



FISHERIES TRADE

EU quota for tuna loins hurts competing exporters and EU tuna fleet

In November 2023, the EU adopted a new regulation on Autonomous Tariff Quotas (ATQs) for fish and fish products for the years 2024-2026, which are designed to provide preferential market access to raw materials needed by EU-based seafood processors. Unlike the EU's generalised system of preferences (GSP) schemes or free trade agreements, ATQs are available to all countries, except Russia because of its ongoing war on Ukraine.

The ATQ for cooked tuna loins provides duty-free access for 35,000mt, which is equivalent to 21% of the 2022 EU import market for loins for canning. Figure 1 depicts the shifting market share of Top 7 suppliers to the EU import market for loins; it shows an increase from 122,207mt in 2015 to 165,776mt in 2022. Every year, the quota is used up in the first days of January as exporters store loins in bonded warehouses in the receiving country, waiting for the quota to open.² The subsequent rush to release means that the better organised firms will benefit from the duty-free treatment. Product released after the quota is fully utilised is hit by whatever usual import tariff applies.

Of the Top 7 suppliers, the major beneficiaries of the loin ATQ are China and Indonesia. Outside of the ATQ, Indonesia accesses EU markets using the standard GSP at a 21.5% import tariff, subject to rules of origin. China was removed from EU-GSP status when it graduated to a World Bank 'upper-middle income country' in 2015, and thus its exports are hit with the full 24% import tariff. China has been the lead beneficiary, using on average 60% of the quota during 2020-23.³

Aside from enhanced market access for exporters, the impact of the ATQ is to depress loin prices and narrow market share. The EU fishing sector is also opposed to the ATQs because they argue it encourages unfair competition. The industry lobby group *Europêche* argues that EU vessel owners are subject to far higher sustainability standards on fisheries management and working conditions, while competitors benefitting from the ATQ have been subject to criticism for IUU fishing and appalling working conditions.⁴

PNG and Solomon Islands duty-free export of canned tuna and tuna loins to the EU under the Interim EPA are sensitive to preference erosion. In recent years this included the Philippines graduating to GSP+ status – which has been used by exporters to increase their loin exports (Figure 1). The loin quota is another source of direct preference erosion, especially for PNG because it has rapidly expanded its EU loin exports from 8,571mt in 2015 to 19,753mt in 2022, which means that it will be disproportionately affected by China's rise. The ATQ impact on Solomon Islands is arguably minimal because, aside from any impacts on overall market price, its exports to the EU have stayed remarkably stable since 2015. The biggest losers from the ATQ appear to be Ecuador and the several smaller competitors in the 'Rest of the World' group in Figure 1; while each category's total volume has been relatively stable, their share of a growing market has been declining.

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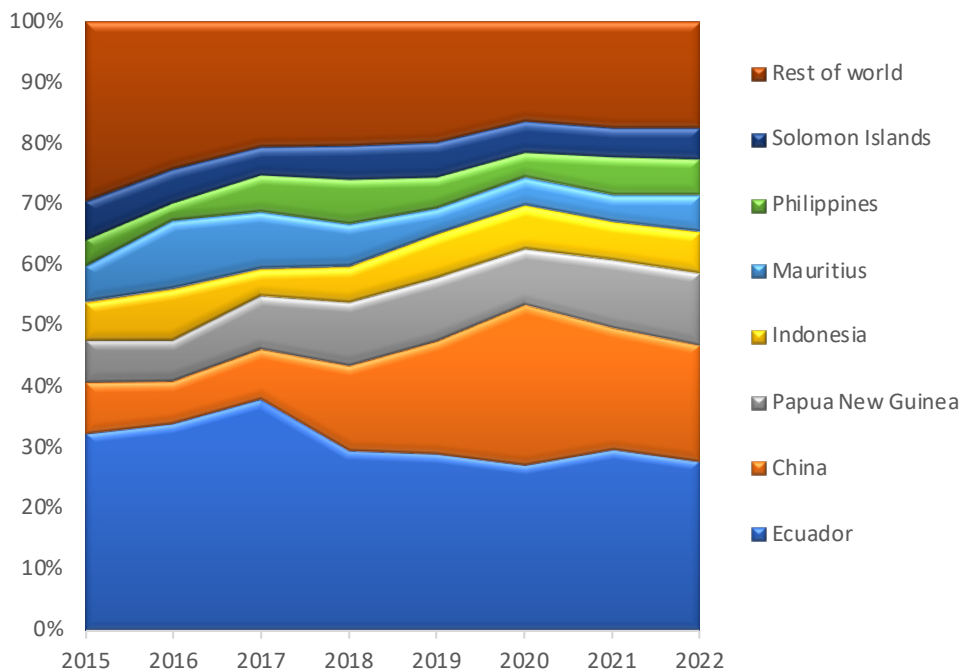
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The EU cooked loins quota is 35,000mt for 2024-2026

Figure 1 Market share of EU imports of tuna loins for canning (2015-2022)



Source: EU trade statistics (excluding United Kingdom), using 16041426 for skipjack loins; 16041436 for yellowfin loins; and 16041446 for other kinds of tuna loins

FISHERIES MANAGEMENT

WCPFC20 adopts new tropical tuna measure with concessions for purse seiners and longliners⁵

The Twentieth Regular Session of the Western and Central Pacific Fisheries Commission (WCPFC20) was held from 4-8 December in Rarotonga, Cook Islands. The most pressing agenda item for this meeting was the negotiation of a **new tropical tuna measure**. Negotiations commenced at WCPFC20 with the Commission Chair, Dr. Josie Tamate (Niue), tabling her 'Chair's Consultative Draft for a Revised Tropical Tuna Measure', which reflected Commission Members and Cooperating Non-Members' (CCMs) positions communicated during two intersessional tropical tuna measure workshops held in April and September 2023. Proposals were also tabled during WCPFC20 by FFA Members, PNA and Tokelau, Korea, the United States and American Samoa. Throughout the course of the meeting, a significant amount of time was spent in small working groups to eventually arrive at consensus in plenary during the final evening of the meeting. WCPFC20 concluded at 3:20am – a new record for the longest regular session and a testimony to the Chair and CCMs' doggedness to adopt a new tropical tuna measure (CMM 2023-01).

The most notable change in the new tropical tunas measure is a reduction of the **purse seine FAD closure period** from 3 months to 1.5 months in EEZs and high seas (now July to mid-August) and a corresponding reduction in the additional high seas closure period from 2 months to 1 months (CCMs can nominate April, May, November or December). To achieve a 'balanced package', five CCMs operating in the tropical longline fishery (Japan, Korea, Taiwan, China & Indonesia) may now

The EU loins quota advantages China and Indonesia, but disadvantages PNG

apply for an increase in their bigeye longline catch limits up to 10%, subject to a corresponding proportional increase in human and/or electronic observer coverage. CCMs who increase observer coverage from the minimum 5% to 7.5%-10% coverage will be eligible for an additional 5-10% increase in their bigeye longline catch limit; if the committed level of observer coverage is not achieved, a CCM will be subject to a 110% payback of the increased catch limit within two years and assigned a status of priority non-compliant in the Commission's Compliance Monitoring Review (CRM) for this obligation.

Under the previous tropical tuna measure (CMM 2021-01), the Commission was scheduled to reach agreement in 2023 on **hard effort or catch limits and an allocation framework for high seas purse seine fishing**. Two proposals were presented to WCPFC20. An FFA proposal tabled an interim limit for the entire Convention Area of 2,300 days, in line with current distant-water effort levels established under CMM 2021-01 which would result in a significant re-allocation of DWFN high seas effort to small-island developing states (i.e. FFA members). Korea proposed an interim limit of 10,000 days with an equal allocation of 4,750 days for CCMs currently subject to a limit (i.e. DWFNs) and 4,750 days for those currently not subject to a limit (i.e. SIDS + Philippines), plus 500 days for US-vessels operating as an integral part of the American Samoan economy. Given the large divergence between these two interim proposals, coupled with the complexity and time generally involved in negotiating hard limits and allocation frameworks, it was clear from the early stages of the meeting that little progress would be made on this issue in 2023. Instead, CCMs agreed to a phased approach to the development and implementation of an allocation framework, commencing in 2026. A US + American Samoan proposal to include a footnote exempting US-flagged vessels which are integral to the American Samoan economy from the high seas purse seine effort limit was not adopted, largely due to concerns from some CCMs that strong enough assurances could not be provided that the exemption would directly benefit American Samoa. For a number of years, American Samoa has appealed to the Commission to recognize the economic hardship and disproportionate burden it endures under the tropical tunas measure, particularly from the high seas purse seine effort limit which applies to US-flagged PS vessels, despite them basing and unloading in Pago Pago. American Samoa is appealing to the Commission to be afforded the same treatment as other small island developing states and territories which are not subject to this limit currently.

On **FAD management**, the US proposed the stepwise introduction of biodegradable FADs commencing in 2026, in line with that adopted by IATTC in 2023. However, PNA + Tokelau raised concerns that vessels are still struggling to meet the 1 January 2024 fully non-entangling (i.e. no mesh) requirement and that more time is needed to test bioFAD designs before timeframes can be adopted. WCPFC20 agreed that the Commission will take a decision on the implementation of biodegradable FAD requirements no later than 2026. An additional paragraph was added which requires CCMs to encourage their flagged vessels to initiate retrieval programs for lost, abandoned or stranded FADs through cooperative initiatives. The 350 active FAD limit per vessel remains unchanged in the new tropical tunas measure, but the effectiveness of this limit will be reviewed no later than 2026. The FAD Management Options Intersessional Working Group (FADMO-IWG) will continue to progress work during 2024-2026 on bioFADs, FAD recovery, effectiveness of the active FAD limit, development of a FAD logbook for vessel operators and transmission of satellite buoy data.

There were several **harvest strategies**-related developments at WCPFC20. CCMs agreed to the inclusion of an explicit reference in the new tropical tunas CMM which links the skipjack management objective to the interim skipjack tuna management

**WCPFC20
agreed to
reduced purse
seine FAD
closures in
EEZs and high
seas; increased
bigeye longline
catch limits
were also
agreed subject
to increased
observer
coverage**

**Adoption of
hard effort/
catch limits and
an allocation
framework for
high seas purse
seine fishing
was delayed
until 2026**

procedure (CMM 2022-01). A revised interim target reference point (iTRP) was agreed for South Pacific albacore at four per cent below the estimated average spawning potential depletion of the stock (i.e. current spawning potential of the stock as a percentage of the spawning potential in the absence of fishing) from 2017-2019 (i.e. $0.96 SB_{2017-2019}/SB_{f=0}$). WCPFC20 also agreed to hold a virtual Science-Management Dialogue (SMD-02) in 2024 (sometime between SC20 and TCC20) to help further develop the South Pacific albacore management procedure scheduled for adoption in 2024. SMD-02 will also focus on the development of bigeye and yellowfin target reference points, issues related to the application of the skipjack management procedure and harvest strategies capacity building for CCMs. The Commission also adopted revised harvest strategies for North Pacific albacore and Pacific bluefin tuna. Amendments were made to the *Indicative Workplan for the Adoption of Harvest Strategies under CMM 2022-03* with the milestone for adoption of a management procedure (MP) for yellowfin and bigeye shifted from 2025 to 2026 to avoid a scheduling clash with new stock assessments being conducted in 2025, keeping in line with best practice. The 2024 milestone for adoption of a management procedure for South Pacific albacore remains unchanged, although it was noted that given a number of technical caveats, there is a risk that this may be delayed to 2025.

The Scientific Services Provider (SPC) reported that the four key tuna stocks – skipjack, yellowfin, bigeye and South Pacific albacore remain healthy (i.e. not overfished, with no overfishing occurring); there is 0% probability of all four stocks breaching their limit reference points. However, oceanic whitetip shark continues to be overfished, with overfishing occurring, while silky shark is subject to overfishing, but is not yet overfished. In 2022, the total tuna catch in the Western and Central Pacific Ocean (WCPO) was estimated to be 2.67 million mt with purse seine catch accounting for 1.88 million mt and longline 233,000mt; purse seine catches have remained relatively stable for the past decade (thanks to purse seine effort limits in place), while longline catches have experienced a slight decline.

In other matters, Marshall Islands and the US were appointed co-leads to develop a draft Commission workplan for addressing **climate change** on WCPFC fisheries (see separate article below). A new Philippines-flagged vessel (FB Kuda Laut 03) was added to the 2024 **IUU Vessel List** for repeat IUU fishing offences in High Seas Pocket 1. A new CMM was adopted for the Commission's **Compliance Monitoring Scheme (CMS)** (CMM 2023-0 4) given the previous CMM was due to expire; work on the development of corrective actions was postponed to an unspecified time in the future, as it was not deemed to be a priority by FFA members.

In 2024, the Commission will continue work intersessionally on revision of the **transshipment** measure (CMM 2009-06); hold online meetings in February and May to continue discussions on the review of the **seabirds** measure (CMM 2018-03); develop guidelines for the mitigation of impacts of FADs on **sea turtles**; develop a set of interim **electronic monitoring** standards; and, continue drafting a CMM on **crew labour standards** for adoption in 2024. WCPFC21 will be held in Fiji from 1-6 December 2024.

COP28 highlights oceans as key to tackle climate change⁶

The COP28 climate conference concluded on 13 December 2023 in Dubai with the Global Stocktake (GST) being signed by parties.⁷ The GST is a new mechanism whereby all the parties to the COP can collectively monitor where they are making progress towards addressing climate change, and crucially, where they are not. The

All four key WCPO tuna stocks remain healthy; silky and oceanic whitetip shark are subject to overfishing

GST text recognises the importance of the oceans in tackling climate change. The Paris Agreement's GST process is designed to assess the global response to the climate crisis every five years. For example, Article 35 of the text 'Invites Parties to preserve and restore oceans and coastal ecosystems and scale up, as appropriate, ocean-based mitigation action'.⁸ The GST also brings attention to the implementation of ocean-based, nature-based and ecosystem-based solutions to achieve climate targets.

The GST COP28 decision included reflections on finance progress, including acknowledging that countries failed to meet the \$100 billion goal in 2021, and calls on countries to submit new nationally determined contributions (NDCs) well ahead of COP30 in 2025. Within the negotiations, the GST encourages the implementation of integrated, multi-sectoral solutions, including 'resilient food systems' specifically, while the new framework for the Global Goal on Adaptation sets a target for 'attaining climate-resilient food and agricultural production and supply and distribution of food.' These new references to food and food systems marked a significant breakthrough on the nexus among food, agriculture and climate within the negotiations. Indeed, this was the COP when food truly came of age as central to the climate effort, although there was barely any mention of offshore fisheries within resilient food discussions.

Parties to the COP also welcomed the report from the Oceans and Climate Change Dialogue,⁹ an initiative mandated at COP26 and organised by the United Nations Framework Convention on Climate Change (UNFCCC) in September 2023. The dialogue offered a collaborative space for building ocean-based climate action. Focusing on fisheries and food security in the first dialogue, the report highlights the urgent need to integrate aquatic food systems within the UNFCCC and other UN processes, as well as on building a food system premised on ecosystem-based approaches. The Oceans and Climate Change Dialogue carries two key messages, one on scaling up finance for the ocean economy and the other on strengthening systematic observation, research and data management. The dialogue informed the incorporation of the oceans into the GST.

A policy brief by the High-Level Panel for a Sustainable Ocean Economy highlighted opportunities for ocean-based climate action.¹⁰ For fishing, the brief brings attention to the need to reduce emissions intensity of fisheries by optimising wild-caught fisheries. It also includes improving fishery management measures and enhancing understanding of how climate change is impacting wild-caught fisheries. In other Blue Economy areas, such as shipping, it identifies efficient hull design and the development of low-carbon fuels towards achieving decarbonisation in ocean industries.

COP28 saw non-party stakeholders (e.g. businesses, NGOs, trade unions) announce and sign several ocean initiatives in line with the above. There was special focus on the protection of mangroves and corals, including an infusion of financing, underscoring the centrality of these ecosystems to carbon absorption and climate mitigation measures, as well as fisheries. The Mangrove Breakthrough—a call to accelerate action and investment from government, the private sector, and non-state actors—was supported by 49 Governments and over 50 non-state actors.¹¹ Calls to action to transform food systems to protect people, nature and climate were backed by over 200 non-state actors, including farmers, fishers, business, cities, civil society, and consumers engaged in food systems.¹² The shipping industry advanced a range of initiatives at COP28 including 'new green shipping corridors; integration of new zero and near-zero emission fuels and technologies; new training frameworks for seafarers on new maritime fuels; and supporting the overall implementation of the 2023 IMO GHG Strategy long-term goal and indicative checkpoints'.¹³

COP28 Global Stocktake recognises the importance of marine and coastal ecosystems



Resilient Food Systems: 134 World leaders signed the COP28 UAE Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action. The declaration aims to enhance adaptation activities to reduce the vulnerability of food producers to climate change impacts. The global community has pledged over USD 2.5 billion to support the food-climate agenda. It must be highlighted that the Declaration has no mention of offshore fisheries, and mostly focuses on agriculture, and aquaculture and subsistence fishing.

The COP28 Dubai Ocean Declaration was signed by Research institutes and Universities around the world, including the Pacific Community (SPC), environmental foundations and NGOs. It recognizes the critical role of the ocean in regulating climate change, calls on world leaders to recognize the importance of the ocean in climate and support efforts to expand and improve ocean observations worldwide, including expanding coverage in under-observed regions. This presents a window of opportunity for more robust research on impacts of climate change on tuna fisheries, as a basis to understand the risks, and the losses and damages and to design adaptation measures.¹⁴

However, there was scepticism from some corners on this focus on the oceans. While the recognition of the oceans as crucial to climate change mitigation was welcomed, there is serious concern that the narrow focus on using the oceans to absorb more carbon bypasses the urgency of reducing emissions.¹⁵ The GST for example, calls for the pursuit of 'ocean-based mitigation action', 'which could include techniques that pump carbon dioxide into the ocean in an attempt to decrease carbon levels in the atmosphere'¹⁶ including through the controversial geo-engineering approach called ocean iron fertilization. Likewise, while many pledges had been made, the finance that was needed to implement these calls was lacking, with an urgent need to scale up existing finance, as well as channel new mechanisms of financing into the ocean economy.

For the first time, FFA participated at COP28 as part of the OneCROP Plus and also hosted a side event at the Moana Blue Pacific Pavilion themed: '*The Story of Pacific Island Countries Offshore Fisheries: our identity, cultural heritage and economic sustainability threatened by climate change*'. The event panellists were Honourable Minister John Silk (RMI), Honourable Minister Mona AINU'u (Niue), Honourable Minister Ribanataake Awira (Kiribati) and Honourable Minister Lord Fohe (Tonga), who showcased the tale of Pacific Island offshore fisheries and advocated for, and raised awareness on, the vulnerability of the Pacific Island offshore fisheries and dependent socio-economic benefits in the face of climate change. FFA's DG was also invited as co-panellist to several other side events at UNFCCC COP28 to amplify the voice of Pacific Island Tuna Fisheries: '*Tackling climate change for sustainable livelihood in island and coastal communities - Financing adaptation to climate change for sustainable blue economies in Pacific Island countries*', jointly organised by the Ocean Policy Research Institute for the Sasakawa Foundation and 'The Catch', a podcast series organised by Foreign Policy Journal and the Walton Family Foundation. Moreover, DG was invited to attend a side event where Niue presented an update on the framework for the NOW Trust and Sustainable Funding Mechanism which involves their work on Ocean, Conservation and Large Scale MPA Moana Mahu.¹⁷

COP28 identifies ocean-based mitigations as dubious solution; and finance gaps remain

FFA participated at COP28 for the first time as part of the OneCROP Plus

WCPFC incorporates climate change into fisheries management¹⁸

Fisheries and fisheries management, particularly regarding transboundary highly migratory species, are missing from the various agreements and initiatives at the COP28,¹⁹ highlighting the centrality of WCPFC to the Pacific Islands' and other CCMs response to climate change in WCPO tuna fisheries.

The subject of climate change has been on WCPFC's agenda since 2008. At WCPFC19 in 2022, it was agreed that climate change will be a standing agenda item of the Commission and its subsidiary bodies with the aim to incorporate climate change information into the Commission's work. At WCPFC20, further progress was made to address the adverse impacts of climate change on tuna stocks within the WCPO.²⁰

SPC presented the latest science relating to how the climate crisis is affecting the WCPO region in the Ecosystem and Climate Indicators report. Over the last few years, the WCPO region is witnessing unprecedented weather variations through El Niño and La Niña events. Between 2020 and 2023, three La Niña years occurred consecutively, and against the backdrop of climate warming, created 'events unique and without equivalent in the past few centuries.'²¹ While ocean warming is causing a large-scale redistribution of tuna resources to the east, El Niño and La Niña are affecting fish productivity and recruitment, differently for different species. For example, the SSP showed that these events have opposite relationships with recruitment of albacore and skipjack tuna. The SSP highlighted that phytoplankton abundance, the basis for ocean productivity, which would have been expected to be reducing due to warming, is on the contrary not decreasing. Furthermore, the SSP noted that phytoplankton production is also influenced by natural (not climate change related) variables, such as the Interdecadal Pacific Oscillation (IPO) and the spread of the warm pool from the 1980s, which influence sea surface temperatures in turn affecting tuna resources, in ways that are not well understood.

With the probability of a positive phase of the IPO after 23 years of a low phase, there is a need to closely monitor the related temperature and productivity shifts in the years ahead. Similarly, based on studies that support the assumption that the expansion of the warm pool is favourable to the spawning of skipjack tuna, there is a need to monitor the size frequencies of catch. Recognising that the changes in tuna migration, recruitment and fecundity will require large-scale coordination across regional boundaries, the Commission underscored the importance of factoring in climate change impacts on fisheries and implications for fisheries management in the region.

The United States and Chinese Taipei presented draft recommendations for CCM's consideration which sought to task the Technical and Compliance Committee (TCC) with 'providing the Commission with information and advice as to whether climate change is already having, or likely to have, an effect on implementation of, or compliance with, conservation and management measures (CMMs)'.²² The co-authors also sought to appoint co-leads to facilitate discussion on climate change at the TCC20. While these recommendations were not adopted by WCPFC20, the Commission took several steps to address climate change impacts. The Commission tasked SC and TCC to include as part of the standing agenda item on climate change a review of available data to inform the Commission on climate change impacts to stocks and ecosystems in the WCPO, and the potential effects of climate change on related fishing activities. The Commission requested the Secretariat and the Scientific Service Providers to explore the scope and feasibility of assessing CMMs and provide information to the SC and the TCC on which CMMs are susceptible to climate change. The Commission also appointed two co-leads, one from the Republic

Three La Niña years and global heating are shaping WCPO tuna population dynamics, showing the importance of climate change to WCPFC fisheries management



of Marshall Islands and one from the United States, to develop a draft 'Commission Climate Change Workplan' that would assist with the above tasks and present these to the commission at WCPFC21.

It should be noted that fisheries management is of significance to the WFPFC member countries on account of the social and economic benefits that fisheries offer, as well as the cultural and nutritional connections to seafood. As reported in *FFA Trade & Industry News* in December 2022,²³ foreseeing these changes, fourteen Pacific Island nations were working together to access a USD 70 million grant from the Green Climate Fund (GCF) for fisheries adaptation. One element of that grant was to address adaptation measures in fisheries management as tuna stocks move east through the development of an Advanced Warning System. As of December 2023, supporting studies and national consultations have been completed with the proposal due to be submitted for approval to the GCF by April 2024.²⁴

FISHERIES REGULATION

NOAA extends marine mammal exemption

In 2016, the US passed requirements that all countries exporting seafood to the United States prove that they meet the same marine mammal protection standards applied to US fishers. Those unable to provide a 'comparability finding' would be banned from exporting wild-caught commercial fisheries products into the US market.²⁵ The ruling was a response to the long-adjudicated tuna-dolphin issue at the World Trade Organisation and it included an initial exemption period of five years for countries to come into compliance with the rule; the exemption was subsequently extended to the end of 2023.²⁶ The US had planned to ban non-compliant seafood imports from countries not meeting the standard beginning 1 January 2024.

In November 2023, NOAA announced it was extending the exemption period for two more years until the end of 2025. In explaining the exemption, NOAA specified that it needed additional time to complete the evaluation process, citing the evolving nature of fisheries and the practical challenges of assessing the comparability of regulatory programs in foreign countries.²⁷ NOAA reports that it has received 134 applications representing 2,500 foreign fisheries, and that it reviews each and makes determinations on a fishery-by-fishery basis, with an eye to identifying and addressing incidental and intentional mortality and serious injury of marine mammals in each fishery that exports fish and fish products to the US.²⁸

Prior to this change, some exporters were concerned that they would lose market access for lack of ability to show comparability. Environmental NGOs, the Center for Biological Diversity, the Animal Welfare Institute, and the Natural Resources Defense Council have assessed compliance with the US rule in Canada, Mexico, the UK, India, France, and South Africa and used their analyses to press for change. For instance, the eNGOs found that Ecuador does not monitor whale and dolphin populations or trace bycatch of these species in export fisheries, and there are reports of dolphin bycatch in gillnets and use of marine mammal bycatch as bait in FADs.²⁹ In this case, the eNGOs cited important regulatory steps in Ecuador to strengthen fisheries management overall, and also pointed to an ongoing lack of requirements on restrictions for entanglement of whales and dolphins and have urged the US government to put the rule into force. Such actions illustrate the role that the US regulation can play in pushing for regulatory change outside of its own jurisdiction and the technical and political challenges that the US government faces in implementation.

**WCPFC20
will develop
a workplan
to address
climate change
impacts on tuna
fisheries; the
Pacific Islands'
application
to Green
Climate Fund is
progressing**

**The US has
extended
the deadline
for countries
to validate
marine mammal
bycatch criteria
until the end of
2025**



TUNA INDUSTRY

Marshall Islands looks to onshore containerization to increase local benefits

For years the government of the Republic of the Marshall Islands (RMI) and private businesses in Majuro have viewed the large volumes of tuna transhipped in Majuro (191,000mt in 2022; 229,239mt in 2023³⁰) as a major opportunity to provide greater financial benefits to the country beyond those generated by transhipment fees and the minimal local labour requirements of vessel-to-vessel transhipment. Led by the Marshall Islands Marine Resources Authority (MIMRA) in collaboration with the private sector, several initiatives have been undertaken with support from The Nature Conservancy, FAO, and others.

The increase in the onshore containerization of tuna which would otherwise be transhipped on refrigerated fish carriers has been identified by MIMRA as a key component of increasing RMI's participation in the industry. Some activities towards that end have already been undertaken by the private sector, including a dock and net repair facility constructed and operated by local company Pacific International Inc., and an increase in the size of the container storage yard and provision of additional power points by the Ports Authority and Marshall Islands Stevedore Co.

Despite these developments in the physical infrastructure of Majuro's port, the volumes unloaded onshore into freezer containers have remained low. MIMRA reported that of the 229,239 mt unloaded in Majuro in 2023 from 294 transhipment operations, the bulk of fish was transhipped onto carrier vessels in the lagoon. Only six dockside unloading operations took place where the vessel's entire catch was placed into freezer containers, with another 10 unloading operations splitting their catches between dockside unloading and carrier vessels.³¹

In November 2023, MIMRA's Executive Director, Glen Joseph introduced a strategy that he said could increase local containerization of catches from its current 3% of tuna unloaded in Majuro port to 30% as part of an overall strategy to enhance RMI's participation in the industry over the next ten years. Joseph cited recent studies of RMI's tuna industry by FAO's FISH4ACP development initiative that showed economic growth and employment could be boosted by investment in cold storage facilities and tuna loading equipment. One study estimated that local containerization of 30% of the catch would generate USD 33 million of direct value-added to the economy and create over 1,000 jobs. Joseph said that the studies estimated the overall investment required would be on the order of USD 30 million, with yearly operating costs of USD 2.5 million.³²

In addition to planning for the future, MIMRA has taken steps to improve existing dockside unloading and transhipment. The maintenance and repair of freezer containers was recognized as a bottleneck to improving current services and increasing containerization in the future. As a result, a five-day training program was sponsored by FISH4ACP on the basic function, maintenance and repair of reefer containers. The target personnel were those persons from local tuna processing plants and service providers engaged in the tuna containerization process. Twelve local technicians participated in the training conducted by a qualified refrigeration and air conditioning technician from RMS Eastern Pty. Ltd. of Australia.³³

Onshore containerization of tuna is identified as a key component of RMI domestic tuna industry development

RMI aims to increase onshore containerization operations to cover 30% of tuna unloaded in Majuro

Retailers, lawmakers respond to Chinese seafood processing labour scandal; audits under scrutiny

As reported in a recent issue of the *FFA Trade and Industry News*,³⁴ the *Outlaw Ocean Project*'s two-part investigation of forced labour in China's distant water squid fishing fleets and on-land seafood processing sector, the latter of which highlighted workers from the Uyghur ethnic minority, has garnered global attention and action within governments and industries.³⁵ An overview of some responses to reporting highlights first, the importance and impact of the exposé across the seafood industry, and second, the types of tools being deployed to address labour concerns in fisheries, which are arguably now becoming a core – but still emergent – element of the governance of global seafood value chains.

In the wake of the exposé, the US government has responded strongly, in part reflecting the political tensions and ongoing chill in trade relations between the two countries.³⁶ In late October, the US government held a Congressional hearing that highlighted that US imports of seafood caught or processed with forced labour may be prohibited under the *Uyghur Forced Labor Prevention Act* (Public Law 117-78) and the *Countering American Adversaries Through Sanctions Act* (Public Law 115-44).³⁷ Subsequently, some US lawmakers have urged broadening the scope of the Seafood Import Monitoring Program to expand the list of seafood products from China subject to scrutiny.³⁸ Some lawmakers also began direct engagement with US retail and food service companies to urge them to sever ties with companies implicated in the scandals. Lawmakers asked Costco to provide them with the specific audits and risk assessments that the company completed to justify the sale of seafood from China and to specify if they are committed to ensure that its seafood supply chain is completely free of forced labour, and use of Uyghur or North Korean labourers in seafood supply chains.³⁹ They also asked food service company Sysco to sever ties with any entity that violates human rights standards and urged the White House to also pressure Sysco, not least because the company fulfils government contracts.⁴⁰

Retailers and supply firms in North America and Europe are responding. Sysco stopped purchasing from Chinese firm Shandon Haidu after undertaking an internal investigation of forced labour and other human rights abuses that violate its own supplier code of conduct; the firm reports that it is verifying that it has eliminated its ties with Shandon Haidu's parent company, Chishan Group.⁴¹ Canadian firm High Liner, cut ties with a supplier the *Outlaw Ocean Project* linked to forced labour in its investigation, and US retailer, Albertsons, stopped purchasing specified products from High Liner.⁴² In the UK, retailer Iceland and its supplier Fastnet Fish have cut ties with Shandong Meijia Group – one of China's largest seafood processing companies – that was implicated in the investigation and that has been deemed by the US government to have employed Uyghur workers deemed victims of forced labour. UK retailers Sainsbury's and Warminster and UK-based Lyon's seafood were also linked to Chishan Group. Lyons has indicated is it concerned about the findings and Sainsbury's indicated it was investigating.⁴³ In short, the exposé has created a ripple effect that private actors in major markets are publicly addressing, and under pressure to address comprehensively.

More broadly, the seafood sector is turning attention to systematic problems with forced labour and human rights abuses, and to the tools available to address it. For instance, human rights abuses were the main focus at this year's Tokyo Sustainable Seafood Summit, after adding human rights to the event programme for the first time in 2022.⁴⁴ The event included discussion of Key Performance Indicators that UK-based organization Human Rights at Sea has developed and used to assess if eco-labels can address these challenges. Human Rights at Sea's analysis revealed that eco-labels are largely not yet primed to address the topic systematically. In recent years, market players

US lawmakers have pressured private companies to address human rights abuses in their supply chains

Audits are used to monitor labour practices in supply chains, but recent examinations in US food systems found they can miss abuse

have also developed new tools, including those developed by the Seafood Task Force and the Seafood Ethics Action Alliance which operate through a range of codes of conduct and auditing practices. Auditing tools are one of the main tools available for addressing human rights abuses in food systems, and there has been recent attention to them outside of the seafood sector that may hold lessons. For instance, third party audits targeting labour conditions in domestic supply chains of major food companies in the US (e.g. suppliers of Oreos and milk to McDonalds) have been found to fail to identify child labour, undocumented labour and other labour abuse. This is despite that fact that highly recognized brands have come to rely – and spend – heavily on social compliance audits to verify labour conditions in their supply chains.⁴⁵ This raises questions about if and how audits can successfully identify and lead to the elimination of human rights abuses in more complex, international supply chains that include at-sea elements in fisheries sectors.

Auction of 2024's first bluefin tuna in Tokyo

The reporting of the auction price for the first bluefin tuna of the New Year in Tokyo has become a New Year's tradition in Japan and is widely covered by the international news media. A similar phenomenon occurs in Hawaii in the days leading up to New Year's Eve when local news outlets report the fresh sashimi-grade ahi (yellowfin and bigeye tuna) prices from fish markets in Honolulu and estimates of supply from the operators of the Honolulu Fish Auction. Hawai'i's retail prices, often at USD 25-40 or more per pound (USD 55-88 per kg) during the period, while newsworthy in terms of regular prices in Hawai'i, are nowhere near the wholesale prices paid in Japan for the year's first bluefin. The 238 kg (gilled and gutted) bluefin tuna auctioned at Tokyo's Toyosu Fish Market's first auction of 2024 brought a whopping price of ¥114.24 million (USD 787,342), the fourth highest amount since records began in 1999 and over three times the amount from last year. The amount is still far off the record paid by sushi magnate Kiyoshi Kimura in 2019 that made headlines around the world when he paid ¥333.6 million or USD 2.9 million for a 278 kg (612 lbs) tuna (about USD 5,000 per pound). 2024's fish was purchased by the team of seafood wholesaler Yamayuki and sushi chain operator Onodera Group. Together, the two have been the winning bidder for the top fish for four straight years.⁴⁶

The year's first bluefin auctioned in Tokyo typically comes from Oma, a town located on the Shimokata Peninsula at the northernmost point on Honshu Island, facing Hokkaido across the Tsugaru Strait. The first bluefin from Oma at a New Year's auction in Tokyo was in 2001 where the fish brought ¥20.2 million (approximately USD 167,000 at the time). Since 2007, 'Oma Maguro' (Oma tuna in English) has become a regional collective trademark, a product of the Oma Fisheries Cooperative. Every tuna shipped out of Oma that weighs over 30 kg displays an Oma Maguro seal to represent the brand. Serial numbers on the seal indicate the name of the boat that caught the tuna, when it was caught, and the method used to catch it.⁴⁷

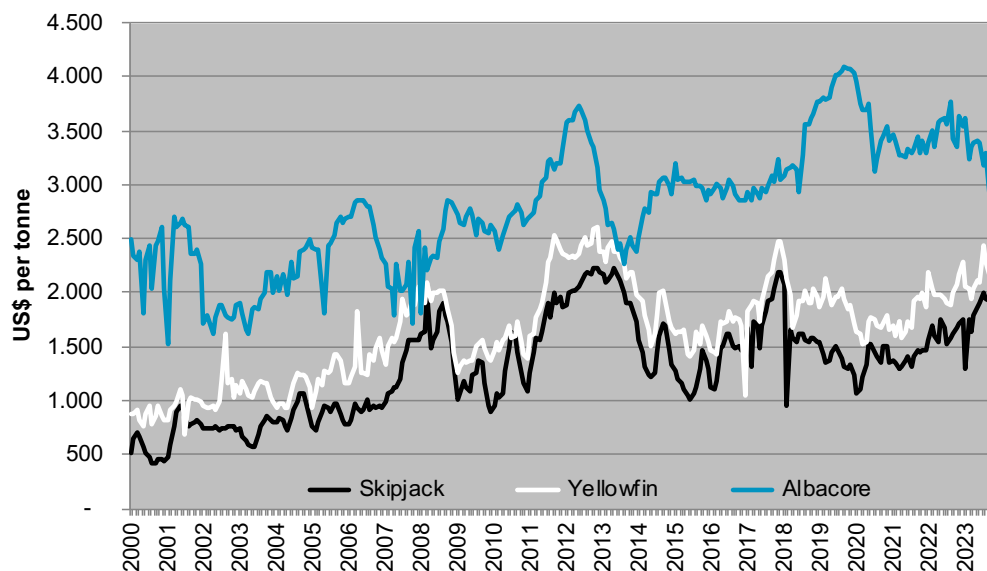
It is widely recognized that the astronomical prices achieved in Japan for the first bluefin to be auctioned are paid by the wholesalers and/or restaurants involved as an advertising stunt as a means of enhancing visibility and public relations.⁴⁸ The high price also enhances the prestige of Oma tuna generally, the products of which are sold throughout the season. The winning bidders do not expect to recoup anything but a small fraction of their investment from the sale of sashimi from the fish. There may also be a degree of 'bragging rights' attached, as the price in a given year is typically compared to previous years, as well as the existing record price. Mentioning of the record price invariably also mentions the person or company that paid the high price at the time. In that way such an investment can continue to pay dividends for years to come, as is the case for Kiyoshi Kimura and his Sushi Zanmai chain of restaurants.

2024's price for Japan's first bluefin tuna sold for the year was three times more than last year

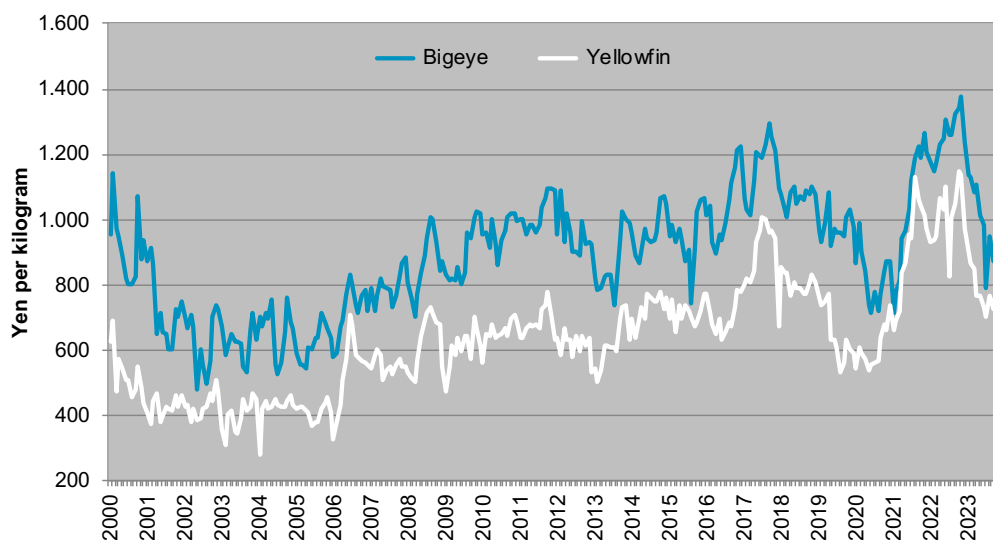
The astronomical prices paid for the first bluefin of the year is a well-known advertising stunt to draw international attention to the purchasing wholesalers/restaurants

TUNA PRICE TRENDS⁴⁹

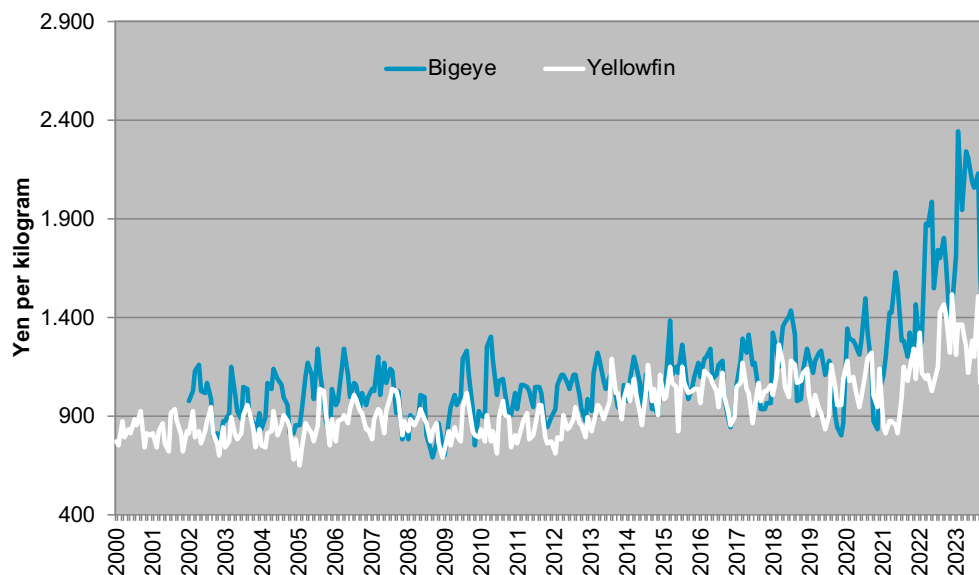
Bangkok canning-grade prices to November 2023⁵⁰



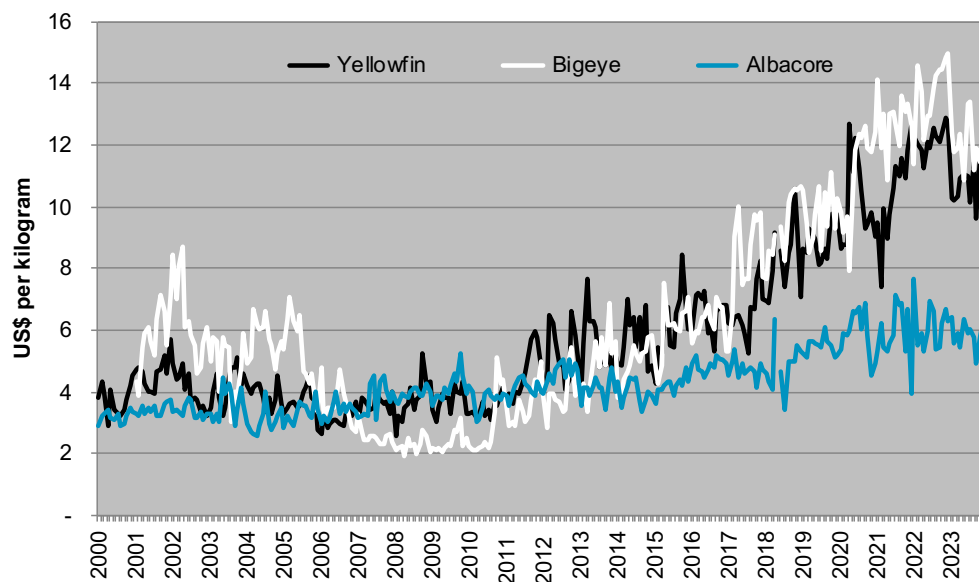
Japan frozen sashimi prices (ex-vessel, Japanese ports) to December 2023⁵¹



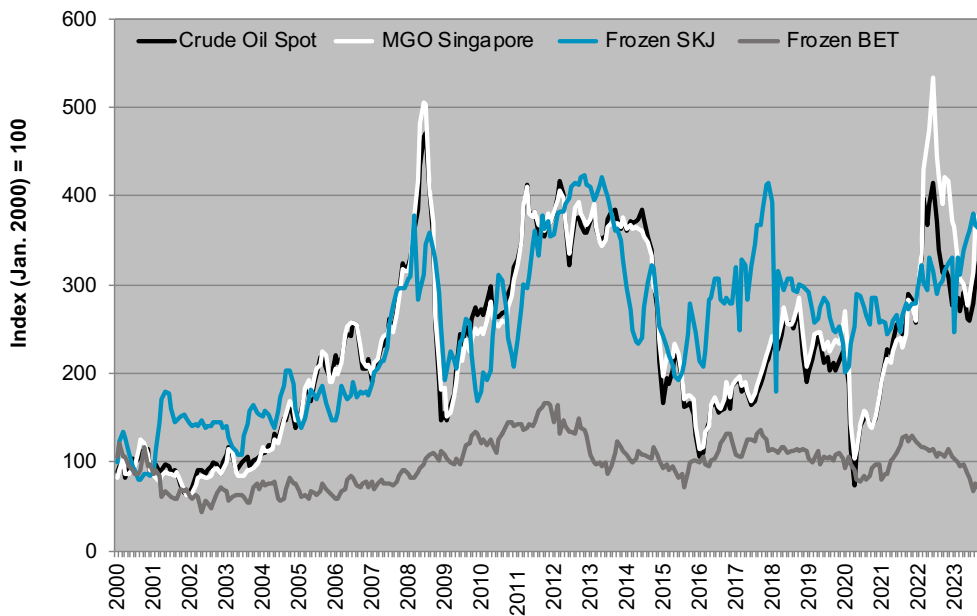
Japan fresh sashimi prices (origin Oceania) to November 2023⁵²



US imported fresh sashimi prices to November 2023⁵³



Crude oil, canning-grade frozen skipjack (SKJ) and frozen bigeye (BET) price index to November 2023⁵⁴



¹ Prepared for the FFA Fisheries Development Division by Dr Elizabeth Havice, University of North Carolina at Chapel Hill, Professor Liam Campling, School of Business and Management, Queen Mary University of London, and Mike McCoy, independent consultant, all Consultant Fisheries Trade and Market Intelligence Analysts, Fisheries Development Division, FFA. Desktop publishing by Antony Price. The authors would like to thank FFA for their input on an earlier draft of this briefing. The contents of this briefing (including all analysis and opinions) are the responsibility of the authors and do not necessarily reflect the positions or thinking of the FFA Secretariat or its Members.

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