



# Target 75 Sector Report: Snapper Grouper







## **Target 75 Sector Report: Snapper and Grouper**

SFP's <u>Target 75 (T75) initiative</u> has set a goal to see that 75 percent of the world's seafood production is considered sustainable or making regular, verifiable improvements by 2020. To simplify achieving and measuring progress toward this goal, SFP has divided the world's fisheries and farmed seafood production into various "sectors," defined by groups of species. While the sectors as a whole do not cover the entirety of the global seafood industry (e.g., some high-volume species groups such as carp, milk fish, and some shellfish are not included), those included represent a substantial proportion of the commercial seafood production of importance to markets currently demanding sustainability.

For the purposes of this analysis, we define a fishery as "sustainable" if it is Marine Stewardship Council (MSC) certified or green-listed in SFP's Metrics tool. We define a fishery as "improving" if it is certified by one of the following programs: IFFO RS, ASMI RFM, Iceland Responsible Fisheries, Fair Trade USA; if it is under full assessment in the MSC program; or if it is in a fishery improvement project (FIP) that is making good progress (i.e., with a progress rating of A, B, or C using SFP's FIP evaluation tool).

In this report, SFP provides information on the current status of the sector in terms of volumes coming from sustainable and improving fisheries, and, most importantly, we map out a path to close the gap to Target 75. We base the analysis on a blend of data and expert opinion on priority fisheries. SFP obtained production volumes and additional information relevant to this analysis from the FAO FishStat database, relevant countries' national statistics, and the respective certification programs' websites and certification reports (e.g., MSC, ASMI RFM). Trade data provide a guide to how much of the production goes to markets that are highly engaged in sustainability (e.g., EU, US), markets with activities that engage in improvements (e.g., Brazil, China, Indonesia, Japan), and markets with little evidence of engagement in sustainability or immediate plans to engage in improvements (e.g., Nigeria, Vietnam). Such trade data provide some insights into the likely influence key markets have, but is combined with expert opinion and information on the structure of production in each country, in order to determine whether a fishery is a candidate to contribute to the Target 75 initiative's goal.

#### **Snapper Grouper Sector**

The Snapper Grouper sector comprises the wild and farmed snapper (*Lutjanidae* family) and grouper (*Serranidae* family) species. Most snapper and grouper species are coastal demersal fish, generally associated to hard-bottom habitats (rocky or reef areas). Both snapper and grouper are highly valuable fish for the US, European, and some Asian markets. These species are generally traded live, fresh (or chilled), or frozen.

#### Global Supply and Patterns of Trade

- SFP estimates the Snapper Grouper sector to have a total global production of 907,000 tonnes. This includes FAO data for 2014 and, where data was not complete, such as in India, Sri Lanka, Indonesia, Suriname, Ecuador, Honduras, Vietnam, and Panama, estimates on production data from the Sea Around Us project and national statistics reports.
- Snapper accounts for 38 percent of the production in the sector, while grouper accounts for 62 percent.
- Farmed snapper and grouper account for approximately 18 percent of the production volume, the vast majority of which is grouper (25 percent of grouper production is from aquaculture).
- The top 21 producing countries produce 821,000 tons, or 91 percent of global production (Figure 1).
- Unfortunately, trade data on snapper and grouper is of poor quality and low resolution. Anecdotal information suggests that the vast majority of snapper and grouper production is consumed in markets with activities to engage companies (e.g., China, Brazil, Indonesia) and markets with little or no engagement in sustainability and no existing or planned activities to engage companies (e.g., Malaysia, the Philippines), with a much smaller amount being consumed in markets that are highly engaged in sustainability (e.g., the US).



Figure 1: Top 21 snapper-grouper-producing countries, 2014 production

### Improvement Progress to Date

Based on 2014 data, 73,000 tonnes, or 8 percent of global production, are considered sustainable or improving (see Annex: Table 1).

- MSC Certified Fisheries
  - There are no MSC certified fisheries to date.
- Green-rated by SFP Metrics
  - US gag grouper Northern Gulf of Mexico
  - US yellowtail snapper Northern Gulf of Mexico
  - <u>US vermilion snapper Northern Gulf of Mexico</u>
- MSC Full Assessment
  - There are no fisheries in MSC full assessment.
- FIPs with A-C rated progress/AIPs
  - o Indonesia Snapper-Grouper Makassar Strait
  - o Indonesia Snappers and Groupers Aru, Arafura, and Timor Seas
  - Mexico Yucatan red and black grouper
  - North Brazilian red snapper

#### Closing the Gap to Target 75

#### Existing Supply Chain Leverage and Interest

The primary target fisheries for improvement are those that existing Supply Chain Roundtable (SR) participants have already identified as of-interest and those that SFP believes are likely candidates for improvement projects. These fisheries account for 237,000 tonnes of production, 26 percent of the global total (see Annex: Table 2).

- Supply Chain Roundtables
  - o The Indonesia Snapper and Grouper SR is primarily comprised of US importers of Indonesian snapper and grouper, although one Indonesiabased supplier (who supplies to domestic retailers) recently joined the SR. Current participation is adequate to allow some forward progress, but in order to achieve the T75 goals for Indonesia, this SR must undergo extensive expansion to include more US-based importers, more Indonesia-based suppliers, and suppliers to other markets in Asia. Participants in the Indonesia Snapper and Grouper SR are currently scoping FIPs in the Java Sea, Aru Islands, and Sumbawa. In addition, both the SR participants and producer groups in Indonesia have recently begun to discuss the concept of a national-level snapper and grouper FIP (i.e. all levels of the supply chain collaborating on a FIP focusing on improving national management of all snapper and grouper fisheries throughout Indonesia). Such a national-level FIP would shift a substantial amount of snapper and grouper production to the "improving" category and could serve as a model for many other countries.
  - The Mexican Seafood SR is comprised of US-based importers of Mexican seafood products. The primary goal of the SR is to encourage vendors in Mexico to participate in efforts to improve the national fishery management system in Mexico, but there is also interest in catalyzing improvement efforts for some of the most commonly imported species, including snapper and grouper. The current focus is on snapper and grouper in the Gulf of Mexico, but eventually efforts will expand to the Pacific coast.
  - Though not covered by an SR, the Brazilian snapper fisheries not included in the current red snapper FIP are considered as likely candidates for improvement.

Though US snapper and grouper fishery production is consumed in the highly engaged US market, these fisheries are not included in this T75 strategy. Many of these species were once covered by the US Reef Fish FIP, which was suspended in 2016 due to lack of participant interest in continuing to operate the FIP. The lack of interest was not due to disinterest in conducting further improvement efforts – it was disinterest in organizing and promoting these efforts under a FIP. Many US snapper and grouper fisheries are well-managed and already on the path to sustainability, in part due to improvement activities conducted by the industry; thus there is little-to-no pressure from buyers to operate formal FIPs in the fisheries. These fisheries also produce relatively small volumes (8,670 tonnes, or less than 1 percent of global production), and thus it would be a poor use of US buyer bandwidth to focus on pressing for organization of a formal FIP. It is possible that some of these snapper and grouper species will move into the Sustainable category by 2020 as SFP Metrics green-rated fisheries, based on current improvement activities.

#### Urgent Additions Requiring New Supply Chain Leverage

Between fisheries that are already sustainable or improving and FIPs that we believe the existing supply chain roundtables will be able to catalyze, we account for only 34 percent of global production (Tables 1 and 2).

Target 75 can only be achieved by expanding improvement efforts into 1) regions that supply products to markets that are just beginning to engage in sustainability or are not yet engaged, and 2) farmed snapper and grouper production. Based on production volumes alone, the fisheries and aquaculture industries shown in Annex: Table 3 must be engaged in order to achieve T75.

#### Improvement Opportunities and Challenges

Awareness of sustainability is growing in China and Taiwan, major markets for and producers of snapper and grouper products (<u>Ocean Outcomes</u>; <u>Choose Right Today</u>).

Though little work has been done to cultivate sustainability in snapper and grouper farming, experience from net pen production of salmon, including the benefits of zonal management, can easily be shared with these industries, and expansion in some of these sectors is already supported by governments and companies with experience in salmon (e.g. regulation, feed, equipment, production).

Markets such as Malaysia and the Philippines have little-to-no interest in sustainability, and we are unlikely to generate market leverage in those countries by 2020.

There are no viable alternatives to the countries and industries listed in Table 3, as most other countries' snapper and grouper fishing or aquaculture industries comprise less than 1 percent of global production (the only exception being wild grouper from Pakistan, at 1.5 percent of world production). Multiple FIPs/AIPs in other countries would be required to match the production of any one of the countries listed in Table 3.

The mostly artisanal and geographically distributed nature of the fisheries requires a comanagement approach, which in many countries will require investments in basic fisheries management, such as data gathering, capacity building, monitoring, assessments, formal identification, and licensing of fishers, etc. These improvements are required at a national level to truly effect change; thus, national-level FIPs may be a key tool.

It is unlikely that T75 will be achieved by 2020 in the Snapper Grouper sector, particularly for the countries and industries listed in Table 3. A more realistic target for 2020 would be 30 percent and could include most fisheries listed in Table 2.

### Summary

NGOs and industry have made some progress on snapper and grouper improvement efforts, especially in Indonesia and Mexico, placing 8 percent of global production in the sustainable or improving categories.

Engagement with existing supply chain roundtables could feasibly move an additional 26 percent of global production into the sustainable or improving categories by 2020, combining with the current sustainable or improving production to generate a total of 34 percent.

The key to closing the gap to T75 is to successfully engage new markets and production industries, primarily in Southeast Asia. The snapper and grouper aquaculture industries must also be engaged. This is unlikely to occur on a scale large enough to be effective with respect to T75 by 2020.

Thus, a more realistic sustainable or improving target for 2020 would be 30 percent, with a later date set for T75 once engagement in Southeast Asia begins and more is understood about the potential for catalyzing improvement efforts in this region.



Figure 2: Strategy to reach Target 75 for the Snapper Grouper Sector

#### Annex: Progress toward Target 75 goal

The following tables show key figures in gauging the progress of global snapper and grouper production toward the Target 75 goal. The table format will be reprised in future reports with updated figures.

#### Table 1: Volume considered sustainable or improving

T75 Category	Volume (t)	% of Global Production
Sustainable: MSC-C or Metrics Green	1,860	0.2%
Improving: FIPs (rated A-C)	71,160	7.8%
Total	73,020	8%

Table 2: Target Snapper Grouper Sector fisheries using existing supply chain leverage and interest

Production Source	2014 Landings (t)	% Global Production	Improvement Outlook
Indonesia snappers/ jobfishes and groupers/ seabasses (non-FIP volume), wild	188,140	20.8%	Participants in the Indonesia Snapper and Grouper SR are currently scoping FIPs in the Java Sea, Aru Islands, and Sumbawa. The long- term plan is to expand this SR to include participants in all markets for Indonesia Snapper and Grouper, and eventually catalyze FIPs in all fishery management areas or a national snapper grouper FIP covering all production.

Production Source	2014 Landings (t)	% Global Production	Improvement Outlook
Mexico snappers/ jobfishes and groupers/ seabasses, Pacific, wild	23,100	2.5%	Through the Mexican Seafood SR, we will identify leverage over the Pacific snapper fisheries and attempt to catalyze a FIP.
Brazil snappers/ jobfishes, non-FIP volume, wild	17,340	1.9%	Once the current Brazilian red snapper FIP begins to make a positive impact on the fishery and management system, we will encourage the FIP to expand to cover other species as well.
Mexico snappers/ jobfishes, Gulf of Mexico, wild	8,650	0.9%	Mexican Seafood SR participants have expressed interest in catalyzing a Mexican snapper FIP in the Gulf of Mexico.
Total	237,230	26.1%	

Table 3: Additional production that must be engaged to close the gap to T75

Production Source	2014 Harvest (t)	% Global Production
Indonesia groupers, farmed	13,350	1.5%
China groupers, wild	113,100	12.5%
China groupers, farmed	88,130	9.7%
India groupers/ seabasses and snappers/jobfishes, wild	40,430	4.5%
Taiwan groupers, farmed	25,680	2.8%
Philippines groupers/ seabasses and snappers/jobfishes, wild	37,420	4.1%
Malaysia snappers/ jobfishes and groupers, wild	30,270	3.3%
Malaysia groupers and snappers, farmed	24,200	2.7%
Total	372,580	41.1%