PNA COVID-19 Purse Seine Dashboard

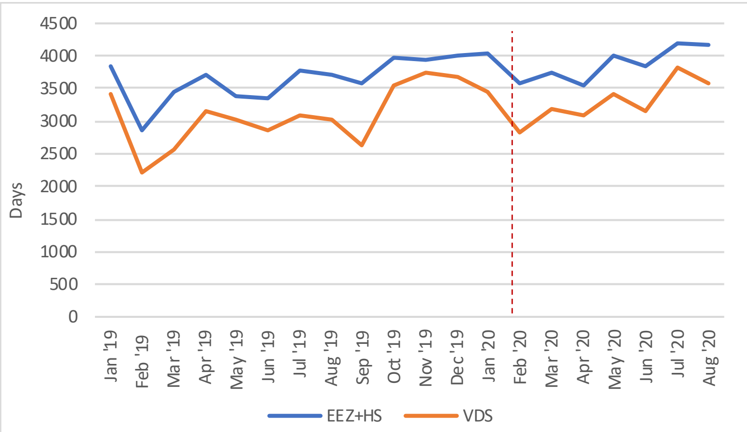
September 2020

Key trends:

- Preliminary figures indicate that overall purse seine fishing days and fishing intensity (fishing days/calendar day) stabilised in August at levels amongst the highest in the 2019-20 period. August's VDS effort was roughly 7% down on the July figure, but was the highest monthly effort figure for August since at least 2014. Note that August figures may be adjusted as NFDs are processed.
- Total purse seine catch also levelled off in August, with volumes amongst the lowest in the 2019-20 period. Catch and effort continued to be concentrated in the west, with effort in PNG's EEZ more than double the next highest zone.
- Overall catch rates in August stabilised at some of the lowest levels in the 2019-20 period (24.4t/day), based on preliminary figures.
- Transhipment volumes also levelled off in August, down only slightly on July figures. Volumes remained highest in PNG ports.
- Bangkok SKJ prices rose to an average of $1625 in August (the highest level for 2020), up from $1550 in July. This continues a trend in recent years for SKJ price to rise in line with the WCPO FAD closure. At the same time, the recovery in the Singapore MGO price stalled in August, resulting in a higher than average differential between SKJ price and fuel price.
- Thailand continues to remain less affected by COVID cases than other key processing centres (e.g. Ecuador) which have suffered some degree of COVID-related processing downturn.

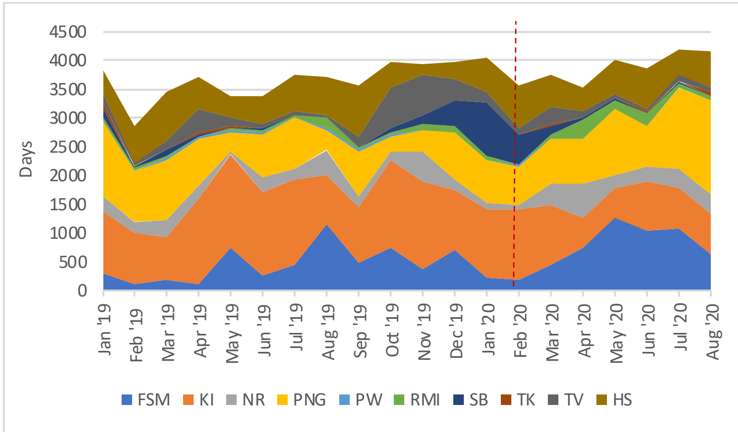
Fishing effort

Overall effort (PNA EEZs+HS)



- Overall fishing effort (EEZ+HS) remained stable in August, continuing at some of the highest levels in the 2019-2020 period. Note that August figures are preliminary and may reduce slightly as NFD applications are processed.
- Usage of VDS Days in August 2020 (3565) was roughly 7% down on the July figure, although was the highest August figure since at least 2014.

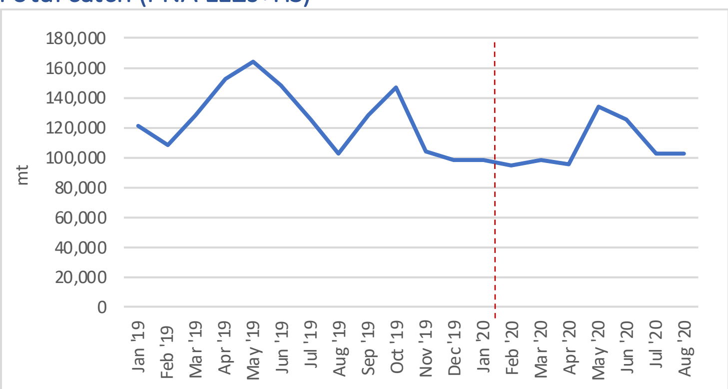
Distribution of effort (EEZs)



- Effort continued to be concentrated in the west in August, with effort in the PNG EEZ (1643 days) the highest in the 2019-20 period and more than double the next highest EEZ (KI, 703 days). Effort in FSM and TV declined, while NR and RMI remained relatively stable. Effort in the high seas increased to 634 days in August, up from 430 in July.
- Preliminary figures indicate that fishing has shifted to the east in September, with a high proportion of effort in KI.

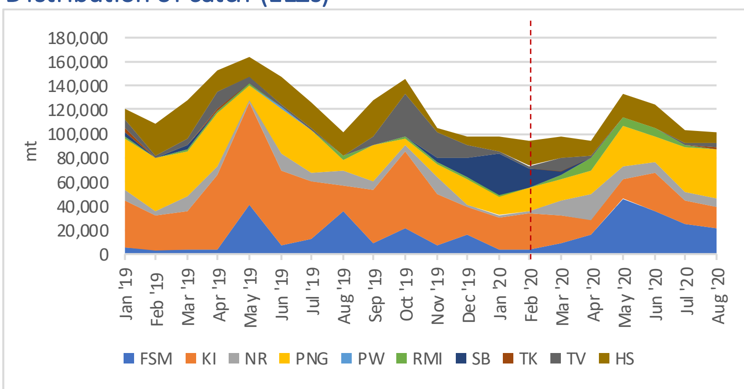
Catch

Total catch (PNA EEZs+HS)



- Catch (EEZ+HS) stablised in August, with the monthly catch amongst the lowest in the 2019-20 period.

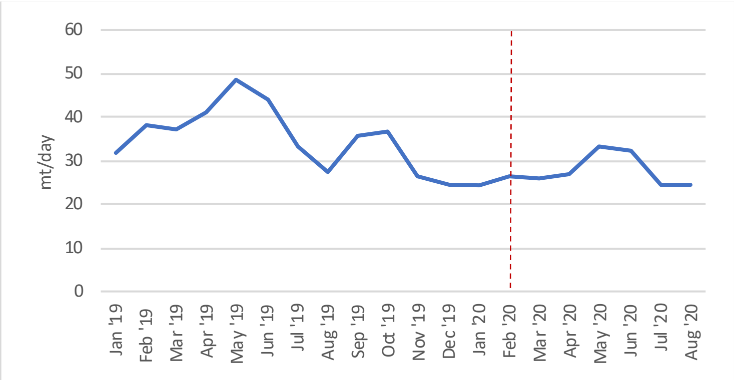
Distribution of catch (EEZs)



- Catches in August 2020 broadly reflected effort trends, with catches highest in PNG, followed by FSM and KI. Catches on the HS are around half what they were in August 2019.

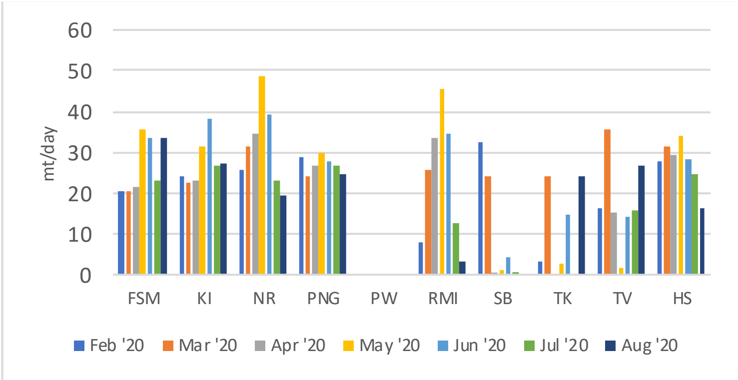
Catch rates

Overall (PNA EEZs+HS)



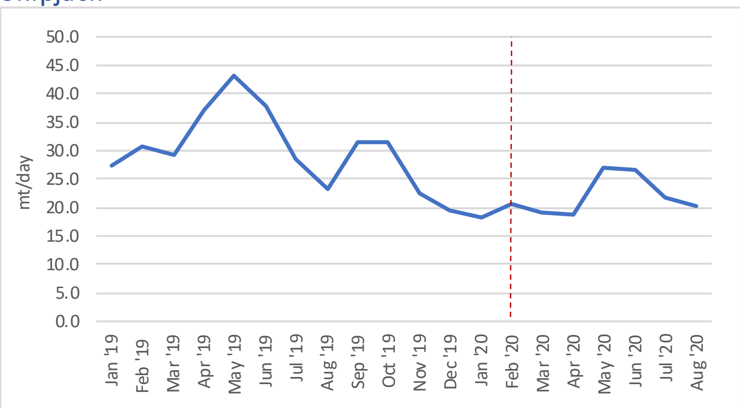
- Overall catch rates stabilised at low levels in August (around 24.4t/day), based on preliminary figures.

Catch rate by zone (EEZs)



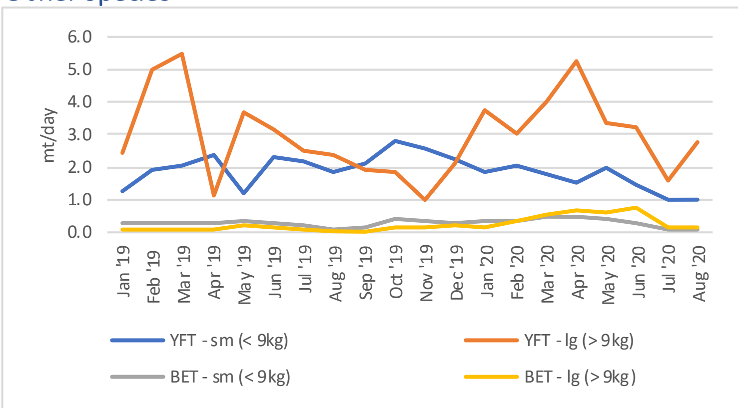
- Preliminary figures indicate that catch rates rose in FSM and TV, but were otherwise stable across most EEZs. Catch rates rose in TK and fell in RMI, but were based on small catches. Catch rates on the high seas fell to the lowest level in 2020.

Skipjack



- SKJ catch rate dipped again in August, to levels only slightly above the period of lowest catch rates in 2019-20 seen between Dec'19 and April'20.

Other species



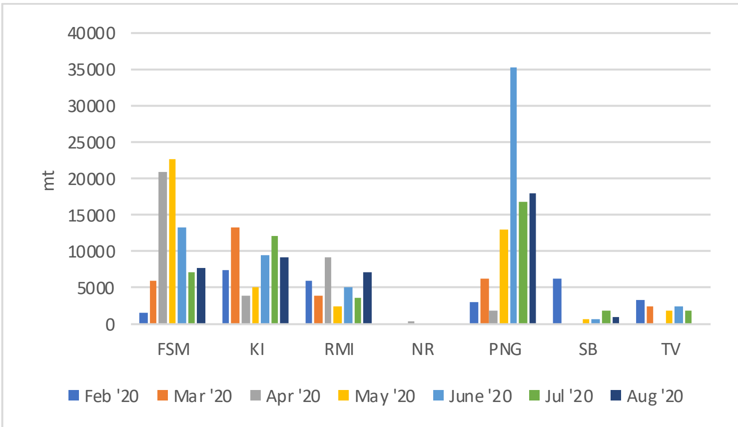
- Amongst the other purse seine species/size categories, catch rates of large YFT rose slightly in August. Catch rates of small YFT and BET fell in line with the FAD closure.

Transhipment

Volume

- Transhipment volumes in PNA ports levelled out in August, down slightly to 43,029t (from 43,739t in July). Volumes remain higher than at the commencement of the COVID period.

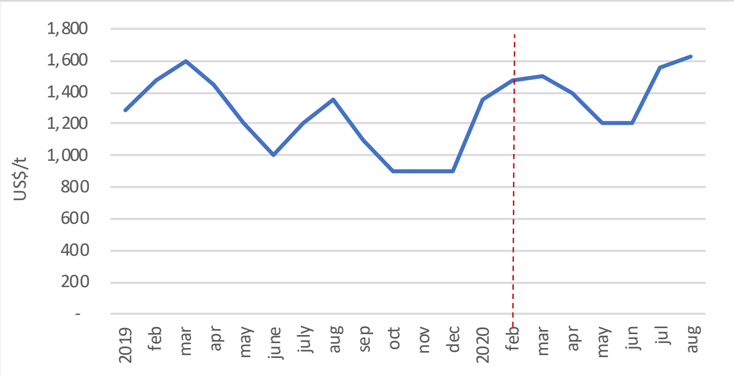
Location



- Transhipment volumes continued to be highest in PNG ports, although volumes were down on the June peak. Volumes remained roughly stable in FSM and KI, while volume in RMI approximately doubled between July and August (albeit at relatively low levels historically).

Prices

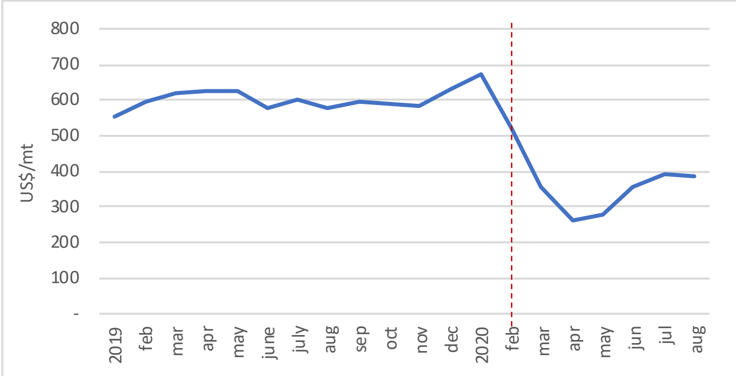
SKJ Price



https://investor.thaiunion.com/raw_material.html

- Bangkok SKJ prices reached an average of US1,625 in August, the highest level since Feb 2019. The increase in price is in line with recent annual trends which have seen price rises coinciding with the WCPO FAD closure.

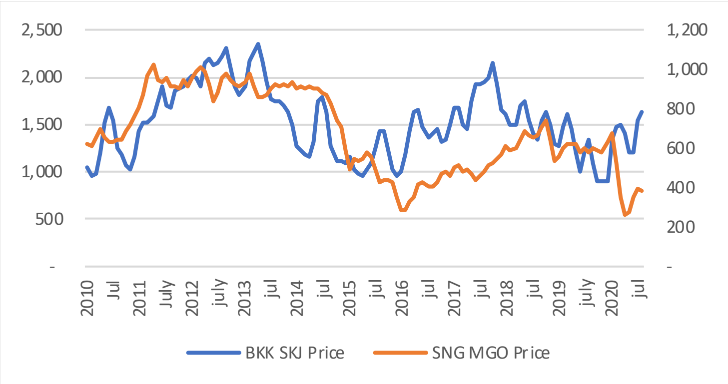
Fuel price



https://shipandbunker.com/prices/apac/sea/sg-sin-singapore#MGO

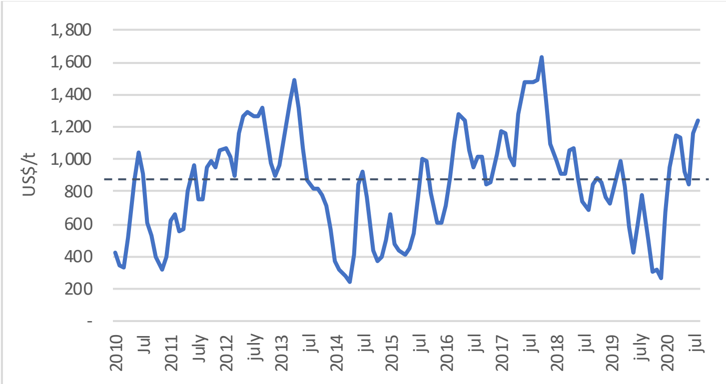
- Singapore MGO price plateaued in August, averaging US$387.50 and well below pre-COVID levels. As of September 16th 2020, price had fallen slightly to US$344/mt.

BKK SKJ Price vs Fuel price



- After a sharp divergence of BKK SKJ and Singapore MGO price in early 2020, the lines trended towards each other from late April. However, the rebound in BKK SKJ price in Jul/Aug and the plateauing of the Singapore MGO price meant that the differential increased in August. All other things being equal, this should see vessel margins improve, although actual results will be influenced by a range of factors including catch rates, species composition, fish size and others.

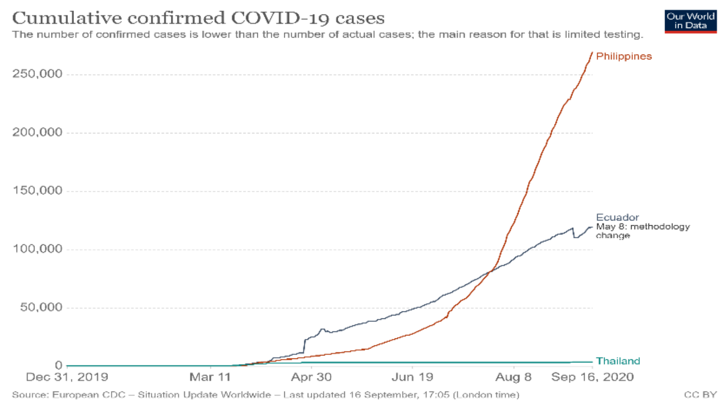
Price differential (BKK SKJ – Fuel)



- The price differential between BKK SKJ price and Singapore MGO price increased from $1160 in July to $1237 in August, the highest level seen since Nov 2017. The August figure is well above the average 10 year price difference of $850.

COVID-19 in processing countries

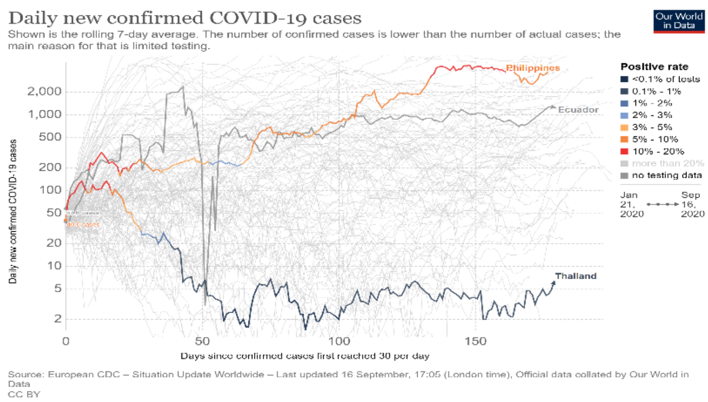
Total cases



https://ourworldindata.org/covid-cases

- Thailand continues to fare comparatively better than other key processing centres including Ecuador and the Philippines in terms of active COVID-19 cases.

Daily confirmed cases



https://ourworldindata.org/covid-cases

- Industry sources indicate that processing in Thailand has been relatively unaffected to date by COVID impacts, unlike other centres (e.g. Ecuador, Ghana, Spain) which have suffered processing cuts and stoppages.

Other issues:

- Atuna reports that current SKJ spot price in BKK has fallen to around $1500 in mid-September, continuing the trend in recent years for prices to fall approaching the end of the FAD ban[1]. Traders reportedly expect the price to fall further in October. The curent SKJ price in Manta is reportedly close to $1800, driven by poor fishing and the veda closure[2].
- The Japanese sashimi market continues to be affected by COVID restrictions, with sales through the Toyosu market in July reportedly down 40% on 2019[3].
- Atuna reports that around 100,000 restaurants are expected to close in the US in 2020 due to the COVID pandemic, with impacts in particular on fresh tuna and foodservice sector products[4].
- The inability to exchange crew remains a problem – industry are still seeking practical solutions to allow for crew exchange
- The PNAO has played a leading role in the development of COVID-19 Standard Operating Procedures (SOPs) for the Pacific Fisheries Sector which aim to minimise COVID-related risks across a range of key opeerational activities (e.g. transhipping, embarking/disembarking vessels, onshore unloading, etc)[5]. The work was coordinated by Australian DFAT, with inputs from PNAO, FFA, SPC and MRAG. The SOPs were publicly launched on 4th September and have been provided to the WCPFC membership for information.
- The WCPFC Secretariat reports that, as of 1st September 2020, "*there are 81 observers not back in their home ports; 31 observers are trapped in different foreign ports including Ecuador, Guam, New Zealand, Samoa and other ports trying to find a way back to their home country; a couple have been stranded for nearly 5 to 6 months in foreign ports waiting for their country to open u p and travel to commence*"[6]. This is based on responses from 20 of the 25 ROP programs. Survey responses indicate around 65% of observers have lost their source of employment during the COVID suspension.

Notes:

- Data on catch, effort, catch rates and transhipment is based on electronic reporting through iFIMS as at 17th September, 2020. Some data may change as more information is added over time. Figures for August 2020 should be considered preliminary.
- The EEZs+HS effort figures in the fishing effort graph do not include a VDS vessel size adjustment factor. The actual VDS usage figures are adjusted for vessel size. HS days may include some non-fishing time.
- A dashed-red line has been on many graphs at February 2020 to provide an indication of the time in which COVID-related restrictions were becoming more common globally and regionally.

[1] https://www.atuna.com/news/traders-seal-lower-priced-forward-skipjack-contracts-in-bangkok
[2] https://www.atuna.com/news/veda-continues-to-inflate-manta-s-skipjack-deals
[3] https://www.atuna.com/news/japanese-premium-tuna-market-collapsing
[4] https://www.atuna.com/news/covid-19-leads-to-thousands-of-restaurants-closing-in-the-us
[5] https://ffa.int/system/files/COVID19_OPERATING_PROTOCOLS_PACIFIC_FISHING_SECTOR.pdf
[6] https://www.wcpfc.int/node/47671