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# MODERN SLAVERY IN SEAFOOD SUPPLY CHAINS AND HOW TO END IT THROUGH TRANSPARENCY AND TRACEABILITY

Presentation to the House of Commons Subcommittee on International Human Rights

Julia Levin, Oceana Canada



# Modern Slavery in Seafood Supply Chains and How to End it Through Transparency and Traceability

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### ABOUT OCEANA CANADA

Oceana Canada was established in 2015 as an independent charity and is part of the largest international group focused solely on ocean conservation. Canada has the longest coastline in the world, with an ocean surface area of 7.1 million square kilometres, or 70 per cent of its landmass. Oceana Canada believes that Canada has a national and global obligation to manage our natural resources responsibly and help ensure a sustainable source of protein for the world's growing population.

Oceana Canada works with civil society, academics, fishers, Indigenous Peoples and the federal government to return Canada's formerly vibrant oceans to health and abundance. By restoring Canada's oceans, we can strengthen our communities, reap greater economic and nutritional benefits, and protect our future.

### RECOMMENDATIONS

1. Oceana Canada is asking the House of Commons Subcommittee on International Human Rights to recommend that the Canadian Food Inspection Agency (CFIA) implement robust and verifiable boat-to-plate traceability requirements for all seafood products sold in Canada in order to keep illegally caught fish from entering the Canadian market. The information required to follow the seafood product throughout the supply chain should include the who, what, where, when and how of fishing, processing and distribution. Furthermore, traceability systems must be accompanied by verification and enforcement mechanisms, such as inspections to confirm the identify of seafood products.
2. Oceana Canada also asks the Subcommittee to recommend that CFIA work with Fisheries and Oceans Canada (DFO) to require catch documentation to identify the origin and legality of seafood for all domestic and imported seafood, in line with that currently required by the European Union and recommended by the Food and Agriculture Organization of the United Nations (FAO).<sup>1</sup>

### RATIONALE

#### 1. *Modern slavery and child labour have been well documented within seafood supply chains*

Illegal, Unreported and Unregulated fishing (IUU) accounts for nearly one third of the world's seafood catch and is valued at up to \$23 billion USD per year globally.<sup>2</sup> **Illegal** fishing refers to fishing activities that contravene applicable laws and regulations, including those adopted at the regional and international level. **Unreported** fishing refers to activities that are not reported or are misreported to relevant authorities. **Unregulated** fishing occurs in areas or for fish stocks for which there are no applicable conservation or management measures and where such fishing activities are conducted in a

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<sup>1</sup> FAO (2017) Voluntary guidelines for catch documentation schemes. Available: <http://www.fao.org/fi/static-media/MeetingDocuments/CDS/TC2016/wpAnnex.pdf>

<sup>2</sup> Schaeffer, D. (2017) Illegal fishing threatens far more than ocean health. Pew Trusts. <http://www.pewtrusts.org/en/research-and-analysis/blogs/compass-points/2017/07/18/illegal-fishing-threatens-far-more-than-ocean-health>

manner inconsistent with national responsibilities for the conservation of living marine resources under international law.<sup>3</sup>

The connection between illegal fishing and modern slavery, as well as human trafficking, drug and weapon trafficking and child labour, has been thoroughly documented and exposed by investigations such as those conducted by the Associated Press<sup>4</sup>, The New York Times<sup>5</sup> and the Guardian.<sup>6</sup>

These and subsequent investigations<sup>7</sup> have found extensive evidence of the organized and systemic use of modern slavery by vessels engaged in illegal fishing. Undocumented migrants are being sold, kidnapped and tricked onto fishing vessels to work as forced labourers or indentured slaves. These accounts have revealed the existence of 'prison islands' (for example Indonesia's Benjina Island) where people are marooned – sometimes in cages – while the captains return to port. Furthermore, escaped slaves have told of egregious human rights violations, including beatings and in some cases murder. In addition to modern slavery, child labor is common in fishing and aquaculture across the globe.<sup>8,9</sup>

The seafood products from these implicated vessels were then linked to supply chains of major North American food sellers, such as Wal-Mart, Costco, Sysco, Nestle and Kroger, as well as pet food companies, including Fancy Feast, Meow Mix and Iams.<sup>10,11</sup> According to Verité, an NGO that deals exclusively with labor violations in supply chains, human trafficking exists in almost all seafood supply chains.<sup>12</sup> The US Department of State's 2014 *Trafficking in Persons* report noted evidence of human trafficking in the fishing and aquaculture sector across Asia and Africa, as well as Central America.<sup>13</sup>

The prevalence of slavery within seafood supply chains happens for a variety of reasons, including:

- i. Difficulty with regulating fishing activities in international waters;
- ii. Limited enforcement capacity of governments where abuses are taking place; and
- iii. Complex and opaque supply chains present many opportunities for illegalities to occur; and
- iv. high demand for cheap seafood.<sup>14,15</sup>

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<sup>3</sup> Presidential Task Force on Combatting IUU Fishing and Seafood Fraud (2015) Action plan for implementing the task force recommendations. Available: [http://www.nmfs.noaa.gov/ia/iuu/noaa\\_taskforce\\_report\\_final.pdf](http://www.nmfs.noaa.gov/ia/iuu/noaa_taskforce_report_final.pdf)

<sup>4</sup> McDowell, R., Mendoza, M. & Mason, M. (2015) AP Exclusive: AP tracks slave boats to Papua New Guinea. Associate Press News. Available: <https://apnews.com/c2fe8406ff7145a8b484deae3f748aa5/ap-tracks-missing-slave-fishing-boats-papua-new-guinea>

<sup>5</sup> Urbina, I. (2015) The Outlaw Ocean. New York Times. Available: <https://www.nytimes.com/interactive/2015/07/24/world/the-outlaw-ocean.html>

<sup>6</sup> Hodal, K. & Kelly, C. (2014) Trafficked into slavery on Thai trawlers to catch food for prawns. The Guardian.

<https://www.theguardian.com/global-development/2014/jun/10/sp-migrant-workers-new-life-enslaved-thai-fishing>

<sup>7</sup> Stop Illegal Fishing (2017) FISH-i Africa: Our Future. Gaborone, Botswana.

<sup>8</sup> Verite (2016) Fishing and Aquaculture. Available: <http://www.verite.org/wp-content/uploads/2016/12/Fishing-and-Aquaculture-Overview.pdf>

<sup>9</sup> Verite (2016) Recruitment Practices and Migrant Labour Conditions in Nestle's Thai Shrimp Supply Chain. Available: [http://www.verite.org/wp-content/uploads/2016/11/NestleReport-ThaiShrimp\\_prepared-by-Verite.pdf](http://www.verite.org/wp-content/uploads/2016/11/NestleReport-ThaiShrimp_prepared-by-Verite.pdf)

<sup>10</sup> Urbina, I. (2015) The Outlaw Ocean. New York Times. Available: <https://www.nytimes.com/interactive/2015/07/24/world/the-outlaw-ocean.html>

<sup>11</sup> Sutton, T. & Siciliano, A. (2016) Seafood Slavery: Human trafficking in the international fishing industry. Center for American Progress. Available: <https://www.americanprogress.org/issues/green/reports/2016/12/15/295088/seafood-slavery/>

<sup>12</sup> Verite (2016) Fishing and Aquaculture. Available: <http://www.verite.org/wp-content/uploads/2016/12/Fishing-and-Aquaculture-Overview.pdf>

<sup>13</sup> Verite (2016) Fishing and Aquaculture. Available: <http://www.verite.org/wp-content/uploads/2016/12/Fishing-and-Aquaculture-Overview.pdf>

<sup>14</sup> Stop Illegal Fishing (2017) FISH-i Africa: Our Future. Gaborone, Botswana.

<sup>15</sup> Sutton, T. & Siciliano, A. (2016) Seafood Slavery: Human trafficking in the international fishing industry. Center for American Progress. Available: <https://www.americanprogress.org/issues/green/reports/2016/12/15/295088/seafood-slavery/>

## 2. *Illegally caught seafood is entering the Canadian market*

An increasing amount of seafood sold in Canada is shipped from overseas: estimates suggest up to 80 per cent of what is consumed in Canada may be imported.<sup>16</sup> This seafood follows a long, complex and notoriously opaque path from a fishing vessel to our plate, with a risk of seafood fraud and mislabelling at each step along the way.<sup>17</sup> Seafood fraud includes any dishonest activity that misrepresents the product being purchased, including hiding the true identity or origin of fish. It allows illegally caught fish to enter the market by giving it a new 'legal' identity,<sup>18</sup> as a lack of traceability makes it easy to distribute this seafood around the globe.<sup>19</sup> By the time illegally caught fish arrives on consumers' plates, its true identity is a mystery.<sup>20</sup>

Canada has few measures in place to prevent illegal products from entering supply chains.<sup>21</sup> Reports indicate that 25–30 per cent of wild-caught seafood imported into the U.S. is from illegal and unreported sources.<sup>22</sup> While similarly extensive studies have not been conducted in Canada, experts suggest that given similarities in imports, the significant amount of seafood imported from the U.S. into Canada and Canada's weaker legislation, the percentage would be the same if not higher in Canada.<sup>23</sup>

A recent small-scale review by researchers from Dalhousie University and the University of York (UK) found that up to 22 per cent of seafood imported into Canada is at risk of being IUU. The report author notes that this is very likely an underestimate.<sup>24</sup> An Italian study of seafood imports found fish and seafood products that originated from Thailand, China and Vietnam had the highest rates of labelling inaccuracy.<sup>25</sup> In terms of both quantity and value of seafood imports into Canada, these countries rank second, third and fourth, following only the U.S.<sup>26</sup>

## 3. *Canada lacks the catch documentation and traceability requirements used in other progressive jurisdictions to prevent the entry of illegally-caught seafood*

Full-chain seafood traceability means being able to track fish products through every step, from the water to our plates, and is necessary to have a transparent and accountable supply chain.<sup>27</sup> Today, non-

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<sup>16</sup> Townley, A. (2017) Risk Assessment of Illegal, Unreported, Unregulated and Mislabeled Seafood in Canadian Values Chains. Dalhousie University. Submitted for publication.

<sup>17</sup> FishWise (2017) Advancing Traceability in the Seafood Industry: Assessing Challenges and Opportunities. Available: <https://www.fishwise.org/traceability/> traceability-white-paper

<sup>18</sup> Stiles, M., Kagan, A., Shaftel, E. & Lowell, B. (2013) Stolen Seafood: the impact of pirate fishing on our oceans. Oceana. Available: <http://oceana.org/reports/stolen-seafood-impact-pirate-fishing-our-oceans>

<sup>19</sup> World Vision (2016) Supply Chain Risk Report: Child and forced labour in Canadian consumer products. Available: [http://nochildforsale.ca/wp-content/uploads/2016/06/Child-and-forced-labour-report\\_jun-08.pdf#](http://nochildforsale.ca/wp-content/uploads/2016/06/Child-and-forced-labour-report_jun-08.pdf#)

<sup>20</sup> Stiles, M., Kagan, A., Shaftel, E. & Lowell, B. (2013) Stolen Seafood: the impact of pirate fishing on our oceans. Oceana. Available: <http://oceana.org/reports/stolen-seafood-impact-pirate-fishing-our-oceans>

<sup>21</sup> Townley, A. (2017) Risk Assessment of Illegal, Unreported, Unregulated and Mislabeled Seafood in Canadian Values Chains. Dalhousie University. Submitted for publication.

<sup>22</sup> Pramod, G. *et al.* (2014) Estimates of illegal and unreported fish in seafood imports to the USA. *Marine Policy*, 48: 102–113.

<sup>23</sup> Bailey, M. (2017) Evaluation of the Regulatory and Market Environment to Combat Seafood Mislabelling and Fraud in Canada. Oceana. Unpublished manuscript.

<sup>24</sup> Townley, A. (2017) Risk Assessment of Illegal, Unreported, Unregulated and Mislabeled Seafood in Canadian Values Chains. Dalhousie University. Submitted for publication.

<sup>25</sup> Guardone, L. *et al.* (2017) DNA barcoding as a tool for detecting mislabeling of fishery products imported from third countries: An official survey conducted at the Border Inspection Post of Livorno-Pisa (Italy). *Food Control*, 80: 204–216.

<sup>26</sup> Fisheries and Oceans Canada (2008) Section 4 – International Trade (fish and seafood products). Available: <http://dfo.mpo.gc.ca/stats/commercial/cfs/2008/section8-4-eng.htm>. Accessed: September 20, 2017.

<sup>27</sup> Sutton, T. & Siciliano, A. (2016) Seafood Slavery: Human trafficking in the international fishing industry. Center for American Progress. Available: <https://www.americanprogress.org/issues/green/reports/2016/12/15/295088/seafood-slavery/>

governmental organizations, national governments and the seafood sector recognize the need for greater adoption of full chain digital traceability to ensure safe, legal and accurately labelled seafood products.<sup>28,29,30</sup>

Similarly, catch documentation schemes are used to certify that seafood products are of legal origin, caught with authorization and in compliance with relevant conservation and fisheries management measures.<sup>31</sup> Coupling catch documentation with traceability standards keeps illegally sourced fish out of supply chains and prevents them from reaching the market.<sup>32</sup> Furthermore, this could assist law enforcement agencies in enforcing anti-trafficking laws against actors in the global seafood industry by providing a documented and reliable mechanism for tracing the movement of slave-produced goods from the point of abuse to the point of import.<sup>33</sup>

Both the EU and the U.S. have traceability standards and catch documentation requirements to prevent the entry of seafood from illegal sources. These measures to ensure that seafood imports are fully documented and legally caught provide a strong example for Canada to adopt.

The EU—the largest importer of seafood—has enacted some of the world's strongest legal provisions to stop seafood fraud and IUU fishing, including full-chain traceability, catch documentation, comprehensive labelling requirements, a third-country “carding” process which imposes import restrictions on countries that are not actively addressing IUU fishing and penalties for EU nationals who engage in or support illegal fishing around the world.<sup>34</sup>

In March 2015, the Obama administration announced plans to change how seafood arrives to U.S. shores, focusing both on environmental abuses as well as human rights violations, by creating an inter-agency task force against IUU fishing. The stated goal of the administration's plan was to counter illegal fishing and associated crimes such as seafood fraud and forced labor by requiring companies to report where the fish was pulled from the water, what gear was used and which boats carried it to shore.<sup>35</sup>

New legislation, the Seafood Import Monitoring Program will be in effect as of January 1, 2018, and will require catch documentation and chain-of-custody information for imported seafood deemed to be at risk of seafood fraud or illegal fishing, from the point of catch to the U.S. border.<sup>36</sup>

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<sup>28</sup> Hardt, M., Flett, K. & Howell, J. (2017) Current barriers to large-scale interoperability of traceability technology in the seafood sector. *Journal Food Science*, 82(S1): A3–A12.

<sup>29</sup> Sutton, T. & Siciliano, A. (2016) Seafood Slavery: Human trafficking in the international fishing industry. Center for American Progress. Available: <https://www.americanprogress.org/issues/green/reports/2016/12/15/295088/seafood-slavery/>

<sup>30</sup> Sutton, T. & Siciliano, A. (2016) Seafood Slavery: Human trafficking in the international fishing industry. Center for American Progress. Available: <https://www.americanprogress.org/issues/green/reports/2016/12/15/295088/seafood-slavery/>

<sup>31</sup> Fisheries and Oceans Canada. Trade tracking: catch documentation schemes, statistical documentation plans, and documentation requirements. Available: <http://www.dfo-mpo.gc.ca/international/psma-cfpr/sheet-feuille-eng.htm>

<sup>32</sup> Hosch, G. & Blaha, F. (2017) Seafood traceability for fisheries compliance. FAO Fisheries and Aquaculture technical paper, 619. Food and Agriculture Organization of the United Nations.

<sup>33</sup> Sutton, T. & Siciliano, A. (2016) Seafood Slavery: Human trafficking in the international fishing industry. Center for American Progress. Available: <https://www.americanprogress.org/issues/green/reports/2016/12/15/295088/seafood-slavery/>

<sup>34</sup> European Commission (2008) Council Regulation No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing, amending Regulations (EEC) No 2847/93, (EC) No 1936/2001 and (EC) No 601/2004 and repealing Regulations (EC) No 1093/94 and (EC) No 1447/1999.

<sup>35</sup> Presidential Task Force on Combating IUU Fishing and Seafood Fraud. (2015) Action Plan for Implementing the Task Force Recommendations. Available: [http://www.nmfs.noaa.gov/ia/iuu/noaa\\_taskforce\\_report\\_final.pdf](http://www.nmfs.noaa.gov/ia/iuu/noaa_taskforce_report_final.pdf)

<sup>36</sup> Magnuson-Stevens Fishery Conservation and Management Act; Seafood Import Monitoring Program, 150507434-5999-01 C.F.R. (2016).

Although this is a valuable first step, the Centre for American Progress has identified three key concerns:<sup>37</sup>

- i. It only includes 13 species and species groups. By not covering all 1,200 species sold in the US, the risk of IUU and seafood fraud is shifted to species that are not covered by the program;
- ii. Traceability stops at the border, therefore the supply chain is not fully transparent;
- iii. Labour concerns have been ignored. This program should include data on labor conditions aboard boats (e.g. crew manifests, time at sea)—a powerful tool to fight slavery. So far, NOAA, the lead implementing agency, has chosen to focus exclusively on fish populations and not workers.

In Canada, seafood trade is regulated and managed by multiple government departments at the federal, provincial and municipal levels. At the federal level, seafood sold internationally or interprovincially is regulated by CFIA, whose mandate is to ensure the safety of Canada's food supply. Fisheries and Oceans Canada (DFO) has the lead federal role in managing Canada's fisheries and acts to prevent, deter and eliminate illegal fishing. To further complicate the regulatory landscape, provinces and municipalities also play a role in regulating various levels of the seafood supply chain. However, these responsibilities are not consistent across the country.

Very little information is available on traceability and record-keeping requirements for fish supply chains in Canada and there are few standardized traceability requirements. Only a common name and country of origin (which may actually be the country in which the product was last transformed or processed) must follow products throughout the supply chain.<sup>38</sup> CFIA has recognized this as an issue and has included traceability in its proposed Safe Food for Canadians Regulations; however the requirements are not sufficient to prevent the entry of illegally sourced fish into Canada.

The information collected by CFIA at the point of import includes only the common name, a taxonomic serial number (corresponding to a scientific name), the production method and the country of harvest.<sup>39</sup> No information is required about the specific catch area, the vessel or chain-of-custody information, including all processing and transshipments. Furthermore, the information that is collected is not required to travel with the product through the supply chain.

DFO established a Catch Certificate Program in 2010 to meet EU traceability requirements and provide proof that Canadian fish and seafood do not originate from IUU sources. This is a voluntary program for companies exporting to the EU. There are no requirements for either domestic producers to have their catch be certified or for importers to accompany their products with catch certificates.<sup>40</sup>

## CONCLUSION

To most effectively fight seafood fraud and illegal fishing, and to cripple the market for modern seafood-related slavery, Canada must establish a comprehensive system that harmonizes with its major trading

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<sup>37</sup> Sutton, T. & Siciliano, A. (2016) Seafood Slavery: Human trafficking in the international fishing industry. Center for American Progress. Available: <https://www.americanprogress.org/issues/green/reports/2016/12/15/295088/seafood-slavery/>

<sup>38</sup> Zhang, J. & Bhatt, T. (2014) A guidance document on the best practices in food traceability. *Comprehensive Reviews in Food Science and Food Safety*, 13(5) 1074–1103.

<sup>39</sup> Canadian Food Inspection Agency (2016) Instructions to Complete the Fish Import Notification form. Available: <http://www.inspection.gc.ca/food/fish-and-seafood/imports/instructions-notification-form/eng/1412638794210/1412638794804>

<sup>40</sup> Fisheries and Oceans Canada (2016) Country-specific catch certification requirements. Available: <http://www.dfo-mpo.gc.ca/fm-gp/ccp-pcc/export/catchcountry-pays-captures-eng.html>

partners and builds more transparency into supply chains by requiring full chain traceability and catch documentation.

1. **Oceana Canada is asking the House of Commons Subcommittee on International Human Rights to recommend that the Canadian Food Inspection Agency (CFIA) implement robust and verifiable boat-to-plate traceability requirements for all seafood products sold in Canada to keep illegally caught fish from entering the Canadian market. This should include the who, what, where, when and how of fishing, processing and distribution and regular inspections confirming the identify of seafood products.**
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<sup>41</sup> FAO (2017) Voluntary guidelines for catch documentation schemes. Available: <http://www.fao.org/fi/static-media/MeetingDocuments/CDS/TC2016/wpAnnex.pdf>