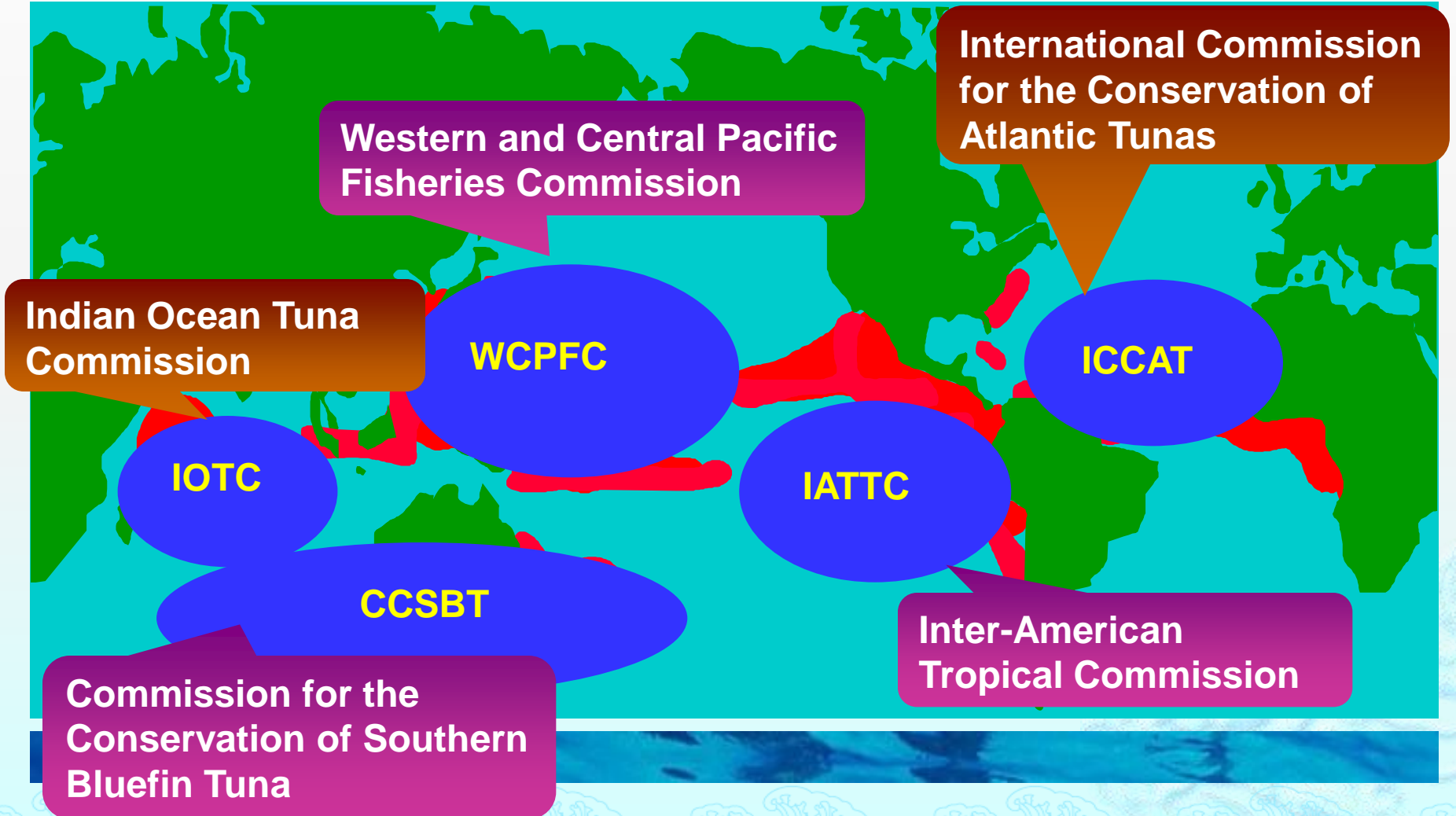


Managing and Migrating Harvesting Capacity to Retain Profitability

**Current practices, experiences
and progress on allocation,
capacity and profitability –
Purse seine industry**

**Max Chou,
South Pacific Tuna Corporation**

RFMOs



RFMOs' Current Measures

WCPFC

- Vessel Day Scheme (VDS) on EEZs
- FAD closure: 1 July-30 Sep 2010 and 2011 on EEZs and High Seas 20°N-20°S (no fishing w/o an observer)
- High-Seas pockets closure: effective 1 Jan 2010 (pockets enclosed by EEZs 20°N-20°S)

IATTC

- EPO closure: 29 July-28 Sep 2010 or 18 Nov 2010-18 Jan 2011(only one single fishing trip of up to 30 days with an observer)
- Additional area closure: 29 Sep-29 Oct 2010 and 2011 bounded 96°-110°W and 4°N-3°S

ICCAT

- Closure: 1 Nov 2010-31 Jan 2011
 - Southern limit: 4°S
 - Northern limit: 5°N
 - Western limit: 20°W
 - Eastern limit: the Africa Coast

IOTC

- Closure: 1 Nov-1 Dec 2011 and 2012
 - Bounded 0°-10°N and 40°-60°E

- Effectiveness of closure: no obvious progress during 2009

Managing Excess Capacity

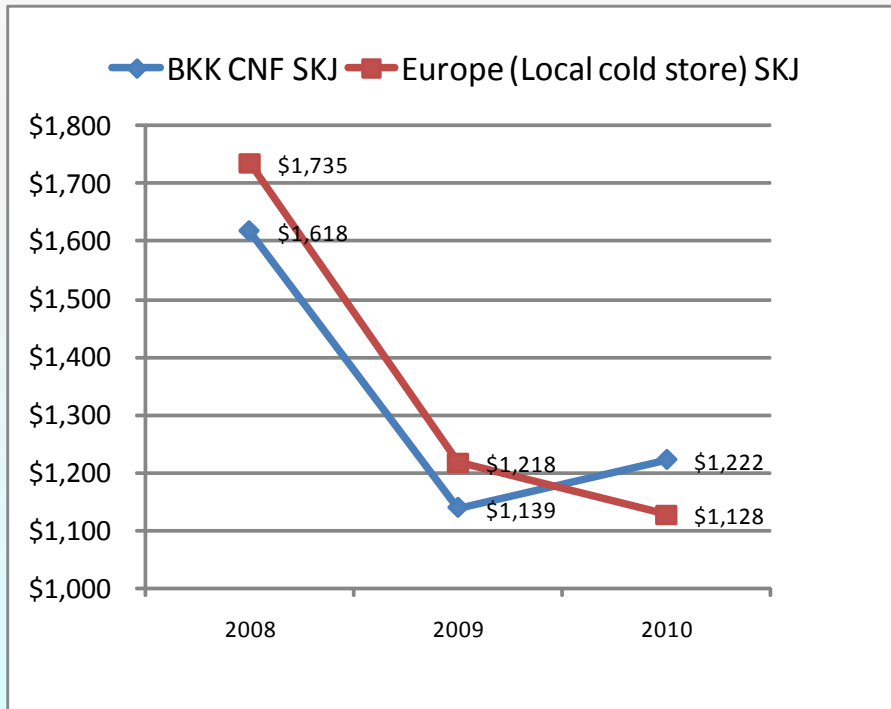
current status

- ❖ All RMFOs have some form of closure
- ❖ World catch production continues to raise due to capacity increases
- ❖ Concerned groups are trying to find their own solutions
- ❖ Fish are tougher to catch
- ❖ 2/3 of the global canned tuna raw material originates from the WCPFC area, where fishing capacity continues to increase through developing aspirations of SIDS
- ❖ Fishing and resource nations must put aside their own agenda
- ❖ All decisions must be backed up by scientific data
- ❖ Alternative ways of managing excess capacity may be considered in place of current closure methods – methods that are fair to all parties

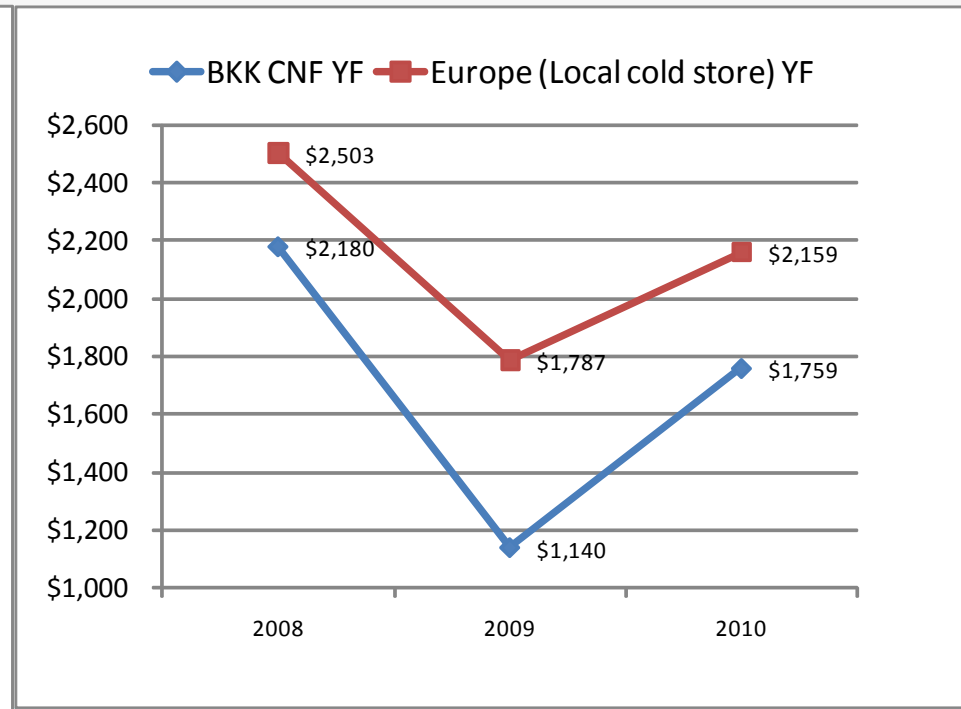
Cost and Profitability

❖ Tuna market price in per ton basis

SKJ Price



YF Price



Tuna remains a very price competitive protein with vastly superior nutritional content

Protein Cost Comparison

Product	Rnk	Price / Oz	Rnk	Price / Serving
Oscar Meyer/Sara Lee Bologna	11	\$0.30	1	\$0.30
Oscar Meyer Hot Dogs Weiners	7	\$0.22	2	\$0.36
Armour Vienna Sausages	5	\$0.20	3	\$0.41
Bumble Bee Pink Salmon	8	\$0.23	4	\$0.49
Private label chunk light 5oz tuna	3	\$0.20	5	\$0.49
Bumble Bee chunk light 5oz tuna	6	\$0.22	6	\$0.55
SPAM	10	\$0.29	7	\$0.58
Bumble Bee Red Salmon	12	\$0.40	8	\$0.84
Bumble Bee solid white 5oz tuna	13	\$0.41	9	\$1.01
Armour Potted Meat	14	\$0.44	10	\$1.06
Dinty Moore Beef Stew	1	\$0.15	11	\$1.17
Valley Fresh Canned Chicken	15	\$0.47	12	\$1.18
Ground Beef	9	\$0.26	13	\$1.39
Roast Chicken	4	\$0.20	14	\$1.85
Tyson fresh chicken breast	2	\$0.19	15	\$2.26

Avg prices from San Diego Vons, Albertons, Ralphs, Wal-Mart and CVS Drug on 3/24/09

Long Term Profitability

- ❖ SIDs and DWFNs working jointly
- ❖ In the long run, hopefully prices will reflect real supply and demand
- ❖ More promotion and education by the tuna retail industry on the benefits of tuna (it still being the cheaper protein compared to other meat) may help raise demand and prices

Going Forward

- ◆ Effectiveness of current CMMs
- ◆ Sustainability
- ◆ Fair CMM measures for all without exceptions, level playing field

Thank You