

Tuna Market Intelligence

Issue 72, June 12, 2018

Your fortnightly report on trends and influencers on the global tuna market from the Pacific Islands.

MARKET UPDATE

Skipjack prices have fallen over the past few weeks from USD1,800 to USD1,650 per metric ton. Reasons include a shortage of cold storage capacity due to high stock of chicken. This is expected to turn around soon as space for higher volumes of skipjack becomes available, resulting in increased trading. With an imminent FAD ban, prices are expected to remain steady if not increase.

INFLUENCERS REPORT

Combating IUU fishing addressed in opening comments at Tuna Conference

Bangkok, Thailand recently hosted the 15th Infofish World Tuna Trade Conference and Exhibition. The three-day conference began May 28 and covered everything from resources, fisheries management, markets and new technologies to food safety, sustainability and environmental issues.

Jong-Jin Kim, FAO (Food and Agriculture Organization of the United Nations) deputy regional representative for Asia and the Pacific gave the opening address. He said that the international community now has new and powerful means of reducing illegal, unreported and unregulated (IUU) fishing, including the FAO Port State Measures Agreement (PSMA), the FAO Voluntary Guidelines on Catch Documentation Schemes and the FAO Global Record of Fishing Vessels.

The PSMA has been in force since June 2016 and combats IUU fishing by preventing vessels that have been engaged in IUU fishing from using ports and landing catches. 54 States and the European Union are parties to PSMA.

The FAO voluntary Guidelines on Catch Documentation Schemes establishes systems that trace fish from point of

capture through the supply chain to the point of sale, making the process transparent and thereby making it difficult for IUU caught fish to enter the marketplace. This is important as the market is increasingly focused on sustainability.

Thirdly, the Unique Vessel Identifier (UVI) is a unique number assigned by the International Maritime Organization (IMO) to a vessel that ensures traceability. This number stays with a vessel even through changes of flag, ownership and name. To date, more than 23,000 fishing vessels worldwide have UVIs and cooperating states are contributing their data to the Global Record Information System as another means of working to help eliminate IUU fishing globally.

Kim announced that June 5 has been nominated as the international day for fighting illegal, unreported and unregulated fishing.

Hear Diversity Music sing PNA's winning song Our Waters

PNA has compiled a video you don't want to miss. John Kelimana who does the PNA's IT work has put together a video with Majuro's Diversity Music's song, but it's not just about the band. Kelimana has included parts of the documentary two eighth grade students, Yale Kramer and Xavier Williams created about tuna in Majuro as well as photos and footage from other World Tuna Day events, both this year and from the past. There is both information and a feel of what goes on in the fish world as well as a sense of culture from several PNA member countries. To see the video, go to pnatuna.com – the link is on the home page.

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Coordinated maritime surveillance kicks off in Palau

Operation Kaukledm, a coordinated maritime surveillance in Palau's exclusive economic zone (EEZ) kicked off recently. The operation involved Palau's Patrol Boat PSS Kedam, a Japanese Fisheries Agency vessel, US Coast Guard Washington, and a surveillance aircraft chartered by the Australian Defence Cooperation program.

Kaukledm, which means "working together," is a joint operation involving one aircraft and three ships that spent a week searching the entire Palau EEZ (750,000 square kilometers) for illegal, unreported and unregulated (IUU) fishing activity.

Last year, as a result of a similar operation, Palau's patrol boat Remeliik detained two Filipino vessels believed to be involved in fishing activities in Palau waters, in violation of the Palau National Marine Sanctuary Act (PNMS). The detained vessels included one purse seiner with 16 crewmembers and a fish carrier with eight crew.

Instead of filing charges against the fishermen caught on board the seized vessels, the marine law enforcement unloaded the fish and repatriated the fish carrier and its crew, along with the crew of the purse seiner, and other fishermen who have been held since 2016, back to the Philippines.

PNG's Scovell appeals to WTO for enforcement

Papua New Guinea is looking to the World Trade Organization (WTO) for more and better enforcement of their rules.

Manufacturers' Council PNG Chief Executive Officer Chey Scovell was part of a panel for the key note address of WTO Director General Roberto Azevedo at recent inaugural Apec discussions.

During discussions Scovell said that countries like PNG can't compete because, while 17% of the fish comes from their waters, "most of the value derived from harvesting and value-adding of that resource is not given to PNG and the Pacific Islands" Other governments provide "very

significant subsidies for people to come and extract our resources." He appealed to the WTO to enforce rules already in place against providing heavy subsidies. He continued, "When you look at the WTO, on who is driving the conversation, it is not the people who have the resources but those who want to feed their people more cheaply."

Last year PNG's Prime Minister Peter O'Neill announced plans to bring an end to subsidizing foreign tuna companies to take fish off shore as well as subsidizing tuna processing and jobs in other countries, a practice that had been in place for years. In January 2018, O'Neill instituted a new rebate system that rewards US400/mt when fish is processed in PNG. As processing grows the rebates will be revised as provisions for rebates will be taken up in the annual National Fisheries Authority budgets and any revised budgets during the year.

Solomon's SolTuna and NFD's new sensory analysis training

SolTuna and the National Fisheries Developments Limited (NFD) of the Solomon Islands are using new sensory analysis skills to help them assess their fresh, cooked and canned tuna.

More than 100 staff members recently received two weeks training at the SolTuna cannery in Noro so they can use their senses of smell, sight, touch and taste to help ensure their products are safe and of high quality, ready for export to markets that include Europe and the US.

Production Manager for SolTuna, Hearty Matamaru, said, "The sensory training is a huge milestone for SolTuna and NFD. It upskills our workers and brings our production into another level for international markets. We have learned that control must start from the catching, offloading, and butchering of the fish. It is hard to control quality issues once fish is canned. We must make sure we process high quality and fresh tuna, before selling it to our consumers."

The workshop was funded by Australian and New Zealand-funded Pacific Horticultural and Agricultural

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Market Access (PHAMA) Program in cooperation with SolTuna Ltd.

Majuro Tuna Transshipment Update

Tuna transshipment in Majuro lagoon slowed in May compared to the previous two months but was still higher than the five-month average.

A total of 38 transshipments were made in May by purse seiners transferring tuna catches to carrier vessels in Majuro lagoon, according to the Marshall Islands Marine Resources Authority. This brings the total transshipments for 2018 to 181, an average of 36 per month. April saw the highest number for the year with 59. The number of transshipments through the first five months puts Majuro on track for a similar number to last year.

EU keeps Thailand at yellow card status

The European Commission is encouraging Thailand to continue working on improving their fleet management and law enforcement but meanwhile will continue Thailand's yellow card status for an additional four months. This follows a review last month by the EU of Thailand's progress. Thailand has had a yellow card since April 2015.

Among other areas of concern, Thailand was issued the card for IUU fishing. In addition, Thailand's Deputy Prime Minister Chatchai Sarikulya said that their Fisheries Monitoring Centre (FMC) needs to upgrade operations and staff to satisfy EU's requirements.

Thailand is eager to have their yellow card removed as obtaining a red card would mean a ban on origin seafood trade with the EU.

The 'Big Three' update

Walmart and Chicken of the Sea have reached a settlement whereby Chicken of the Sea will participate in joint programs and new product promotions with Walmart in addition to an undisclosed cash settlement. Walmart sued Chicken of the Sea in an anti-trust claim in

2016 for price fixing, along with Bumble Bee and Tri-Union Seafoods, LLC (StarKist). Bumble Bee and StarKist's lawsuits are still pending. Walmart is but one of a line-up of wholesalers, distributors, restaurants, retailers and individual consumers who have civilly sued the "Big Three."

In addition, Bumble Bee's CEO Christopher Lischewski has been indicted by a US federal grand jury on a one-count felony charge for price-fixing seafood products. Maintaining he is innocent, he has taken a leave of absence to contest the charges. If found guilty, Lischewski penalties could include a 10 year prison sentence, USD1 million in fines, a period of supervised release of not more than three years and more.

Christopher Lischewski is the fourth person of the Big Three to be charged. Walter Scott Cameron, former senior vice president of sales for Bumble Bee, Kenneth Worsham, former senior vice president of trade marketing for Bumble Bee and Stephen Hodge, former senior vice president of sales for StarKist have all pleaded guilty to price-fixing charges and all await sentencing.

Last August Bumble Bee Foods pleaded guilty to conspiracy and agreed to pay USD25 million in criminal fines.

What consumers want

According to a recent report from Nielson, consumers want to know where their fish is being sourced. They want their fish as fresh as possible and sustainability is an increasing priority. Consumers are also demanding social responsibility, wanting fishing companies to address human trafficking and to make their product transparent from the points of catch to sale.

Seafood customers are also showing interest in being more adventurous in how they eat their seafood and retailers are responding with new products. Good health is a motivator for consumers to purchase fish but they are also interested in convenience and, of course, flavor.

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Consumer's voices are being heard and their views are changing how grocers are supplying their stores. At the Infofish Tuna 2018 Conference recently held in Bangkok, Anthony Kim, vice chairman of the World Tuna Purse Seine Organization (WTPO) and deputy general manager of South Korea's Silla commented, "In the early years, the RFMOs and boat owners led the industry. These days, resource owners and NGOs and retailers have more power."

Henk Brus, managing director of Pacifical, adds that "Health is no longer about absence of illness. It is about preventing illness, feeling good, looking radiant." And eating fish is a good way of going about healthy living. He advises people to more frequently eat yellowfin steak from the PNA waters, cut from large mature fish, a stock that is in a healthy state, the MSC logo assuring its caught sustainably.

Send us your tips to rebecca@pnatuna.com

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