CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA

Seventy-fourth meeting of the Standing Committee
Lyon (France), 7 - 11 March 2022

Interpretation and implementation matters

Regulation of trade

LABELLING SYSTEM FOR TRADE IN CAVIAR: REPORT OF THE WORKING GROUP

1. This document has been submitted by Canada as Chair of the working group on Labelling system for trade in caviar.*

Introduction

2. At its 18th meeting (CoP18, Geneva, August 2019), the Conference of the Parties adopted the following Decision 18.146 on *Labelling system for trade in caviar*:

> ***18.146 Directed to the Standing Committee***
>
> *The Standing Committee shall, taking into account work undertaken by the Animals Committee and the Standing Committee, with support by the Secretariat between the 17th and 18th meeting of the Conference of the Parties:*
>
> *a) consider the practical challenges in the implementation of the provisions of the Convention with regard to the application of the "CITES guidelines for a universal labelling system for the trade in and identification of caviar" contained in Annex 1 of Resolution Conf. 12.7 (Rev. CoP17) on* Conservation of and trade in sturgeons and paddlefish *in light of the recognized shift in many cases from wild-caught specimens to non-wild specimens produced in aquaculture facilities; and*
>
> *b) as needed, make recommendations to the 19th meeting of the Conference of the Parties to address the identified challenges with the aim of arriving at a practical approach for trade in caviar from aquaculture production.*

3. As outlined in Notification to the Parties No. 2020/081, the Standing Committee established an intersessional working group on the labelling system for trade in caviar with a mandate to:

> *Taking into account work undertaken previously by the Animals Committee and the Standing Committee, the working group shall:*

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* *The geographical designations employed in this document do not imply the expression of any opinion whatsoever on the part of the CITES Secretariat (or the United Nations Environment Programme) concerning the legal status of any country, territory, or area, or concerning the delimitation of its frontiers or boundaries. The responsibility for the contents of the document rests exclusively with its author.*

a) *consider the practical challenges in the implementation of the provisions of the Convention with regard to the application of the "CITES guidelines for a universal labelling system for the trade in and identification of caviar" contained in Annex 1 of Resolution Conf. 12.7 (Rev. CoP17) on* Conservation of and trade in sturgeons and paddlefish *in light of the recognized shift in many instances from trade in wild-caught specimens to non-wild specimens produced in aquaculture facilities;*

b) *as needed, prepare draft recommendations for CoP19 to address the identified challenges with the aim of arriving at a practical approach for trade in caviar from aquaculture production, including as necessary amendments to Resolution Conf. 12.7 (Rev. CoP17); and*

c) *report on the above to the Standing Committee.*

4. The membership of the intersessional working group on the labelling system for trade in caviar was agreed as follows (11 Parties; 10 Observers): Canada (Chair), China, Germany, Italy, Japan, Libya, Mali, Russian Federation, United Kingdom of Great Britain and Northern Ireland, United States of America and Uzbekistan; Food and Agriculture Organization of the United Nations (FAO); Agroittica IT, Association of Midwest Fish and Wildlife Agencies, Associazione Piscicoltori Italiani, Caviar House Prunier, International Caviar Importers Association, IWMC-World Conservation Trust, Jonathan Barzdo Ltd., La Prairie Group AG and TRAFFIC.

Background

5. The mandate of the working group was to consider the practical challenges in the implementation of the provisions of the Convention with regard to the application of the *CITES guidelines for a universal labelling system for the trade in and identification of caviar* contained in Annex 1 of Resolution Conf. 12.7 (Rev. CoP17) on *Conservation of and trade in sturgeons and paddlefish* in light of the recognized shift in many instances from trade in wild-caught specimens to non-wild specimens produced in aquaculture facilities.

6. This issue has been under consideration by the Standing Committee and Animals Committee, and the concerns and practical challenges in relation to trade in caviar previously raised can be found in SC69 Doc. 46.1, SC70 Doc. 44.1 and AC29 SR. Additionally, comments were provided on the caviar labelling system in AC31 Doc. 16 Addendum. Finally, the Secretariat prepared an informal background document for the working group summarizing these previous documents, which is contained in the annex to this report.

7. The working group focussed on the practical challenge associated with the application of the caviar labelling system requirement to provide the ISO country code for the origin of the caviar. Notably, it was identified that, when the caviar produced in an aquaculture facility is the product of multiple fish, each with different origins, it is difficult to include all those country-of-origin codes on the label. A practical solution to this issue was desired.

8. During a virtual meeting held on 16 September 2021, the working group members were asked to express their views on the importance of retaining this information on the label noting that all exports also must be accompanied by export permits as per Resolution Conf. 12.3 (Rev. CoP18) on *permits and certificates*. The working group considered if the information was important to retain on the label, and if the information requirements could vary depending on whether the source fish of the caviar was wild or captive-bred.

9. Regarding the information to retain on the label, some members of the working group indicated that it was not necessary to indicate all codes of the country-of-origin on the caviar label but a number of others indicated that it is important to retain this information to facilitate traceability and provide an additional protection against illegal trade in wild-caught specimens. It was underlined that correct information related to the origin of the female sturgeons from which the roe is extracted is key.

10. During the discussion, it was noted that the processing plant, or the plant where re-packaging occurs, is responsible for what is being packaged. As such, information on the country of the location of processing of the caviar points to the country whose CITES authorities should have the information on the source and legality of the females. The working group discussed the various and different approaches to caviar aquaculture including information on the mixing of female fishes. The group discussed the relative risk of aquaculture and the importance for enforcement of a clear traceability chain, where the information on the label matches that on the permits.

11. There was discussion on considering the inclusion of the “country of processing” on the caviar label for farmed caviar. In the discussion, distinction was made in terms of risk to the species in the wild depending on the source of the roe. As such, more information might be important for wild sourced specimens (source code “W” or “F”) as opposed to aquaculture (source code “C”). One suggestion was that, for farmed caviar, the label could indicate the country of processing, whereas country of origin would be retained on the label for wild sourced caviar. However, after discussion, most members of the working group were not supportive of a labelling system that had one set of requirements for caviar from aquaculture and another for caviar from the wild. This suggestion was thus set aside.

12. As there was a general agreement of the need to understand the country of origin of the fish, as defined in CITES Resolution Conf. 12.3 (Rev. CoP18), the working group reflected on where this information should be housed and how it links to the labelling system. The working group was asked if a practical solution would be to remove country of origin from the labelling provision and replace it with “country of processing or repackaging”. In doing so, it would be recognized that the accompanying CITES permit would include country of origin which, for aquaculture caviar, may be multiple countries depending on where the females were bred in captivity. As such the Management Authority of the exporting country would remain responsible to assure themselves of the origin of the stock from which roe is harvested and caviar is processed or repackaged.

13. Views on replacing “country of origin” with “country of processing or repacking” were mixed, with some working group members in favour and other opposed. Those in favour felt this was a reasonable approach given the complexity of aquaculture production. Those opposed felt it was important to retain country of origin to maintain existing traceability and confidence in the legal, sustainable origin of the caviar.

14. Finally, the working group had a discussion on the benefits and drawbacks of using QR codes for labelling, as suggested in the informal background document prepared by the Secretariat. There were mixed views, with some support for proposing inclusion of QR codes as a way to provide fulsome tracking information, including production and packaging dates. However, challenges were also identified in terms of technological capabilities and size of the code needed.

15. While there were mixed views on the utility of a QR system, there was general agreement that the use of QR codes could merit further exploration.

16. Based on the discussion, the Chair of the working group concluded that the working group was unable to recommend a practical approach for labelling the country or countries of origin of caviar from aquaculture production. The working group did not identify a practical approach that addresses the complexity of aquaculture production while also addressing concerns regarding the need to maintain transparent traceability systems in support of enforcement and ensuring legal, sustainable trade.

Recommendation

17. The Standing Committee is invited to propose the following Decisions for consideration of the 19th meeting of the Conference of the Parties:

19.AA Directed to the Secretariat

Subject to external funding, the Secretariat shall prepare, in consultation with relevant information technology, industry and other experts, an analysis of the benefits and drawbacks of incorporating QR codes into the application of the *CITES guidelines for a universal labelling system for the trade in and identification of caviar* contained in Annex 1 of Resolution Conf. 12.7 (Rev. CoP17) on *Conservation of and trade in sturgeons and paddlefish*, and present its analysis and recommendations to the Standing Committee.

19.BB Directed to the Standing Committee

The Standing Committee shall consider the report on the use of QR codes in the application of the *CITES guidelines for a universal labelling system for the trade in and identification of caviar* prepared by the Secretariat, and, as appropriate, make recommendations to the 20th meeting of the Conference of the Parties.

18. The Standing Committee is further invited to propose deletion of Decision 18.146 on labelling system for trade in caviar. Alternatively, the Committee may propose its renewal if further discussion is needed to seek other practical approaches to address the challenges in implementing the provisions of the Convention with regard to the application of the *CITES guidelines for a universal labelling system of the trade in and identification of caviar*.

Standing Committee working group – informal background paper
June 2021

LABELLING SYSTEM FOR TRADE IN CAVIAR

1. This informal background paper has been prepared by the Secretariat to facilitate the work of Standing Committee Working Group on the Labelling system for trade in caviar.

Introduction

2. At its eighteenth meeting (CoP18, Geneva, August 2019), the Conference of the Parties adopted the following Decision 18.146 on *Labelling system for trade in caviar*:

> ***18.146 Directed to the Standing Committee***
>
> *The Standing Committee shall, taking into account work undertaken by the Animals Committee and the Standing Committee, with support by the Secretariat between the 17th and 18th meeting of the Conference of the Parties:*
>
> *a) consider the practical challenges in the implementation of the provisions of the Convention with regard to the application of the "CITES guidelines for a universal labelling system for the trade in and identification of caviar" contained in Annex 1 of Resolution Conf. 12.7 (Rev. CoP17) on* Conservation of and trade in sturgeons and paddlefish *in light of the recognized shift in many cases from wild-caught specimens to non-wild specimens produced in aquaculture facilities; and*
>
> *b) as needed, make recommendations to the 19th meeting of the Conference of the Parties to address the identified challenges with the aim of arriving at a practical approach for trade in caviar from aquaculture production.*

3. Through inter-sessional decision-making, the Standing Committee agreed to establish a working group with the terms of reference to provide recommendations to the Standing Committee on the issues contained in Decision 18.146 as set out in Notification to the Parties No. 2020/081 of 22 December 2020.

Background

4. The current caviar labelling system is found in Annex 1 of Resolution Conf. 12.7 (Rev. CoP17). The relevant parts for this discussion are the following:

> *b) The following definitions apply in relation to trade in caviar:*
>
> *[…]*
>
> – *Processing plant: facility in the country of origin responsible for the first packaging of caviar into a primary container.*
>
> – *Source code: letter corresponding to the source of the caviar (e.g. W, C, F), as defined in the relevant CITES Resolutions. Note that, among other situations, for caviar produced from a female born in captivity and where at least one parent originated in the wild, the "F" code should be used.*
>
> *c) In the country of origin, the non-reusable label should be affixed by the processing plant to any primary container. This label must include, as a minimum: a standard species code as provided in Annex 2; the source code of the caviar; the ISO two-letter code for the country of origin; the year of harvest; the official registration code of the processing plant (e.g. xxxx); and the lot identification number for the caviar (e.g. yyyy), for instance:*

HUS/W/RU/2000/xxxx/yyyy

[…]

e) A non-reusable label should be affixed by the repackaging plant to any primary container in which caviar is repackaged. This label must include, as a minimum: a standard species code as provided in Annex 2; the source code of the specimen; the ISO two-letter code of the country of origin; the year of repackaging; the official registration code of the repackaging plant, which incorporates the ISO two-letter code of the country of repackaging if different from the country of origin (e.g. IT-wwww); and the lot identification number, or CITES export permit or re-export certificate number (e.g. zzzz), for instance:

PER/W/IR/2001/IT-wwww/zzzz)

[…]

g) The same information that is on the label affixed to the container must be given on the export permit or re-export certificate, or in an annex attached to the CITES permit or certificate.

Summary of the past discussions

5. To facilitate the consideration by the working group, a summary of the concerns and practical challenges in relation to trade in caviar previously raised at meetings of the AC and SC (See SC69 Doc. 46.1 and SC70 Doc. 44.1 and AC29 SR) is provided in paragraphs 6-12 below. In this summary of past discussions, the CITES Secretariat has added data from the CITES Trade database to illustrate some of the aspects of the evolution of trade in caviar and other sturgeon specimens.

6. There has been general agreement that trade in caviar from aquaculture facilities has increased and that the major source of caviar in trade is sturgeons bred in captivity (source code C – see table 2 below).There is a wide variety of specialised sturgeon aquaculture facilities and production methods that can encompass production and movement of fish and fertilized eggs at various life stages and mixing within the facilities. Specimens of sturgeons and paddlefish may be traded across borders several times before the roe is harvested and processed into caviar. The annex to SC70 Doc 44.1 contained the following non-exclusive list of examples of frequent movement of sturgeon specimens to produce caviar:

Examples of frequent movement of sturgeon specimens for the production of caviar (non-exhaustive)

1. Eggs (roes) are taken from female fish in country A

2. Fertilized eggs or fingerlings are sold to country B

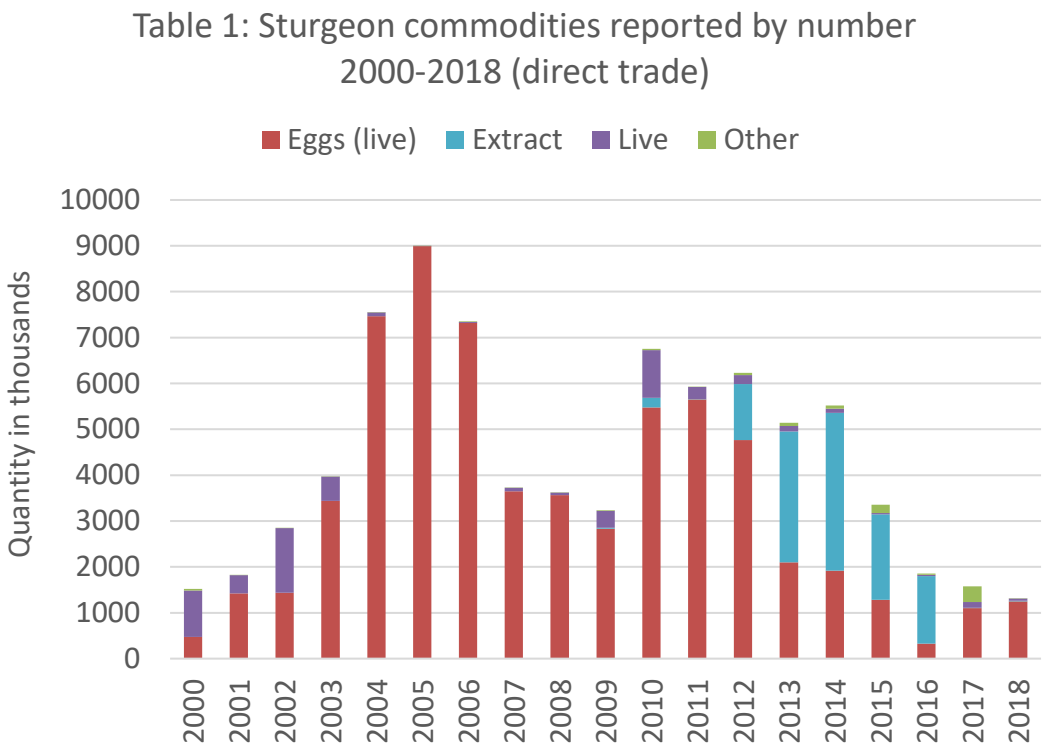
3. Country B is raising fish up to sexual determination test for 3 years; after that, females are sold to country C

4. Country C is partially raising the fish close to the spooning period, and sells the fish to country D

5. Country D raises the fish (one year or less) to the final stage, and then takes unfertilized eggs (roes) to be processed in a caviar processing plant in the same country

6. The registered aquaculture operation in country D gets sturgeon fish (close to the spooning period) also from country E, F and others; all sturgeon fish are kept together for a period of a certain time. Owing to economic reasons (also to guarantee the same quality of caviar), it is not possible to keep the different country-origins separated; consequently, there are more than one country-origins for the processed caviar.

7. In the example above, it is assumed that roe, eggs, fingerlings and fish from all countries are from non-wild sources. The issue of mixed sources will be discussed later. The example provides an indication of the complexity with keeping track of the origin of the caviar sourced from sturgeons bred in captivity and hence the need for focusing on a practical solution in relation to identifying the country of origin of caviar from non-wild sources, i.e. source codes C, F and D. The following chart shows the trade in sturgeon commodities as reported by the exporting country (only direct trade) and indicates that over 1.000.000 fertilized eggs were exported in 2018 (latest year of reporting), providing the source for tonnes of roe to be harvested years later.



Source: CITES Trade Database. Note: Exporter-reported data; Quantities in thousands

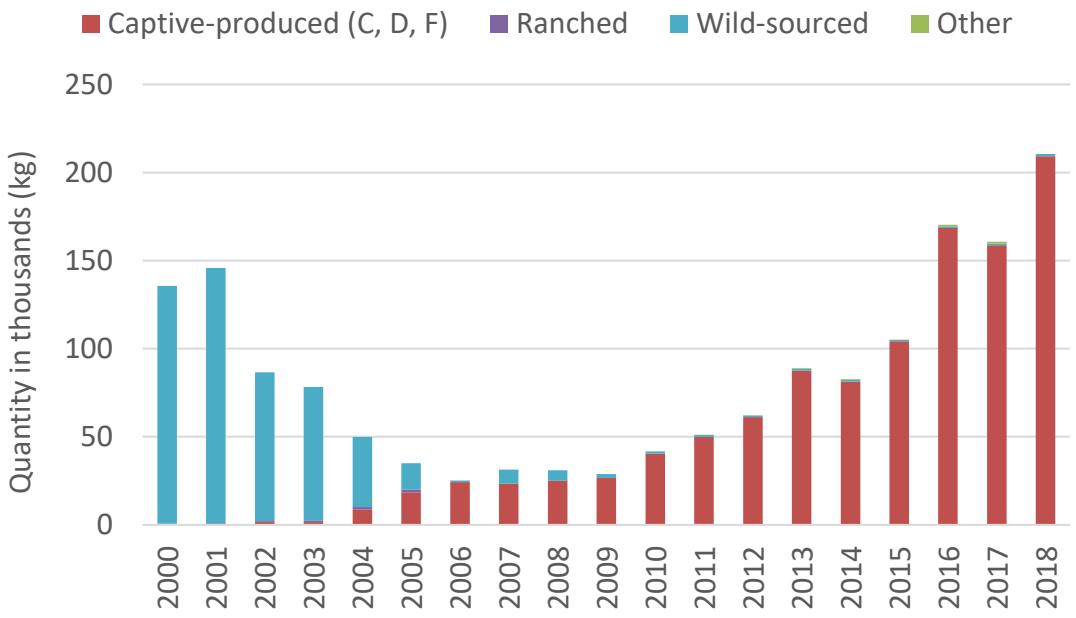
8. It has been noted during the discussions that the current labelling system under the Convention and Resolution Conf. 12.7 (Rev. CoP17) is unnecessarily cumbersome for aquaculture practices and that the conservation risks associated with modifying the approach to identifying country of origin for caviar arising from aquaculture are small. One past proposed approach has been to consider a new definition of "country of origin of caviar."

9. In more recent discussions, there has been general agreement that a more practical approach for trade in caviar from aquaculture production may be envisaged. At the same time, it has generally been agreed that strict controls are needed to prevent laundering from wild populations. While caviar produced from sturgeons produced in aquaculture facilities is dominating the market, caviar from wild sources is also found in international trade.

10. The prior discussions have concluded that there is no agreement to define and introduce the term "country of origin of caviar" as had been proposed in the past. The Conference of the Parties at its 18th meeting therefore invited the Standing Committee to consider whether there might other practical approaches to address the issues in light of the recognized shift in many cases from wild-caught specimens to non-wild specimens produced in aquaculture facilities.

11. The table below clearly illustrates the shift from wild-sourced to captive-produced caviar that has occurred over the decade 2008-2018.

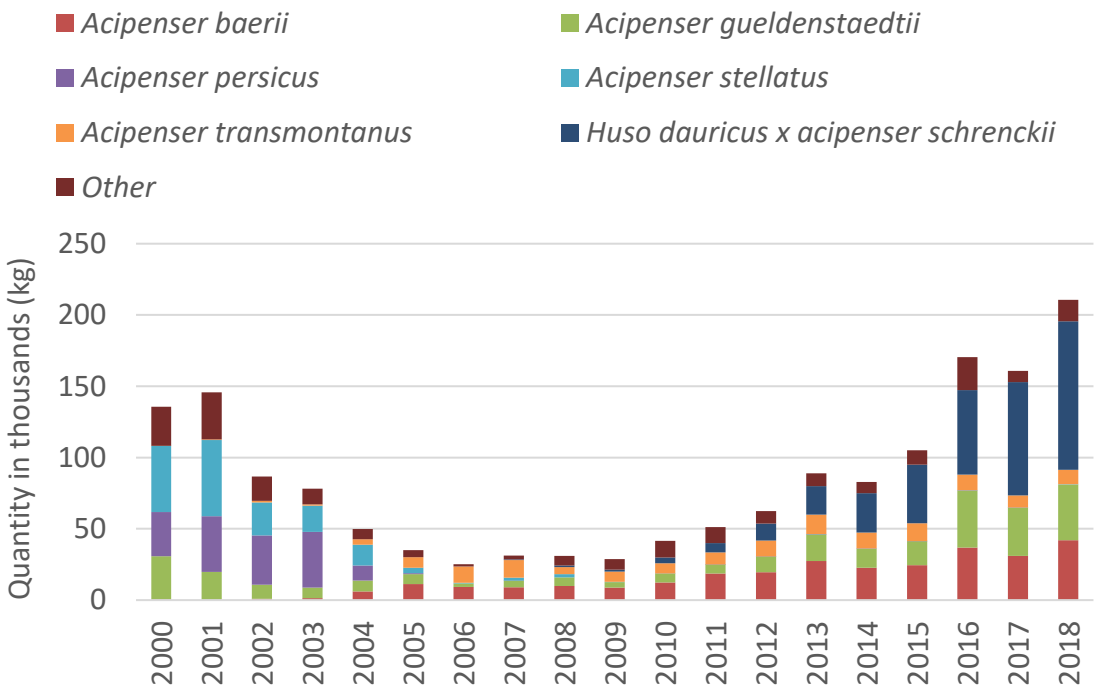
Table 2: Caviar trade by source (direct trade)



Source CITES Trade database. Note: Exporter-reported data; Quantities in thousands

12. In parallel with the shift in the sources, there has also been a shift in the species used for the production of caviar, as illustrated in the table below.

Table 3: Caviar trade by species (direct trade)



Discussion

13. To further facilitate the discussion by the working group, the Secretariat would like to offer the following additional considerations.

14. Under the Convention, traceability of a derivative produced from a species included in one of the Appendices is a fundamental requirement in order to protect species in the wild, irrespective of the level of transformation. It is critical that for specimens of species harvested in the wild, the country of origin of that species is known and reported so that the sustainability of the trade can be monitored and ensured. For specimens that have been bred in captivity, the goal of the traceability has less to do with sustainability and conservation.

15. It might be helpful for the working group to consider the objective of the traceability requirement under the Convention and perhaps look to the discussions of this issue in other contexts and for other species. Work on traceability has been carried out under the Convention in general and in relation to various genera, including pythons, non-forest timber products, sharks etc. The current working definition of CITES traceability is: *Traceability is the ability to access **information** on specimens and events in a CITES species supply chain. This information should be carried, on a case by case basis, from as close to the point of harvest as practicable and needed to the point at which the information facilitates the verification of legal acquisition and non-detriment findings and helps prevent laundering of illegal products*. (See https://cites.org/eng/prog/Cross-cutting_issues/traceability).

16. One of the goals of traceability is to deter illegal harvest and trade and to enhance the confidence in the legal and sustainable origin of specimens on the market. This is done through various traceability systems (tagging, microchipping, leg-rings for birds etc.). However, in general such systems are no guarantee of legality when illegal specimens may enter the chain of custody right at the first step. In the case of trade in caviar, there is a risk of illegal (wild-caught) specimens entering the chain of custody at any stage in the example in paragraph 6. This is why strict controls are needed as stated above.

17. With regard to the identification and traceability of sturgeons and paddlefish, the Secretariat would like to draw the attention to Decisions 16.136-138 (Rev. CoP18). Under these decisions, a study has been undertaken on *Identification of Species, Subspecies, Source and Origin of Sturgeons and Paddlefish species and specimens (Acipenseriformes spp.) in trade.* The study describes various methods to identify specimens of Acipenseriformes spp. in trade, including methods to differentiate wild from captive-bred or aqua-cultured specimens. The study also contains certain recommendations with regard to the universal caviar labelling system that the Working Group may wish to consider, see annex 2 of the study. The study is available in the annex of document AC31 Doc. 16 Addendum.

18. The Convention defines specimens as “any recognizable part or derivative” of an animal or a plant. There is probably little doubt that the roe (eggs) would qualify as a ‘part’ of the fish species included in the Appendices and caviar as a derivative of the same species. There is probably also relatively broad agreement that in cases where the roe (eggs) is sourced from wild-caught sturgeons, the origin of the roe (and of the derived caviar) is the country where the sturgeon was captured in order to extract/harvest the roe, even if the sturgeon was exported before the roe was harvested or the roe exported before it was transformed into caviar.

19. As noted above, there is an additional layer of complexity related to the mixing of specimens from different sources. Currently, the labelling system would require all the respective country of origins would need to be included, which has been identified as impractical. As such, in the context of proposing a practical approach for trade in caviar produced by aquaculture, consideration also should be given to an appropriate caviar labelling system when the caviar is from a mixed system, such as if eggs/fingerlings or adult fish with different source codes (C, F, W) are mixed together during any of the stages in the example in paragraph 6.

20. In this context, it is important to keep in mind that the Convention contains special provisions with regard to specimens of animal species bred in captivity in Article VII, paragraphs 4-5, while Resolution Conf. 12.7 (Rev. CoP17) makes no distinction between wild sourced and captive-bred specimens. The Resolution was first adopted in 2000, when all caviar in trade originated from the wild (see table 2 above). However, since 2009, almost all caviar is produced from roe harvested from captive-bred sturgeons and traded with source codes C, D or F.

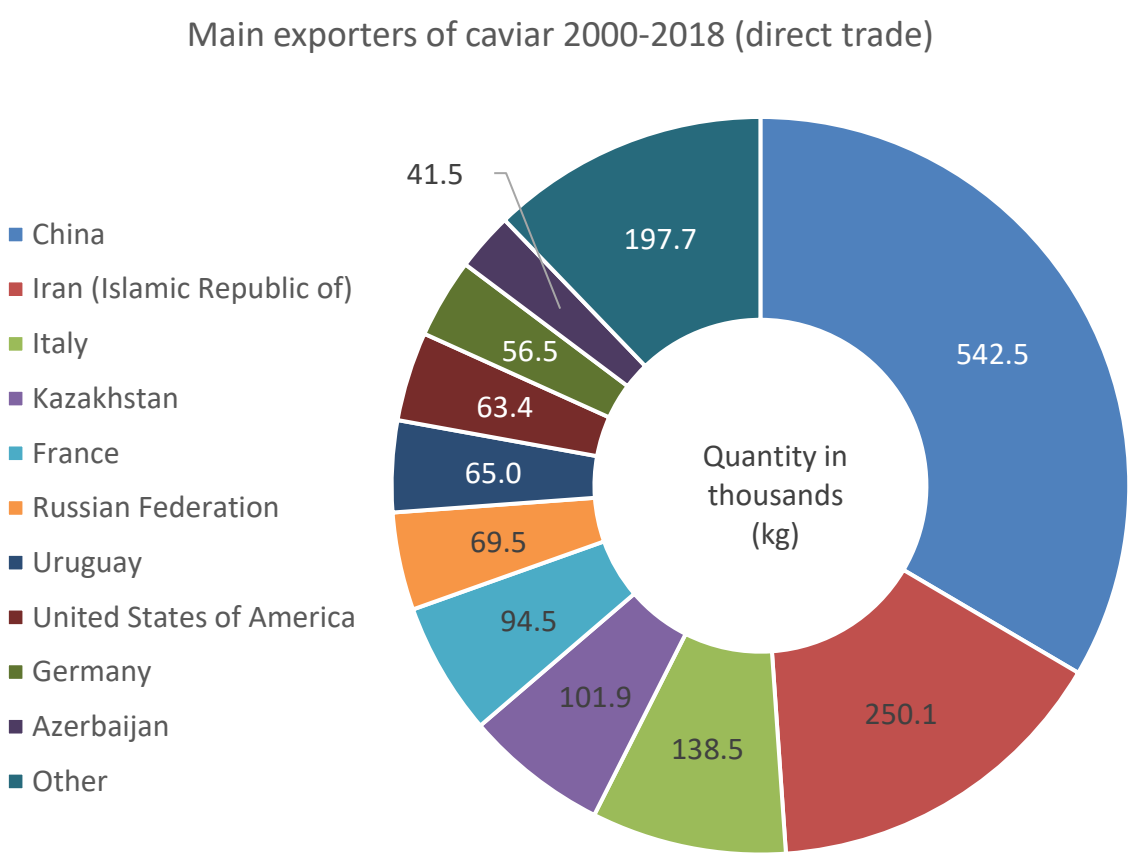
21. It should also be kept in mind that the Convention requires that trade (export, import or re-export) be authorized by the Management Authorities through the use of the applicable CITES document (export, import permit, re-export certificate – or certificate of captive breeding). The content of the CITES document must follow Art. VI of the Convention and Resolution Conf. 12.3 (Rev. CoP18), whereas there are no requirements in the Convention with respect to the label to be affixed on caviar containers.

22. Finally, the Secretariat would like to note that new technologies may facilitate the caviar labelling requirements. The code on the caviar containers could be replaced with a barcode, such as a QR code. This would allow any controlling authority or customer to scan the caviar container to obtain all the detailed information that is currently required on the label or associated CITES export/ re-export permit. This would facilitate the control and allow for all relevant information to be associated with each container of caviar.

23. The WG may wish to take into consideration these reflections in its deliberations.

Main exporting and re-exporting countries of caviar

Top 10 exporters + other	Quantity in thousands
China	542.5
Iran (Islamic Republic of)	250.1
Italy	138.5
Kazakhstan	101.9
France	94.5
Russian Federation	69.5
Uruguay	65.0
United States of America	63.4
Germany	56.5
Azerbaijan	41.5
Other	197.7



Top 5 re-exporters + other	Quantity in thousands
France	122.3
Germany	103.2
United Arab Emirates	75.1
Switzerland	46.9
United States of America	24.9
Other	92.1