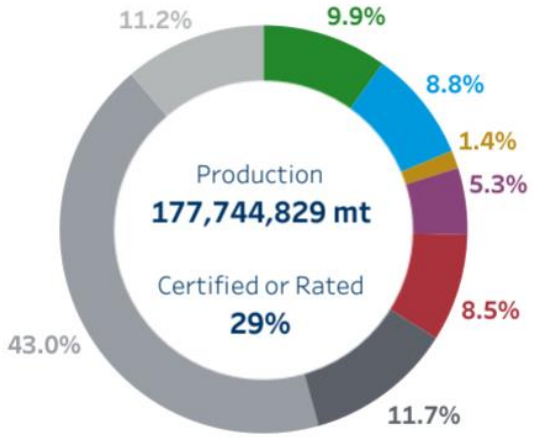

| | |
|---|---|
| MSC Certified | 9,730,868 mt \| 5.4% |
| ASC Certified | 1,925,967 mt \| 1.1% |
| FTUSA Certified | 4,228 mt \| 0.0% |
| Seafood Watch Best Choice | 17,692,512 mt \| 9.9% |
| Seafood Watch Good Alternative | 3,496,456 mt \| 2.0% |
| Seafood Watch Avoid | 15,664,178 mt \| 8.8% |
| Fishery Improvement Project | 6,855,603 mt \| 3.8% |
| Aquaculture Improvement Project | 107,754 mt \| 0.1% |
| MSC In Assessment | 859,973 mt \| 0.5% |
| ASC In Assessment | 230,996 mt \| 0.1% |
| Not Yet Assessed | 102,128,632 mt \| 57.1% |
| Data Deficient (nei) species groups | 20,255,842 mt \| 11.3% |

## 2021




| | |
|---|---|
| MSC Certified | 9,739,868 mt \| 5.5% |
| ASC Certified | 1,988,234 mt \| 1.1% |
| BAP Certified | 1,828,328 mt \| 1.0% |
| FTUSA Certified | 6,259 mt \| 0.0% |
| Seafood Watch Best Choice | 17,296,728 mt \| 9.8% |
| Seafood Watch Good Alternative | 2,715,911 mt \| 1.5% |
| Seafood Watch Avoid | 15,647,099 mt \| 8.8% |
| Fishery Improvement Project | 7,782,319 mt \| 4.4% |
| Aquaculture Improvement Project | 172,545 mt \| 0.1% |
| MSC In Assessment | 842,022 mt \| 0.5% |
| ASC In Assessment | 364,903 mt \| 0.2% |
| Not Yet Assessed | 98,964,655 mt \| 55.8% |
| Data Deficient (nei) species groups | 20,024,523 mt \| 11.3% |

## 2022




| | |
|---|---|
| MSC Certified | 11,533,157 mt \| 6.5% |
| ASC Certified | 2,120,532 mt \| 1.2% |
| BAP Certified | 1,999,161 mt \| 1.1% |
| FTUSA Certified | 6,247 mt \| 0.0% |
| Seafood Watch Best Choice | 17,605,735 mt \| 9.9% |
| Seafood Watch Good Alternative | 2,503,154 mt \| 1.4% |
| Seafood Watch Avoid | 15,184,903 mt \| 8.5% |
| Fishery Improvement Project | 9,256,589 mt \| 5.2% |
| Aquaculture Improvement Project | 175,254 mt \| 0.1% |
| MSC In Assessment | 676,741 mt \| 0.4% |
| ASC In Assessment | 314,133 mt \| 0.2% |
| Seafood Watch In Progress | 19,887,015 mt \| 11.2% |
| Not Yet Assessed | 76,503,119 mt \| 43.0% |
| Data Deficient (nei) species groups | 19,979,088 mt \| 11.2% |

CERTIFICATION AND RATINGS
COLLABORATION

*Excluding aquatic plants

Certifications and Ratings Collaboration. 2023.Data Tool. https://certificationandratings.org/data-tool-2022/

# Conclusions

The determinants of demand for eco-labeled fisheries and aquaculture products is not linked solely to consumer choice

Sustainability certification is increasingly becoming a necessary condition to enter the EU market and less a source of differentiation and premium price

Therefore, if there is a significant price premium associated with the eco-label and not sufficient differentiation, there may be a temporary reduction in demand during challenging economic conditions, however, it is likely that over the long term this is offset by increasing market share of eco-labels

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# Thank you for your attention!

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