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Description of the Challenge

The challenge posed by Albacora and Pevasa is entitled: *"What new services related to the digitisation of commercial operations might help us protect consumers from systematic non-compliance with legal and sustainability standards in the tuna value chain?"*

Context

Tuna is one of the raw materials with the highest volume of international trade. The value chain is made up of a large number of operators, including the following:

- Ship owners.
- Extractors and processors.
- Canneries and their associations.
- Intermediaries to the final consumer: *traders*, suppliers, logistics operators, distributors and retailers.
- Legal agents: responsible for ensuring the safety of the operation.
- Insurers: responsible for covering certain risks of the operation.

Albacora and Pevasa carry out their activities at an international level, continuously moving between different international and national legislations that, among other issues, relate to:

- Establishing a community system to prevent, discourage and eliminate illegal, unreported and unregulated fishing (see EC Regulation no. 1010/2009).
- Monitoring the food information provided to the consumer, with regard to regulations for indicating the country of origin or the place of provenance of a food product's primary ingredient (see EU Implementing Regulation no. 2018/775).
- Standardising responsible fishing in general (see UNE 195006 APR standard for Tuna from Responsible Fishing).

Although this context makes tuna fishing one of the most regulated, controlled and transparent activities in the world from a theoretical perspective, the following commonly occurring situations continue to act as a barrier to the competitiveness of those who work within this sector with a focus on responsible fishing:

- Commercial operations blocked until one of the parties determines whether the product is compliant in terms of **sustainability** factors.
- Introduction of products to the market that do not meet even the **minimum legal conditions** and that compete in price with our products.
- **Traceability** monitoring is possible, but it is complicated by the amount of operations and documentation generated from our commercial operations.



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Sustainability

In the specific case of Albacora and Pevasa, sustainability in both fishing practices and strategies is not only becoming one of the fundamental factors in relation to market positioning with consumers, suppliers and public administrations, but also a factor that sets us apart from other fleets who take a more aggressive approach towards the environment, and ultimately a commitment to the future that will ensure the survival of the sector.

As opposed to other operators that are exclusively focused on competitive pricing, practices related to sustainable fishing involve a series of commitments and investments, so the application of technologies that enable us to simply and honestly monitor these practices are of particular importance.

Legality

Today there are fleets from large companies, from certain countries in particular, that violate laws in countless different areas:

- Operating without fishing licences.
- Using tuna processing practices that are not suitable for human consumption.
- Engaging slavery regimes within crews.
- Subduing governments of coastal African countries and geopolitically influencing actors as significant as the European Union.

This fish then enters Europe, circumventing all controls and being placed on the same shelf at a price that pushes other products from responsible value chains out of the market.

Traceability

At the political level, there is growing concern in the European Union regarding traceability and its shortcomings. This new context applies to the entire food sector in general, obliging operators to not only increase the levels of control of their chains, but also to establish mechanisms that allow all other parties to be aware of and verify the quality of the food information related to the process. Streamlining and democratising this process is key for those organisations that are trying to adapt to this trend.

Introducing and standardising decentralised systems that are not dependent on intermediaries who automatically verify and invalidate operations that do not comply with the sustainability, legality and traceability standards described above, among others, could bring an end this situation of unfair competition.

Finally, it should be noted for future service developers in this area that this type of development can be quickly exported throughout the fish sector in general (one of the products with the highest levels of trade in the world) and the food sector as a whole, where sustainability has presented itself as one of the key trends in all the processes of the value chain, making it particularly interesting from the perspective of new business opportunities.



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Objectives

These facts present us with a number of objectives that have not yet been covered and that form part of the concept of "*progressive liberalisation of operations*":

- Securing the distribution process for customers in an automatic way, and guaranteeing, among other things, quality, labour rights and food safety, using the existing MSC or responsible tuna fishing certifications as a reference.
- Complying with the legal requirements for products entering the EU market by quickly checking the administration.
- Providing access to detailed and reliable traceability processes for both the consumer and governmental and certification bodies, in relation to compliance with the specific section of the standard selected for the pilot test.

The challenge we have set is to generate a pilot initiative for a real operational situation that is technologically viable for coordinating commercial operations in the tuna value chain, allowing operations to be progressively liberated by the management of APR sustainability requirements (see UNE 195006 standard).

As such, if there is no evidence of non-compliance, this potential solution would enable the payment to be generated automatically without the need for any human or expert intervention.

Example

The marketing process goes through a number of different stages, from the moment the tuna is caught until the product lands on a consumer's table:

- Extraction: this is the initial stage which entails catching the animal and then freezing it on board to preserve it correctly.
- Unloading/transshipment: this is when the raw material passes from the ship's holds to the logistics facilities (eg: containers) for transport.
- Logistics: transfer of the aforementioned logistics facilities from the unloading port to the customer's processing plants.
- Processing: encompasses all the processing stages of the raw material into the different formats demanded by the market.
- Marketing: the process of supplying the product to the end user through a number of different channels (large-scale distribution, hospitality, e-commerce, etc.).
- Consumption: consumption of the product and the end of the process.

As shown in the infographic, although all these phases are accompanied by numerous control and bureaucratic elements, it is in the **extraction phase** where there is the greatest concentration of control points that have a direct impact on sustainability, legality and traceability of the product that is the object of this challenge.

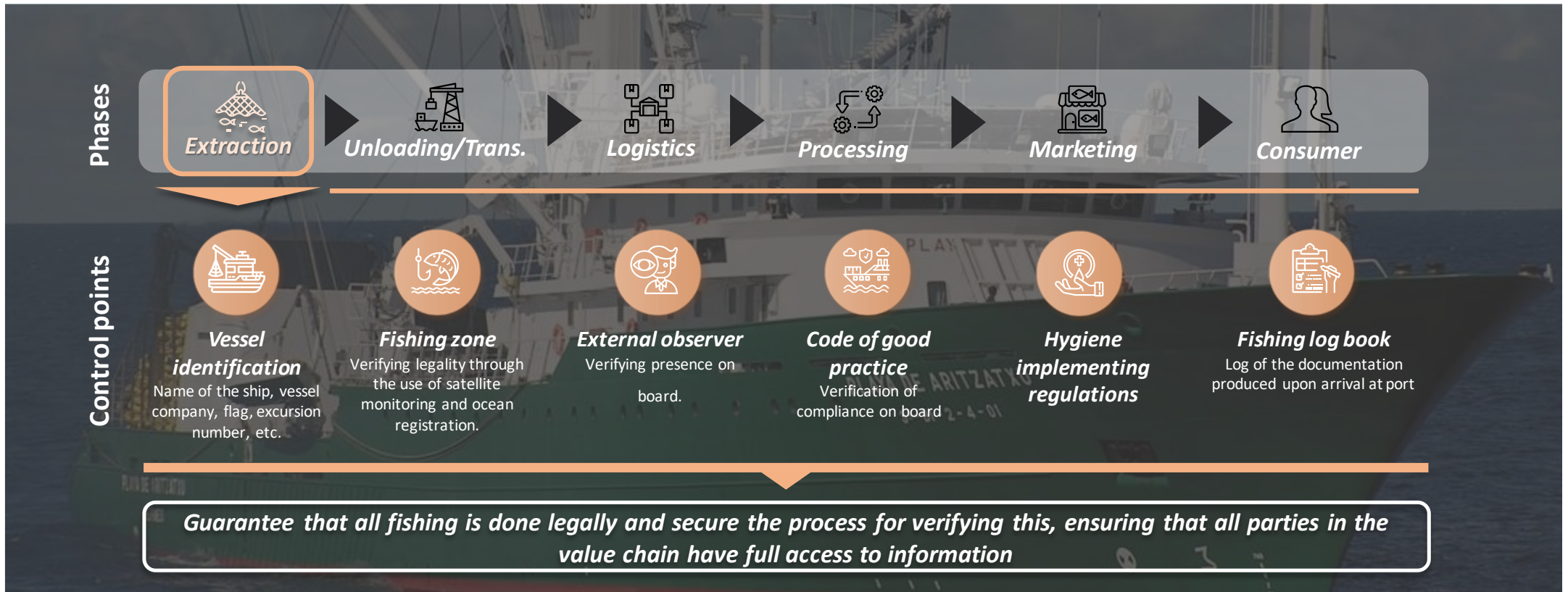


Image: control points of the tuna value chain, concentrated in the extraction phase



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Therefore, the objective of the pilot test would be to determine and demonstrate the process for verifying compliance with the criteria of the APR certification (see standard [UNE 195006](#)), or its equivalent, making use of the aforementioned control points and any other points in terms of specific documentation that may emerge through the reflection process, with all of them falling within the scope of the extraction stage.

The result of the pilot should only allow release from the contract if traceability, sustainability and illegal fishing requirements have been met, generating some type of additional evidence that can be accessed by third parties (consumers, distributors or authorities).

References

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