

# Tuna Market Intelligence

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

## MARKET UPDATE

Skipjack prices in Bangkok continue to hover around \$1,950 per metric ton with pressure on the \$2000 /mt barrier.

With other Regional Fisheries Management Organizations (RFMOs) under pressure to close and the WCPFC FAD closure, prices are likely to remain strong.

## INFLUENCERS REPORT

### CEO initiates PNA legal framework review

Under the Pacific Island Regional Oceanscape Program Project (PROP) funded by World Bank and managed by FFA, the PNA CEO has initiated a review of the PNA legal framework, where a consulting team will:

Firstly, through consultation with the Parties and a legal review, develop a framework for the rationalisation of the key legal texts for the PNA arrangement for consideration and adoption by the Parties. The aim is to ensure that the VDS rules are as clear and complete as possible, have clear statements of the process of dealing with violations and relevant sanctions, penalties or compensation, and have an “adjudication process.”

Secondly, develop and implement policies, systems and processes that make up the VDS compliance regime. This will include monitoring Parties’ performance against obligations through analysis of FIMS and iFIMS; production of an annual compliance monitoring report for the VDSC to consider; and arranging for independent audits of Parties.

Lastly, there will be technical input to support the implementation of the Long Line Vessel Day Scheme (LL VDS).

The presentation of the final draft to officials and Parties is planned for 2018.

### PNAO mourns loss of RMI’s Minister Zackhras

PNAO joins the international community in mourning the loss of RMI’s Minister Mattlan Zackhras. During his tenure as RMI Minister of Resources and Development from 2008-2012, Zackhras played an important role in the development of the PNAO office.

“It is indeed a sad loss for the Marshall Islands and the PNA,” said Dr. Transform Aqorau, PNA’s former CEO.

“The late Matt Zackhras was one of the visionaries and forward looking fisheries ministers who were responsible for the establishment of the PNA Office in Majuro. He was not only supportive but he had an intellectual capacity that enabled him to grasp the importance of the Vessel Day Scheme (VDS), the need to apply hard limits to the fishery, and the vision that we had for the PNA. I found him to be a shining light.”

Zackhras, 47, died August 8 of heart failure.

### US fishing vessels pushed to free-school fishing in PNA waters

Faced with imminent closure of the Eastern Pacific Ocean, US Treaty vessels that have operated in the EPO this year, avoiding the US Multilateral Treaty (USMLT) terms of access in Treaty waters are expected to return to the Western and Central Pacific Ocean rather than tie up as required under the IATTC conservation measures. Although not restricted by the WCPFC or the Treaty, conservationists view such actions as a disregard for sustainability. As tuna are migratory, vessels moving from one ocean to the other undermine conservation. With WCPFC high seas allocations for 2017 largely used, it will mean the US boats will need buy VDS days bilaterally to continue fishing in PNA waters once any pooled days are exhausted.

### IATTC extends closures and limits FADs in the EPO

Extended fishing closures and FAD restrictions were major steps made towards protecting declining tuna stocks in the Eastern Pacific Ocean at the Inter-American Tropical Tuna Commission (IATTC) meeting

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held in Mexico City, July 17-28.

The 21 governments affiliated with the IATTC have agreed to implement a ten day closure increase, bringing fishing closures in the Eastern Pacific Ocean to 72 days per year with boats required to tie up in port. According to WWF Global, the extension begins this year and will be in effect for large-scale purse seine fishing vessels through to 2020.

The IATTC members also agreed on a limit of 450 FADs deployed at any given time for most commercial purse seine vessels. In addition, all vessels will be required to report the movement of all FADs in order to enable accurate scientific data collection. It was also mandated that vessels may not deploy FADs within 20 days of a FAD closure and FAD sets must be retrieved before 15 days prior to a closure.

The governments represented at the meeting could not come to agreement regarding observer safety conditions. The Western and Central Pacific Fisheries Commission has a measure in place.

## **Spain appeals to EU for Atalanta extension**

Spain's ministry of defense, in conjunction with Spanish purse seine tuna fleets' associations, OPAGAC, ANABAC and CEPESCA report that pirates have resurfaced with increasing boarding attempts in the Indian Ocean. This has prompted their request to the European Union for an extension of Atalanta, the anti-piracy mission that is off the coast of Somalia in the Indian Ocean.

Operation Atalanta is a EU counter-piracy military operation. Monitoring fishing in the Indian Ocean, including Somali waters, is part of the mission's purpose.

Spain has requested strengthening and prolonging of security measures that have been in place since the operation began in 2008. Atalanta is currently slated to be in operation until the end of December, 2018.

Meanwhile it is expected that the Indian Ocean fishery will be closed in late September with catch limits reached.

## **Bumble Bee pleads guilty, fined US \$25 million**

Bumble Bee pled guilty Sherman Act violations on August 2<sup>nd</sup>, admitting its role in price fixing canned tuna. The US Court has fined Bumble Bee \$25 million in criminal fines.

The fine is a significant reduction of the maximum potential fine of US \$272.4 million that was within the guidelines range. The court heard from two financial experts, one independent, and one hired by Bumble Bee, who agreed Bumble Bee could not afford to pay the maximum fine. The fine is to be paid, interest free, over the course of five years; an early pay-off is not an option.

As part of the deal, Bumble Bee agreed to cooperate with the US Department of Justice in the ongoing investigation that also includes the tuna companies StarKist and Chicken of the Sea that are implicated in the price-fixing conspiracy along with Bumble Bee.

In the event Bumble Bee is sold before the fine is paid in full over the five-year period, the penalty balloons to US \$81.5 million dollars to be paid by Big Catch Cayman LP, Bumble Bee's holding company.

Meanwhile, Bumble Bee also faces lawsuits from several major retailers including WalMart, Albertsons, Kroger and Target.

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