

# 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

The current prices at the Bangkok Tuna Market have soared to US\$1450 per metric tonne as the upward trend continues to the benefit of tuna sellers.

The last price reported in this market intelligence was US\$1275 per metric tonne.

Parties to Nauru Agreement (PNA) Commercial Manager Maurice Brownjohn said this was a reflection on poor catches as tuna tended to move west. He said another reason was part of the US fleet having been tied up or they had opted to fish outside the region (Western and Central Pacific Fisheries Commission water) thus the supply being less driving up the demand for tuna.

This trend is expected to continue in the near future with US boats having returned to sea but their catches are not expected to hit Bangkok until late April, he said.

Brownjohn said the closure of use of Fish Aggregating Devices kicks in mid year so traditionally prices will peak pre-closure as processors build up their inventory.

"During the closure, prices tend to collapse with the expectation of high volumes of FAD fish upon reopening and buyers deferring orders in expectation," he said

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## INFLUENCERS REPORT

### Marshalls feels impacts of price hike

The impact of both the recent increase in world market prices for skipjack tuna and the re-licensing of United States purse seine vessels has clearly resulted in vessels moving out to fishing grounds. In mid-January, a record 38 purse seiners were anchored in Majuro lagoon and only one tuna transshipment operation was happening at the time, an obvious demonstration of the slowdown in fishing that marked the first two months of this year.

As of March 11, however, the purse seiner count in Majuro lagoon was down to 14, with three of them engaged in off-loading their tuna tonnage to carrier vessels.

As Majuro has developed into the busiest tuna transshipment port in the western Pacific over the past two years, the number of purse seiners anchored in port and transshipment operations in progress gives an indication of the level of purse seine fishing activity.

A record 15 carrier vessels are currently anchored in Majuro collecting skipjack tonnage before heading off to canneries.

### PNG firm invests K\$9m in facility

Wewak based Tuna loining company, South Seas Tuna Corporation Ltd (SSTC) has recently invested K9 million into improving its operations and facility capacity, President and managing director Mike McCulley says.

McCulley said the company had shut down operations shortly before Christmas of last year and immediately began installation of new equipment.

The facility improvements included new fishmeal processing equipment, more fish cooking capacity, expansion of the fish receiving department and new and larger refrigeration equipment.

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Last year, McCulley said SSTC exported 6,500 metric tons of loins.

He said SSTC was expected to increase import to 10,000 tons of tuna loins this year and 1,700 tons of fishmeal this year.

The SSTC is classified as a co-packer and charge the fish owner a conversion fee.

## **PNG not affected by treaty impasse**

The US Government's withdrawal from the US-Pacific Islands fisheries treaty is not expected to affect PNG, the National Fisheries Authority (NFA) says.

Despite the dispute over the US fishing days, NFA's deputy managing director Ludwig Kumoru said PNG and other Pacific Island nations were keen to see the treaty continue.

The 27-year-old treaty was set to expire 12 months from the date of the withdrawal notice issued last year.

The United States had been communicating with Pacific Island party representatives through the Forum Fisheries Agency and consulting with U.S. industry to help facilitate a resolution to the impasse over fishing access this year.

"Thanks to cooperation and compromise on both sides, we finalized revised terms of access for 2016," the US embassy in Port Moresby said in a statement.

"U.S. industry is responsible for making full and timely quarterly payments according to the revised terms in order to receive and maintain licenses from the Pacific Island parties to fish in the Treaty area for the rest of the year.

"We now look forward to focusing on the important discussions about whether the Treaty can be restructured and maintained in a way that is mutually acceptable and continues to provide benefits to both sides over the long term."

## **Palau launches stock monitoring plan**

Palau has come out with a 52-page Monitoring, Control and Surveillance (MCS) Plan, which serve as strategy to

combat illegal fishing in Palau as part of the national marine sanctuary law.

The Plan will assist stakeholders monitor their stock in the next five years or during the transition period before the sanctuary is implemented.

It also stated that the plan will aid in the deterrence, detection, interdiction, and prosecutions of illegal, unreported, and unregulated (IUU) fishing violations and illegal drug and human trafficking in Palau's EEZ.

President Remengesau signed the Palau National Marine Sanctuary Act into law, which creates 500,000 square kilometers in size, or 80 percent of the country's EEZ as a no take zone.

Twenty percent of EEZ is allocated for Palau's domestic market and local fishermen. The law also calls for a transition period of five years and will be implemented by 2021.

## **Illegal fishing costs millions**

Poor Pacific Island states are losing millions of dollars to illegal fishing, a new report reveals.

The Pacific Islands Forum Fisheries Agency said its "best estimate" was that Illegal Unreported Unregulated tuna fishing deprived Pacific nations heavily reliant on rich territorial tuna stocks of more than US\$616 million per year.

Overall, Pacific tuna worth more than US\$1 billion on the retail market is illegally caught, the report said.

Using economic rent calculations this report estimates that the actual loss to PICs from lost fishing access revenues is around \$152 million, FFA Director General James Movick said at the launching in Auckland.

"Previous estimates suggested that as much as 20% of the total regional catch, with value of up to \$1.5 billion in 2007 US dollar values, was being stolen.

"This report shows that, in the regional tuna fishery that catches in the order of five billion dollars' worth of fish,

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an estimated \$616 million is now associated with illegal practices, representing around 12%," he added.

The authors of the report MRAG Asia Pacific consultancy firm said calculating the findings they looked at each of the different types of IUU fishing across each of the main fishing sectors – purse seine, tropical longline and southern longline.

The types of IUU activity they looked at included:

- Unlicensed fishing (boats fishing in places for which they have no license)
- Reporting violations (e.g. under-reporting of catch)
- Non-compliance with other license conditions (e.g. FAD fishing during the closure)
- Post-harvest risks (e.g. illegal transshipment)

The authors also found that the majority of that IUU activity is associated with licensed rather than unlicensed vessels.