

Tuna Market Intelligence

Issue 63, December 9, 2017

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

MARKET UPDATE

Skipjack tuna prices have continued to fall on the back on increased deliveries due from the region. The December Bangkok prices are expected to be between USD 1,750/mt and USD 1,800. Meanwhile Manta, Ecuador prices continue high.

INFLUENCERS REPORT

Princes overturned verdict vindicates MSC

Princes, a major European firm, has won its appeal against World Wise Foods.

The court decision determined that Princes MSC labeled tuna, sourced from the PNA fishery and co-branded by Pacifical, is sustainable.

The appeals chamber of the Dutch Advertising code that oversee the Netherland's advertising standards, overturned their initial decision made last September, in a final ruling that cannot be overturned, ruling that the claims on all MSC-labeled cans of Princes tuna are in full compliance with the Dutch advertising Code. It was noted that the appeals chamber, The College van Beroen, determined in their final verdict that the "contents of the package meet that high bar to be described as 'sustainable,' which ... represents a tribute to the credibility and assurance provided to consumers by the MSC program, as illustrated by the MSC label's ranking as 'top ecolabel' by Dutch environmental consumer agency Milieucentraal."

Seafood Source quoted MSC CEO Rupert Howes who said, "We are delighted with the verdict. While we never doubted the sustainability claims being examined, the ... verdict is an important and independent validation of the MSC program and the way companies like Princes describe their products. By placing their trust in MSC-labeled seafood, shoppers and brands are helping to

reward sustainable fishing practices, catalyzing change around the world."

World Wise Foods brought the claim that the tuna brand was misleading consumers regarding the sustainability of the product caught in PNA waters. They are associated with the "On the Hook" group who challenged the MSC certification of the PNA's purse seine yellowfin and skipjack tuna last summer, claiming PNA's fishery methods were not sustainable. On the Hook has not commented on the verdict that upholds both MSC and PNA's practices.

Meanwhile, the same group has, through associates, raised questions in UK parliament over MSC standards and PNA recertification. They are demanding an adjudication hearing over MSC standards and PNA recertification. This is clearly an orchestrated attack on MSC and PNA, led by groups with commercial interests in competing supply.

Zone-based management works for PNA

Zone-based management of tuna fisheries in the western and central Pacific works effectively and there is no interest in replacing it with a different management arrangement, leaders of the Parties to the Nauru Agreement (PNA) said recently.

In response to some distant water fishing nations who feel the Parties of the Nauru Agreement should honor "flag state" rights in their waters, PNAO states that the parties are in agreement over how they wish to manage their waters and have sovereign rights to do so. Marine Resources Authority Director Glen Joseph, who chairs the PNA, spoke for them saying, "The VDS (Vessel Day Scheme) is effective in both conservation and economic development."

The eight PNA nations instituted the VDS for purse seine fishing in 2007. PNA members agree on a limited number of fishing days for the year based on scientific advice

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about the status of the tuna stocks. Since 2012, WCPFC has allocated PNA a pool of data based upon 2010 effort levels. Fishing days are then allocated by country and sold to the highest bidder. Conditions for using the purchased days include high seas closures to fishing, controls on Fish Aggregating Devices (FADs), protection for whale sharks and 100% coverage of purse seine fishing vessels with observers.

The vessel day scheme is unique to PNA but has proven to work well in terms of sustaining the healthiest tuna stocks in the world, collecting scientific data and generating revenue for their nations. As an effort control VDS also removes incentives to high grade and mis-declare catches which is a major compliance issue with Quota regimes.

Kumoru said developments in islands such as the Solomon Islands, Papua New Guinea and the Marshall Islands — all of which are increasing their domestic “footprint” in the fishery — show the future of the fishery for the islands.

Mr. Kumoru added that one of PNA’s primary goals “is to make sure our people are involved in the fishery, not spectators.”

Vessel Day Scheme to extend to longliners

Seven PNA nations have signed on to extend the Vessel Day Scheme (VDS) to long line fishing in addition to PNA’s well-established VDS for purse seiners and are looking to the Western and Central Pacific Fisheries Commission for support. The roll out of the VDS for long line fishing is going well and PNA CEO Ludwig Kumoru adds that several countries outside the PNA are expressing interest in adopting the scheme for their own long line fisheries.

In defending the move to require longliners to adhere to VDS rules in PNA waters, Kumoru said, “We have to have management of longliners on the high seas.” Both he and Joseph described the longline industry as a significant “gap” in the region’s improving management of its tuna fishery. Currently the long line vessels are not required to have full observer coverage, and therefore do not collect

or report data on catch or bycatch amounts. They also do not submit transshipment data.

The VDS has been key in keeping the stocks healthy in the Pacific region’s purse seine fishery and has also helped PNA nations reap huge economic benefits. Revenue to PNA countries has risen from USD 60 million to almost USD 500 million since the implementation of VDS.

Pacific now recruiting intern from Nauru for early 2018

Pacific is currently accepting applicants from students and professionals from Nauru who wish to join their Sales & Marketing Development Department. The selected intern will collaborate with the sales, market development and marketing team members in all stages of Pacific’s marketing campaigns to develop, expand and maintain Pacific marketing channels and supply chains for MSC certified free-school skipjack and yellowfin tuna caught in PNA waters.

The intern will go to the Netherlands for three months of intensive training, beginning March 25, 2018, that will give him/her valuable marketing skills and strategies including commercial sales and business skill required to become successful in any fast paced work environment.

Each PNA-member country will have an appointed time for one of their nationals to intern with Pacific. Nauru is the second country, following the Marshall Islands, to have this opportunity.

For more information about the internship opportunity, including details about the requirements and the application process, please go to www.pacific.com/internship.

Applications are open until December 15th, 2017.

RMI’s intern shares Pacific experience

Daphine Wase, Pacific’s intern from the Marshall Islands, is settling into her new sales and marketing role in Amsterdam. As part of her intern experience she is keeping a blog. After her first week with Pacific, Wase says, “I’ve learned that tuna is a big industry, globally. I’ve only looked at it from the domestic point of view. It is big

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in the islands, but I never knew people outside of the Pacific heavily rely on tuna as well. I've also learned that the PNA nations control about 50% of the global supply of skipjack tuna, which is the most commonly canned tuna. Mind blowing! Can these small island nations be the supplier of the world's most canned tuna? These are such small nations, barely noticed on the map. However, tuna has marked their place on the map."

Daphine's blog may be seen in full at <https://pacificalinsider.wordpress.com>

John West, co-branded by Pacifical, will see tuna on China's shelves

Pacifical has announced that John West's, MSC certified tuna from PNA waters is now available in China. The tuna is co-branded by Pacifical, the marketing arm of PNA. The tuna is sold in a number of retail outlets across China and includes the original Tuna Tempters range as well as the No Drain tuna, all free-school MSC skipjack products. This expands the distribution beyond Australia, New Zealand and the Pacific region, Singapore, Taiwan and Hong Kong.

WCPFC holds 14th meeting in Manila

The Western & Central Pacific Fisheries Commission convened its 14th regular session (WCPFC14) at the Philippines National Convention Center in Manila from December 3 – 7. There were over 700 participants expected from 26 member states, eight participating territories and several cooperating non-member countries. Members wrapped up their meetings, making decisions in several areas.

The main outcome includes a new Tropical Tunas Bridging Measure, a three-year agreement designed to ensure skipjack, bigeye and yellowfin tuna stocks in WCPF waters are maintained at recent average levels and capable of producing maximum sustainable yield. The agreement, achieved late in the meeting, includes 12-month provisions that relate to Fish Aggregating Device (FAD) management in the purse seine fishery, high seas purse seine effort control and bigeye catch limits in the longline fishery. There was recognition for Small Island

Developing States regarding disproportionate burden risks.

Other achievements include:

- A Conservation and Management Measure (CMM) created to implement the Harvest Strategy for Pacific bluefin tuna fisheries.
- Reporting standards for electronic reporting of observer data adopted to allow for more effective monitoring and management of fisheries as observers will be able to enter near real-time data into database systems.
- A Port State Measure adopted to reduce illegal, unreported and unregulated (IUU) fishing by strengthening overall port controls.
- Bycatch mitigation initiatives made addressing sharks, sea turtles and seabirds.
- A Conservation and Management Measure (CMM) on marine pollution made which includes the prohibition of discharging plastics from fishing vessels.
- A Target Reference Point for South Pacific albacore prioritized for development and adoption, to begin by reviewing scientific and economic information.
- An amendment created to allow Samoa's domestic longline fleet to directly offload to American Samoa, helping to create a more cost efficient system.
- A date and location for the next annual meeting to take place in Pohnpei, FSM, December 3-7, 2018.

The WCPFC, created in 2004, is a regional fisheries management organization that is responsible for the conservation and management of tuna and other marine resources in the world's biggest fishery waters.

PEW disappointed with WCPFC decisions

PEW Charitable Trusts is disappointed with the tropical tuna management decisions made at the annual Western and Central Pacific Fisheries Commission meeting.

Amanda Nickson, director of international fisheries for PEW states, "Tropical tuna management in the western and central Pacific Ocean took a disappointing turn when

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governments at the Western and Central Pacific Fisheries Commission agreed to a measure that does not achieve the scientific advice, leading to an unacceptable risk that the bigeye tuna population will drop below healthy levels. Despite substantive efforts by the Chair of the Commission, the outcome is disappointing, and once again highlights a lack of effective communication and negotiation between Commission members in the lead up to this meeting.”

Nickson continued advising, “Commission members should ensure negotiations start immediately toward a stronger measure next year, to ensure to precautionary, science-based management of its fisheries. The health of tropical tunas in the Pacific, and the communities who depend on them, requires it, and cannot wait another year.”

Included in the measure is a reversal to 2016 catch limits for line fishing, a 10 percent increase over the 2017 catch limit. The purse seine fishery will submit to a three-month fish aggregating device FAD closure in exclusive economic zones (EEZs) and two more in the high seas.

PEW states, “the result is greater than 20 percent risk of the bigeye stock falling below the limit reference point (an agreed level of biomass that is undesirable) sometime in the next 30 years.”

Call for transshipment ban on high seas

Civil Society Organizations have called for banning transshipment by longliners on high seas at the Western and Central Pacific Commission (WCPFC). They have asked for the ban to be in place until a system is in place ensuring Illegal, Unreported, and Unregulated activities are not occurring.

Jamie Gibbon, Officer for Global Tuna Conservation (GTC) at PEW told PACNEWS that 52 percent of longliners operating in the WCPFC have authorization to ship without any clear guidelines. He explained that, “One of the biggest issues in the region is that WCPFC initially envisioned transshipment as a rare occasion – that it will

only occur at sea if that was the only way that a fishing industry could operate.”

Gibbon also commented on independent observers saying that “One of the other issues is independent observer reports are often not submitted to the WCPFC. Last year there were approximately 900 at-sea transshipments and only one observer report made it to the Secretariat.”

Fiji’s Fisheries Minister, Commander Semi Koroilavesau stated that the overfishing in the high seas from the world’s largest fishing nations, including China, Japan and South Korea, was threatening tuna stocks in the Pacific Ocean and called on the WCPFC for action. He criticized the previous commission saying, “inaction of the commission is negatively contributing to over-capacity in the high seas resulting in low catches in the zone.”

FFA appoints deputy Director General

New Zealand’s Matthew Hooper has been appointed deputy Director General of the Forum Fisheries Agency (FFA). FFA’s Director General, James Movick was pleased to make the announcement and said that he will take over in mid-January.

Hooper grew up in Tokelau and FFA sees that as a big plus. Tokelau is a New Zealand territory comprised of three remote atolls, accessible only by boat. With a population of 1499, their main natural economic resource is the fishery of the exclusive economic zone. Hooper began working in fisheries in 1976.

According to Movick, another key reason for his appointment is Hooper’s past involvement and performance with the Treaty of Waitangi and settlement of the injustices done to the Maori people by the British Crown in the late 1800s.

Movik stated that, “He is well known and respected for his capability to work with people and it’s a very tricky situation to help resolve issues. And I think at the end of the day that was the principal basis for the

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recommendation from the interview panel comprised of five members of the Forum Fisheries Committee.”

Taiwan Purse seine vessels under arrest in Majuro

Marshallese National Police arrested three Taiwan purse seine fishing vessels. RMI High Court ordered the arrest. The ships and their agents are being held in port until bonds have been deposited.

The Marshall Islands Journal reports that two of the three companies have collection claims from Taiwan banks and Hansen Helicopters; the third faces collections from Hansen. Their financial problems have been caused by the vessels' parent company, Weelee International Group in Taiwan, being in a “receivership” situation following allegations that it defrauded Taiwan banks of nearly \$500 million.

Meanwhile, over 60 crewmembers are working on being repatriated to their home countries or transferred to other fishing vessels.

Majuro transshipment update

Forty tuna transshipments in Port Majuro during November increased the overall number for the year to 434. This is an average of 39 per month, indicating the heavy usage of Majuro as a port of call for the tuna industry, according to data provided by the Marshall Islands Marine Resources Authority.

The number, however, is down from 2016, when 561 tuna transshipments were recorded in Majuro. Last year, Majuro averaged over 46 transshipments per month.

The highest number of purse seiners in Majuro during November were Taiwanese, with 12 visits. RMI and Chinese flagged vessels were second with seven each. FSM, US, Papua New Guinea and Solomon Islands flagged purse seine vessels contributed to the total.

Maldives' mixed catch certified

The Maldives pole and line fishery in the Indian Ocean received a MSC five-year re-certification for its skipjack

fishery. This, despite the fact that 13 to 19 percent of their fishery catch is yellowfin, an overfished species in the Indian Ocean. This recertification comes on the heels of strong criticism of PNA from the International Pole and Line Foundation (IPNLF) regarding the PNA's system of allowing more than one kind of catch (a MSC catch and a non-certified catch may be caught as long as the two are not mixed) on their purse seiners, where protected by one of the most extensive chain of custody (CoC) schemes in any MSC fishery. Yet they are arguing that the system is not sustainable in a fishery where all tuna species caught are all considered sustainable. MSC recognizes the PNA CoC as “above and beyond” the standards.

Some would argue that the pole and line vessels are guilty of mixed catches when they catch skipjack, a certified fish, and a non-certified and overfished yellowfin on the same day with the same pole.

Send us your tips to rebecca@pnatuna.com

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