

Tuna Market Intelligence

Issue 73, June 25, 2018

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

MARKET UPDATE

Skipjack prices dropped again and as of June 13 the Bangkok price is USD1550/mt with the Manta price at USD1650/mt.

While supply into Bangkok has improved in recent months, cold storages are still full, preventing canners from buying large volumes of tuna. As availability of storage improves and the July-September FAD ban comes into effect, prices are predicted to increase.

INFLUENCERS REPORT

Sustainability no other choice for PNA peoples

Managing 23% of the world tuna stocks sustainably is not an option, "We have NO other choice." That's PNA's message, delivered by Maurice Brownjohn, PNA's Commercial Manager, at the SeaWeb Seafood Summit held June 18th in Barcelona, Spain.

Brownjohn shared PNA's innovative solutions to sustainability, including vessel day limits and target reference points for skipjack, initiatives that have since been adopted by the Western Central Pacific Fisheries Commission (WCPFC). PNA's unique Vessel Day Scheme, observer programmes, FAD closures and e-reporting systems are all praised as world class solutions. In addition, not only was PNA the first to obtain Marine Stewardship Council (MSC) certification for their skipjack and yellowfin purse seine fisheries but they have gone beyond MSC's requirements by creating their own comprehensive chain of custody. In the fishery the Pacific chain of custody continues to the retailer giving an unmatched traceability.

Conveyed were PNA's fears regarding the future for the world's oceans as tuna in the other global Regional Fisheries Management Organizations (RFMOs) are on the

decline. One issue is that Fisheries Improvement Projects (FIPs) have produced few results over the last decade, resulting in a worsened state of global fisheries outside the Western and Central Pacific Ocean (WCPO). Another speaker at the conference confirmed only one tuna FIP ever achieved MSC status. Another concern is that industry players, through their associations and their flags with vested interests in fishing, are pushing responsibility for sustainability to the RFMOs and show little to no signs of leading sustainability initiatives themselves. Many self-certify for short term commercial gain, a tactic that further undermines working towards genuine sustainability and recognition through MSC certification.

In short, PNA has grave concerns regarding the future eco-system status of the oceans in other RFMOs. Seeing declining resources, PNA foresees a dire situation even just five years from now; time that could be used to turn around and recover depleted tuna stocks.

Further, Brownjohn cited the International Seafood Sustainability Foundation's (ISSF's) commitment made in 2011 to bring tuna stocks to MSC recommended levels by 2017. He pointed out that when that didn't happen they recommitted for 2023, a date that is five years beyond their first promises.

Susan Jackson, president of ISSF, was featured on one of the slides with a quote she made at the recent tuna forum in Bangkok, saying that a "FIP is equal to an MSC certification with a condition." All that were present in Barcelona agreed it is not.

This is pertinent as currently the WCPFC is the only RFMO to have all four species in the "green."

PNA advocates that no FIP should exist outside of a formal MSC pre-assessment, to give a credible foundation for the FIP, complete with timeline to achieve full MSC certification. All MSC certificates must include a

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comprehensive chain of custody reflecting complete traceability through each step of the fishery process from catch to point of sale.

Brownjohn pointed out that PNA and Pacifical combine their two chains of custody and that, until there is discharge and evaluation ashore of the catch and segregation integrity. PNA fish is not MSC certified, but only MSC eligible up to the point of landing where weights and species composition are verified. In fact, in a single year, PNA disqualified over 2,200 metric tons at the factory door due to FAD species found in the catch. Their presence further justifies the need for a comprehensive chain of custody scheme as they were either wrongly declared eligible or there is evidence of attempted fraud.

Social accountability was also addressed. For over two years Pacifical has had guidelines in place for purse seiners at sea in the PNA MSC Scheme that promotes fisher's rights and ensure they have decent, safe and meaningful employment on board fishing vessels. 100% observer coverage on every vessel works to help ensure good working conditions as observers monitor crews and record any incidents at sea. PNA factories are also well advanced in meeting SA8000 standards for social accountability.

Towards the end of the presentation, Brownjohn announced that by the end of next month, July 2018, Pacifical will launch a fully block chain compliant, Ethereum based, vessel to consumer traceability system based upon the existing Pacifical traceability platform that will cover every detail of each sustainably caught and PNA MSC-certified tuna product through to retail.

This meets what retailers increasingly want, "ONE STOP" validated and integrated marketing plan = social + economic + environment sustainability. This, Brownjohn notes, is exactly what Pacifical and PNA offer, as they market over 300 million consumer units with the Pacifical logo in 23 countries.

World's Largest Sustainable Tuna Fishery Launches Ethereum Blockchain

Pacifical, the marketing arm for the eight PNA Pacific Island nations and the associated Tokelau territory, with 25% of the world's tuna caught in their waters, announced at the SeaWeb Sustainable Summit in Barcelona that they will launch a blockchain initiative covering all its MSC certified sustainably caught tuna by the end of July 2018. The tuna products will be recognizable by the Pacifical logo. This announcement positions the PNA's market development company Pacifical as pioneer of the first large scale blockchain initiative within the 42-billion-dollar tuna industry.

Maurice Brownjohn, Commercial Manager of the PNA Office, announced that Pacifical will launch the platform with support by Atato, a Thailand-based blockchain service provider. Powered by Ethereum's blockchain smart contracts and IPFS decentralized storage, integrating with Pacifical's traceability solutions.

The system will cover the entire supply chain and chain of custody of about 35 million MSC tuna fish caught annually in an area with a surface 40% bigger than Europe through to market. More than 200 million consumer units of Pacifical products in over 23 countries can soon be traced and verified through the Ethereum blockchain.

Environmental groups, retailers, consumers, and certifications bodies all over the world will be able to verify live on Ethereum's public blockchain exactly how their sustainable Pacifical tuna was caught, by which captain vessel, area and period, as well as where and when it was processed.

The Atato team has provided the technical support to the Pacifical team for the new innovative blockchain services covering over 100 large fishing vessels, and will provide an unprecedented level of transparency and traceability, to build the highest level of trust on the sustainability of the catch. All products carrying the Pacifical and MSC logo, will be able to be traced on the blockchain through their unique tracking codes.

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RMI President appeals to world leaders to address IUU fishing

The President of the Marshall Islands, Hilda Heine, appealed to leaders of the seven largest economies in the world at recent G7 Summit held recently in Quebec, Canada. President Heine spoke for small Pacific Island nations calling on leaders to address Illegal, Unreported and Unregulated (IUU) fishing in the high seas saying,

“Fisheries are our economic future. Yet even though the Pacific Island region controls over half of the world’s tuna stock, we benefit from only a tiny fraction of the overall economic activity.”

“Overall, \$660 million of illegal fishing occurs every year in our waters – a quarter of our fishery. The countries behind this illegal fishing are picking our pockets and your pockets too. For a small economy like ours, this is beyond theft. We strongly urge the G-7 to take decisive action against the culprits,” she added.

IUU fishing is a high priority for the Western & Central Pacific Fisheries Commission, the PNA, and others who work to make fishing sustainable and economically viable for small island nations that rely on revenue from fish caught in their exclusive economic zones (EEZs). So, it was a timely and relevant issue for the RMI president to bring IUU fishing to the attention of the world leaders that hold more than 62% of the global net wealth.

This year marked the 44th G-7 forum, attended by Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. Canada invited over a dozen heads of state and international organization leaders outside the G-7 membership, expanding attendance of the meeting for the first time. During the meeting the leaders pledged to protect marine environmental health and to address plastic ocean waste and marine litter.

FAO’s Dr. Lem shares targets for Sustainable Development Goal 14

At the recent Infofish World Tuna Trade Conference and Exhibition in Bangkok, Dr Audun Lem presented Overview on Supply, Stocks and Effectiveness of the Management Measures, Working Towards a Global Consensus on behalf of the Food and Agriculture Organization (FAO). As part the presentation, Lem delineated FAO’s selected targets for their Sustainable Development Goal 14, which is to “conserve and sustainably use the oceans, seas and marine resources through sustainable development.” The four targets are as follows:

Target 14.4: By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.

Target 14.6: By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation.

Target 14.7: By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.

14.B. Provide access for small-scale artisanal fishers to marine resources and market.

The Western and Central Pacific Fisheries Commission (WCPFC) has been actively working on these targets which is why they have the healthiest stocks, with all four tuna species in the “green,” on the globe. In addition,

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PNA member countries are working together to increase their economic benefits through initiatives like the Vessel Day Scheme (VDS), Pacific co-branded MSC trade and micro-canning workshops and SME development that have been hosted in several member countries.

PNG boasts robust plan of action against IUU fishing

Papua New Guinea is one of the countries in the Pacific that has a robust national plan of action on illegal, unreported and unregulated (IUU) fishing activities, said PNG Minister for Fisheries and Marine Resources Patrick Basa 15th at the Infish World Tuna Trade Conference and Exhibition held recently in Bangkok Thailand.

Basa said the Government has made meaningful investments in fisheries management tools such as the fisheries information management system, vessel monitoring systems, observer programme, catch documentation scheme and audit and certification.

He further stated the integrated fishery information and management system is one of the most elaborate fishery-based data collection systems, using live web-based electronics to convert data from fishing vessels to the database in real time.

“These management tools are essential in supporting the management of tuna and other fisheries, and also in combatting illegal, unreported and under-reporting activities,” Basa said in his keynote address at the conference. Basa made several other statements of import.

“The sound management of the tuna resources underpins Papua New Guinea’s drive to promote investments in the tuna industry.”

“We will continue to support the six tuna processors operating in PNG and welcome additional investors into the sector.”

“We are currently working towards the establishment of a major dedicated fisheries wharf as well as the development of a marine industrial zone.”

“These investments will contribute towards achieving economies of scale for PNG-based tuna processors.”

Basa also said the government is working within the Parties to the Nauru Agreement (PNA) to develop policies that encourage cross-border investments, labor mobility and building on its comparative advantage.

“It will, therefore, be appropriate to expect concurrent opportunities for increased cooperation among the tuna industry as well as for major markets to support the development of sustainable tuna industries within the coastal States,” Basa said.

The conference was attended by representatives from countries and organizations involved in the harvesting, processing and marketing of tuna as well as manufacturers and suppliers of tuna-harvesting and processing equipment.

RMI fines purse seiner for IUU fishing in Majuro waters

A Philippines flagged purse seiner based in Papua New Guinea under RD Fishing Ltd. is paying a half-a-million-dollar fine for fishing illegally within Marshall Islands waters.

The Dolores was caught fishing within the 50-mile radius around Majuro Atoll, waters where commercial fishing is prohibited.

Marshall Islands Marine Resources Authority (MIMRA) recently concluded this enforcement action and one other fine of a vessel, while three different potential infractions by other fishing vessels are under investigation, according to MIMRA’s Legal Advisor Laurence Edwards, II.

In February, the Tuvalu-flagged Taina purse seiner was cited by MIMRA for entering Port Majuro without notifying MIMRA within 72 hours for tuna transshipment. It was fined \$50,000.

In early April, two observers reported that Dolores 870 was fishing illegally in the RMI “fisheries exclusion zone,” areas within a 50-mile radius of Majuro and Kwajalein

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which are closed to commercial fishing. This violated the vessel's fishing license and conditions of fishing access.

The Dolores 870 was fined \$500,000 and has agreed to pay.

Solomon Islands' RSIPF board foreign vessels in joint operation

The Royal Solomon Islands Police Force (RSIPF) Maritime Unit and the Forum Fisheries Agency have cooperated in a joint operation where the RSIPF have boarded over twenty foreign fishing vessels in Solomon waters this year.

According to SIBC, a public service broadcaster for the Solomon Islands, Police Commissioner Mathew Varley reported RSIPF has been at sea for over 110 days, building on its maritime capabilities.

"That's a big achievement out there in our waters in such a vast country," commented Commissioner Varley.

PNG plans for new longline fishing and processing facility

A new tuna longline fishing and processing facility is in the works for East New Britain, a province in Papua New Guinea.

PNG's National Fisheries Authority and Fuzian Zhonghong Fishery Company of China have signed an agreement, that while doesn't contain obligations, shows "commitments of the province and the authority" to work towards the facility, according to Patrick Basa, PNG's Fisheries and Marine Resources Minister.

Basa says the project is smaller in scope than other PNG canneries but will help the province become a reliable market for fresh tuna caught by local fishermen.

Send us your tips to rebecca@pnatuna.com

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