INSIDE COSTCO // BUYING SMART

No small feat

Ethically and sustainably raising, producing and supplying shrimp requires coordinated efforts





Laura Bode fills this month's consumer reporter slot with this behind-the-scenes look at a Costco program. Email questions about this article to *buying smart@costco.com.* \star

by LAURA BODE

irkland Signature[™] frozen shrimp are quick and easy to prepare, delicious and versatile protein-packed goodness. Available at Costco (raw, tempurabattered, panko-breaded or cooked), the shrimp have an amazing story. Costco buyers go to enormous lengths to ensure they are sourcing from ethical suppliers striving toward the highest quality standards. Let's take a look.

Responsible farming

Founded in 2010, the Aquaculture Stewardship Council's (ASC) mission is to work with the aquaculture industry, seafood processors, retail and food service companies, scientists and conservation groups to help guide the industry toward an environmentally sustainable and socially responsible future. Shrimp farmers must meet a number of standards and challenges to become ASC-certified, such as producing non-GMO shrimp and ensuring their farms are set up to avoid conflict with birds and wildlife, and protect or even restore critical habitats.

"We've had tremendous success gearing our shrimp purchases toward ASC-certified sources," says Marc Statdfield, Costco frozen foods buyer. "Costco is committed to sourcing shrimp from farms that minimize their impact on neighboring ecosystems, have traceability in feed supply, and have responsible labor practices."

Reducing environmental impacts

In addition to sourcing certified suppliers, Costco wants to support positive global change wherever it can. This is where World Wildlife Fund (WWF) comes into the picture. Costco has worked with WWF for more than 10 years to improve the environmental and social impacts of seafood production around the world, including shrimp farming.

"Farmed shrimp is the No. 1 consumed seafood in the U.S., making it very important for seafood buyers to ensure responsible production," says Caroline Tippett, WWF senior director of seafood engagement. "Costco and WWF are working with shrimp farms to transition to ASC certification, which covers critical environmental and social requirements.

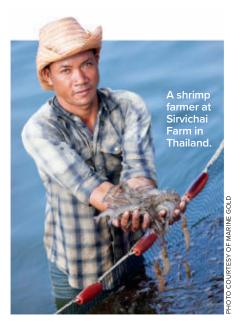
"Our relationship with companies like Costco has been invaluable to driving global change," Tippett adds. "We can reach many farmers and fisheries around the world through Costco's global supply chains, and encourage and enable them to improve their practices."

"From the beginning, WWF was a partner in moving toward more sustainable seafood harvesting practices," says Bill Mardon, assistant general merchandising manager of Costco's meat and seafood departments. "Working together ensures we're driving our supply chains toward sustainability. We want to always be working in the right direction."

The Seafood Task Force

The Seafood Task Force (STF), established in 2014, is an international group of seafood processors, feed producers, buyers, retailers, governments and nongovernmental organizations (NGOs) working to address sustainability and social and traceability issues with farmed shrimp. STF came about when governments, the media and NGOs were discovering dire cases of forced labor and human trafficking in Thailand's seafood supply chain.

Charoen Pokphand Foods and Costco teamed up to create the STF in an effort to ensure ethical sustainable shrimp and ethical seafood harvesting practices.



A good example of STF in action is Marine Gold Products (MRG), a shrimp supplier to Costco for two decades. MRG has been an active player through its work to bring about complete traceability and oversight to the shrimp supply chain (see "Tracing the shrimp supply").

"We worked to identify the 'shrimp feed' used in the supply chains," says Choopong Luesukprasert, managing director at MRG and an STF board member. "We were able to identify the missing link in traceability—farmers not recording feed lots properly—and fixed it. This was a very challenging job, but MRG worked intimately with our members: 17 processors and feed mills, with more than 600 field trainers, in 1,400 training hours. Our shrimp farmers now understand that tracing has to be done: It's not optional."

TRACING THE SHRIMP SUPPLY

Traceability refers to the documentation of all the steps in sourcing, processing and distributing a product. Traceability is essential to maintaining accountability, since it requires producers to have effective measures to control day-to-day operations.

"Every lot of shrimp that is received at a factory has a unique identifying code," says Avito Moniz, a microbiologist and vice president of quality assurance at Harvest of the Sea, a Costco supplier for more than 30 years. "This code, coupled with production date information, allows us to trace finished product from farm to bag."—*LB*

COSTCO CONNECTION

For more on Costco's sustainable fisheries commitment, visit Costco.com/sustain ability-fisheries.html.

Better packaging

In addition to quality seafood, Costco and its suppliers are always looking to improve the other pieces of the final product,

such as packaging.

"We are in the process of removing a coating on the cardboard that the shrimp bags are packaged in," says Marc Statdfield, Costco frozen foods buyer. "Removing the coating allows for more packaging to be recycled."

"We are also making improvements to the bag to improve the sustainability of the packaging."—LB