

FISHERIES TRADE

UK finalises post-Brexit import tariffs

The UK left the European Union on 31 January 2020 and will introduce its first independent tariff policy in 50 years on 1 January 2021. To prepare for this it launched a consultation, which included submissions from the Pacific Islands. The outcome has been a process of simplification of its tariffs, which involved the rounding of EU Most Favoured Nation (MFN) tariffs, generally rounding *down*.²

For the Pacific Islands and other canned tuna producing countries exporting to the UK under tariff preferences with the EU, a concern was that the UK would reduce its tariffs and erode their competitive advantage from duty free access. For example, Fiji and PNG are able to export almost all fish products to the UK at 0% duty under a Pacific-UK Interim Economic Partnership Agreement.

The outcome of the UK tariff reform for fish products of relevance to the Pacific Islands is presented in the following table.³ This includes an erosion by 4 percentage points in the tariff preference for canned tuna and tuna loins, which was rounded down from 24% to 20%, potentially benefitting exporting countries such as Thailand which have no tariff preference. It is hoped that the ongoing cost advantage of 20% versus Thai exports will keep Pacific island canned tuna exports competitive. The UK is also a major importer of fresh chilled and frozen 'fillets' such as tuna loins for direct human consumption and other tropical species such as 'red snapper' and swordfish. Pacific islands rarely export these products to the EU in significant volumes – Fiji used to – but some potential tariff advantages remain for IEPA signatories; noting, crucially, that the preference alone is not enough to secure market access given the high cost and complexity of compliance with public and private standards and the very high air or sea freight differentials.

Table 1: UK MFN Tariffs – Selected Fish Products

Product	HS Code	EU MFN tariff (%)	UK MFN tariff (%)
Fresh chilled whole tuna (all species) not for industrial processing	0302.3 (various)	22	20
Frozen whole tuna (all species) not for industrial processing	0303.4 (various)	22	20
Fresh chilled 'fillets' of			
Swordfish	0304.4500	18	18
Species not elsewhere specified	0304.4990	9	8
Redfish 'Sebastes spp' [redsnapper]	0304.4950	18	18
Frozen 'fillets' of			
Swordfish	0304.8400	7.5	6
Tuna	0304.8700, 8930	18	18
Redfish 'Sebastes spp' [redsnapper]	0304.8929	7.5	6
Canned tuna and pre-cooked frozen loins	1604.1 (various)	24	20

CONTENTS

Fisheries Trade

UK finalises post-Brexit import tariffs

EU-Vietnam Free Trade Agreement kicks off

Fisheries Regulation

Observer and crew deaths spur calls for action

Covid-19 pandemic sees push for e-monitoring and artificial intelligence in tuna fisheries

Tuna Industry

PNG Fishing Industry Association obtains MSC certification

American Samoa's minimum wage assessed again

Major US retailer and tuna brandowner commit to sourcing sustainable MSC or FIP tuna

Fallout from US price-fixing continues to unfold

US fishing industry finds support in Trump Administration Executive Order and COVID-19 relief

Tuna Price Trends

UK tariff reform introduce slight erosion of Pacific island tuna preferences

EU-Vietnam Free Trade Agreement kicks off

The European Union-Vietnam Free Trade Agreement (EUVFTA) will be implemented in August 2020 following the European Council approving the deal in March 2020 and the Vietnamese Government this June.⁴ The EU tuna industry undertook a fundamentally defensive approach in the negotiations given Vietnam's rapid emergence as a world-leading site of canned tuna production and a major supplier to the USA and Germany. The result is that while 99 percent of tariffs will be eliminated over the next ten years, Vietnam's export of canned tuna at 0% duty is capped at 11,500 mt (this applies to an aggregate volume of HS codes 1604.1411, 1418, 1490, 1949 and 2070).⁵ Until now, Vietnam has accessed the EU market at a 21.5% duty under the Generalised System of Preferences.

Yet recognising the increased reliance of EU processors on imported tuna loins given labour costs in France, Italy and Spain, the FTA will see the gradual liberalisation of the EU 24% tariff on frozen cooked tuna loins (HS 1604.1416) to 0% by 2028.⁶

The EU's standard preferential rules of origin for fish will apply – requiring all raw material supply to be caught by boats flagged and registered in the EU or Vietnam and at least 50% owned by nationals or entities in those countries. Given that Vietnam already has a large domestic tuna fleet, it is likely that it will be able to comply with these rules. Indeed, the Vietnam Association of Seafood Exporters and Producers sees the deal as a boost to the industry and has also identified frozen tuna 'fillets' (see Table 1 above) as a new market as the 18% EU MFN tariff will be reduced to 0% by 2023 under the FTA.⁷

However, Vietnam's export markets are risky. Consumption of Vietnamese tuna loins was identified as the cause of a scombroid poisoning in Sweden in May 2020.⁸ Moreover, the Vietnam Association of Seafood Exporters and Producers has also expressed concern about the impact of the Coronavirus pandemic on exports and the cost of holding inventory, and is encouraging producers to also look to develop domestic tuna markets, especially in the tourism sector.⁹

FISHERIES REGULATION

Observer and crew deaths spur calls for action

The unrelated deaths of a Kiribati fishery observer in March 2020 and those of four Indonesian crewmen during 2019 have resulted in calls for various agencies to improve the working conditions and better ensure the safety of those working on fishing vessels.

The death of 40-year-old observer Eritara Kaierua onboard *Win Far 636*, a Taiwanese purse seiner that had been fishing in Nauruan waters, was reported by the vessel's officers in early March 2020. Although fishing in Nauruan waters, the vessel was ordered to dock in Kiribati where the vessel was impounded and investigations were carried out. The observer was said to have died from "unnatural" injuries that prompted an investigation by Kiribati police.¹⁰ One published report stated that "an autopsy revealed Kaierua died of a severe blow to the back of the head", and that "On March 29 local police opened a murder inquiry".¹¹ To date, further details or resolution of the case have not been forthcoming.

**Vietnam to
benefit from
enhanced
access to EU
markets for tuna
loins**



The two major regional fishery organizations, the Western and Central Pacific Fisheries Commission (WCPFC) and the Pacific Islands Forum Fisheries Agency (FFA), have addressed the issue of observer safety in recent years. WCPFC first enacted a Conservation and Management Measure in 2017 that sets out certain obligations and requirements with respect to observer safety. FFA has included provisions in its Harmonized Minimum Terms and Conditions for Access by Fishing Vessels (HMTTC) that require certain actions and steps to be taken by vessel operators in ensuring observer safety.¹² FFA also addressed the issue of observer safety during its recent Forum Fisheries Committee meeting (FFC114) that was held via video conference from June 16-19. According to an FFA press release, one of the main meeting outcomes was a decision to study how observer safety can be improved in the wake of COVID-19. The meeting also agreed that work include the development of safety protocols at sea and in port. FFA was said to be working on minimum standards for observer insurance, as well as support to its members to investigate observer safety issues such as death, disappearance, injury. FFA will be also undertaking a study to look at options to address observer safety and sustained livelihoods. In those instances, FFA's role is said to be the provision of information, technical and legal advice.¹³

In the wake of the latest observer death (several others have died or gone missing in the past decade), references to the inability of current safeguards and policies in place to fully protect observers have been made in the press and elsewhere. At least one voice, that of Alfred 'Bubba' Cook of WWF-New Zealand, has said that if existing rules cannot adequately protect observers, then there needs to be changes to the approach to observer safety. Cook, who represented WWF in one of the early calls for WCPFC to address more fully observer safety, has said that whether such change "... means 200 percent observer coverage or two people on board each vessel, or electronic monitoring, the expansion and development of electronic monitoring using video cameras onboard remains to be seen."¹⁴ In discussing observer safety generally, Cook has also noted that it would help in protecting observers if there existed a serious consequence for vessels that lose an observer at sea under suspicious circumstances. He suggests blacklisting, basically prohibiting a vessel from operating in that region again.¹⁵

Whereas the death of an observer must be reported immediately and can shine a spotlight on the situation, some incidents relating to crew death or welfare can go unnoticed for months or even years. Such was the case for four Indonesian crewmen onboard a Chinese longliner in 2019-2020. Three crewmen onboard the vessel died at sea of unspecified illnesses and one died in quarantine after the vessel reached port. Details came to light after the vessel docked in Busan, South Korea and the crew was able to provide video and other evidence relating to the deaths onboard that were publicized by a Korean TV station and picked up in the press.¹⁶ Indonesian and Chinese Government officials were said to be in close contact and investigating the situation in May 2020, but as of early June China was said to still be investigating and no results of those investigations were available.¹⁷ Given this vessel was not licenced to fish within FFA members' EEZs, FFA's crewing HMTTC offered no protection in this case.

The Indonesian Government, which had earlier brought the subject of Indonesian crew welfare to the attention of WCPFC in December 2019¹⁸, has urged the United Nations Human Rights Council to "be vigilant of abusive practices in the fisheries industry". Indonesia also underlined "the urgent need for the council to protect the rights of vulnerable groups, specifically the rights of people working in the fisheries sector".¹⁹

**WCPFC and FFA
are attempting
to address
the issue of
observer safety**

**Deaths aboard
a Chinese
longliner
amplifies
discussion of
crew safety and
welfare**

Indonesia also issued a formal letter to WCPFC and ICCAT that calls for an independent investigation into the existence of forced labor on fishing vessels operating in the jurisdiction of the two RFMOs and demanded “urgent action to deal with labor abuse through the enforcement of international laws and policies”. Indonesia also stated the need for improved information sharing between RFMO members and a larger presence of crew and their representative organizations in the deliberations of RFMOs. Indonesia urged RFMOs “to make a greater effort to raise awareness of issues involving labor abuse among consumers and in the media”.²⁰

Covid-19 pandemic sees push for e-monitoring and artificial intelligence in tuna fisheries

Covid-19 is increasingly impacting tuna fishing with infection of entire crews and even the debilitation of entire fisheries.²¹ In response there has been a suspension of observer coverage on fishing boats across the world’s oceans, including the WCPFC’s pausing of its observer programme until 31 July, as reported in the last issue of *FFA Trade and Industry News*.²² The risk of contagion has even resulted in the New Zealand Navy stating that HMNZS *Otago* will continue to patrol Fiji’s EEZ to target boats illegally fishing tuna but will not board them and instead only relay information to Suva.²³

In this challenging context, governments, companies and NGOs are examining alternative tools to ensure fishing vessel compliance and traceability in global supply chains. Pew Charitable Trusts – the conservation NGO – has argued that the pandemic provides an opportunity to ‘urgently’ develop and implement ‘robust electronic monitoring (EM) programs... using cameras, gear sensors, and GPS to provide high-quality fishing data, cost-effectively, ... with minimal human contact and leads to more accurate self-reporting by fishing vessels’.²⁴ Pew led a letter written by the NGO Tuna Forum consisting of 19 conservation organisations including BirdLife International, WWF, The Nature Conservancy, ISSF and Greenpeace calling on the heads of five tuna RFMOs to implement a series of EM recommendations ‘that could be applied in short order’.²⁵

Electronic Monitoring has been discussed in the WCPFC and other RFMOs for some years. The WCPFC’s 15th Technical and Compliance Committee in FSM discussed it in September 2019 and joint sub-regional workshop on EM between FFA/PNA/SPC took place in the following month.²⁶ This work picks up on the most recent WCPFC E-Reporting and E-Monitoring Working Group Meeting in Busan, South Korea in August 2018.²⁷ Together, the debates and proceedings of these meetings indicate that while many WCPFC members recognise the benefits of EM, its development in principle and practical operationalisation on a regional basis will take time. For example, national administrations are still working on underpinning EM standards, specifications and procedures (SSPs). It is extremely unlikely that EM will be in place in time to respond to the context of Covid-19. Further, EM units are expensive and not yet fully commercialised for compliance monitoring purposes, as they remain in trial phase on industrial purse seiners in the WCPO.²⁸

Thai Union is exploring the possibility of developing monitoring systems based on artificial intelligence (AI) to detect IUU fishing *and* abuses of human rights aboard tuna vessels. Thai Union hopes to scale up its on-board ‘e-Observer’ cameras currently on 50 vessels as an outcome of its 2017 agreement with Greenpeace. Given the huge amount of data produced by an average of five cameras per ship, Thai Union hopes to use AI to analyse and learn from these data. The challenges are huge though,

Indonesia asks regional and international bodies for greater scrutiny and investigations relating to crew welfare

NGOs push for electronic monitoring, but development and operationalisation is likely to take longer than hoped



not least as the technology is yet to be commercialised. Nonetheless, Thai Union's global director of sustainability, Darian McBain, is hopeful that the system will have a deterrent effect as 'When people are observed they act differently and more legally'.²⁹

In relation to Japan's tuna sashimi market, there is interest in a new AI app that allows buyers to ascertain sashimi grade quality. The 'Tuna Scope' smartphone app analyses the visual characteristics of a tail cut. The AI has learned from thousands of prior images of tail cuts and makes decisions based on sheen of the flesh, layering of fat, and colour. Sojitz Corporation, the parent company of Try Sangyou one of Japan's big four sashimi tuna trading companies, is reportedly developing an interest in Tuna Scope as a standardised grading tool. But some buyers are sceptical, arguing that their expertise is also based on the qualities of touch. At present, Tuna Scope may only be of use in grading lower and mid-range quality, but not the highest grade demanded of Japan's top sashimi restaurants.³⁰

Whatever becomes of these various e-monitoring and AI initiatives, it is highly likely that the governance of tuna fisheries will change because of the pandemic, but it is also a question as to who will absorb the costs of doing so.

TUNA INDUSTRY

PNG Fishing Industry Association obtains MSC certification

On 8 May 2020, the Papua New Guinea Fishing Industry Association (PNG FIA) received Marine Stewardship Council (MSC) certification covering 32 PNG and 32 locally-based Philippines flagged purse seine vessels operating under PNG domestic fishing licences. The Unit of Certification (UoC) covers skipjack and yellowfin caught in free-school, anchored FAD and drifting FAD sets in PNG's archipelagic waters and exclusive economic zone, which ranged from around 43,000 mt - 88,000 mt between 2013-2017. Only catches delivered to six PNG-based tuna processing facilities are eligible to use the MSC Fishery Certificate – Frabelle (PNG) Ltd., International Food Corporation Ltd., Majestic Seafood Corporation Ltd., Nambawan Seafoods PNG Ltd., RD Tuna Canners Ltd., and South Seas Tuna Corporation Ltd. – all of whom are PNG Fishing Industry Association members.³¹ PNG's tuna fishing and processing sectors will now be able to take full advantage of the growing demand for MSC-certified tuna from major retailers and brand owners, particularly in Europe and the USA (see separate story below), with the majority of catch in PNG waters deemed MSC-eligible.

This marks the seventh WCPO MSC purse seine certification and the first covering drifting FAD sets, following an MSC decision to avoid 'compartmentalism' in purse seine fisheries, whereby all set types within a single trip will be required to be MSC-certified. It is anticipated that other MSC-certified tuna purse seine fisheries will follow suit including drifting FAD sets within their units of certification to ensure they can continue to make effective use of their MSC certifications, given most fishing trips outside of mandated FAD closure periods include a mix of drifting FAD and unassociated sets.

Like all other WCPO tuna MSC certifications to date, PNG FIA's certification is contingent upon the adoption of harvest strategies, including harvest control rules for target tuna stocks, by the Western and Central Pacific Fisheries Commission (WCPFC) by 2021. However, given the adoption of harvest strategies continues to evolve and is highly complex for multi-species fisheries, it is increasingly unlikely that

*Thai Union
and Japanese
sashimi traders
each look to
AI for solutions
to compliance
problems*

*PNG is the
first WCPO
purse seine
tuna fishery to
obtain MSC
certification for
drifting FAD sets*



this will be fully achieved by WCPFC by 2021, which may potentially result in the suspension of all 13 existing WCPO MSC tuna certifications. This potentially poses a major challenge for MSC fisheries certification holders and MSC itself, as well as retailers and brandowners who have made MSC-related sustainable sourcing commitments, given the majority of MSC-certified tuna is sourced from the WCPO.

In addition to four conditions relating to harvest strategies, over the five-year duration of the MSC certification, PNG FIA is also required to address seven conditions related to ecosystems impacts including cetacean and whale shark interactions, and three conditions related to national-level consultation and decision-making processes for fisheries management.³²

American Samoa's minimum wage assessed again

In 2007, the US Congress passed *The Fair Minimum Wage Act*, which created a schedule for incremental minimum wage increases in American Samoa, with the ultimate goal of raising the Territory's minimum wage to the US federal level of US \$7.25/hour by 2016. Prior to this time, minimum wage had been set through a 'special industry committee' process similar to that used in Puerto Rico and the US Virgin Islands. The Act called for minimum wage rates to reach the federal level as rapidly as economically feasible without substantially curtailing employment. Since 2007, measures adopted in 2009 and 2010 retained \$0.50 increases, but delayed their application. Subsequent measures applying increases every third year and reducing each increase from US \$0.50 to US \$0.40 delayed convergence substantially. The current schedule established increases of US \$0.40 every three years, with the next increase scheduled for September 2021. Fish processing minimum wage is expected to reach US \$7.25/hour in September 2036 according to the current schedule. It is presently US \$5.56/hour.

Along the way, the US Government Accountability Office (GAO) was required to report on the economic impact of the wage increase in American Samoa. GAO has recently published the final report on this topic, which examines economic trends including changes in employment and earnings since the minimum wage increases began, the status of the tuna canning industry and stakeholder views on the minimum wage increases.³³ The report reveals that the Starkist plant in Pago Pago and the Government remain the most important employers in American Samoa. Since 2007, American Samoa's tuna processing industry has contracted with the closure first of the Chicken of the Sea plant, and later the Tri Marine investment, Samoa Tuna Packers. Industry representatives cite minimum wage increases as a contributing factor to these closures, but not the sole driving force. With the closure, employment of cannery workers declined, however, inflation-adjusted earnings of cannery workers who maintained their jobs increased.

American Samoa's Government and Chamber of Commerce view the minimum wage increases as conflicting with sustainable economic development. Employers and workers noted benefits and challenges associated with increasing minimum wage, revealing a deep tension between the desire for improved livelihood that higher wages can bring and their potential to negatively impact the tuna processing economic engine in Pago Pago. The American Samoa Government has suggested creating a committee to set minimum wages in the territory and a moratorium on minimum wage increases until the committee is formed. The US Department of Interior, which administers the US Territory, suggested that GAO conduct further study, including exploring the possibility of developing a wage setting committee.

If harvest strategies are not adopted by WCPFC in 2021, 13 WCPO tuna fisheries risk suspension of their MSC fisheries certifications

American Samoa's minimum wage is scheduled to increase by US\$0.40/hour in September 2021



Major US retailer and tuna brandowner commit to sourcing sustainable MSC or FIP tuna

On World Oceans Day (8 June), US-retail giant, Walmart, announced a commitment to only source tuna for its US private-label canned tuna, Great Value, from fisheries that are Marine Stewardship Council (MSC) certified or actively working towards MSC certification through a time-bound Fishery Improvement Project (FIP) by July 2020. By 2025, all canned tuna sold in its stores will need to meet this requirement. Walmart's July 2020 MSC/FIP commitment for its Great Value brand is four years earlier than originally slated under its Sustainable Seafood Policy. Environmental NGO, Sustainable Fisheries Partnership (SFP), will assist Walmart's tuna suppliers to report their progress using its 'Seafood Metrics System', which helps measure and track supplier performance against 20 indicators of seafood sustainability and has reportedly been in use for more than a decade by some of North America and Europe's leading retailers.³⁴

As part of a US \$40 million five-year sustainability commitment, one of the US 'big-three' canned tuna brands, Bumble Bee, has also recently announced that by 2022, 100 per cent of its light meat (skipjack) canned tuna will be sourced from MSC-certified fisheries and all longline-caught albacore will come from a credible FIP by 2023.³⁵ With Bumble Bee's MSC/FIP commitment on 15 June, all three US canned tuna brands are now working towards 100 per cent MSC/FIP sourcing. Chicken of the Sea is aiming for 100% (no timeframe published), with a minimum of 75% achieved by the end of 2020,³⁶ while Starkist will source 100% by May 2021.³⁷ In addition to its MSC/FIP commitments, Bumble Bee has also extended its partnership with the Global Ghost Gear Initiative to include a project in Indonesia to develop and deploy ocean-safe tracking mechanisms to find and collect lost and abandoned fishing gear. It will also strive for 98% recyclable packaging by 2025 by reducing plastic shrink wrap on multipacks of cans. Bumble Bee will also continue its foray into the plant-based protein sector to provide sustainable alternatives to ocean-sourced protein.³⁸

Despite numerous criticisms of MSC's standard for sustainable fishing, it continues to appear to be the 'gold standard', with a growing number of major retailers and brandowners making MSC-related sustainable sourcing commitments.

Fallout from US price-fixing continues to unfold

The US canned tuna price fixing scandal again grabbed headlines as former Bumble Bee CEO Chris Lischewski was sentenced to 40 months in prison and given a US \$100,000 fine. The judge overseeing the hearing said that the sentence was in accordance to the severity of the conspiracy which was 'widespread, pervasive and affecting the entire industry' and described the conduct as deliberate, planned and sustained over a three-year period.³⁹ Since the penal code includes stipulation on how sentencing should be calculated based on the financial impact of the crime, Lischewski's counsel developed an economic analysis to defend their client. They argued that while the price of tuna had increased during the time of the conspiracy, it had increased less than economics would predict based on raw material prices and pointed out that the companies involved in the conspiracy showed relatively little benefit over the time period in question. However, their argument was unsuccessful and Lischewski, who will likely serve time in a minimum-security prison, plans on filing an appeal in the US Ninth Circuit Court.⁴⁰

Meanwhile, while the criminal elements of the price fixing case have concluded, the civil elements are unfolding as customers are suing the US tuna brands for harms from price fixing. In a large class-action suit, plaintiffs have been organized into

Minimum wage increases improve worker earnings, but reduce competitiveness of tuna processing operations

Walmart and Bumble Bee have each committed to sourcing 100% MSC or FIP tuna

Former Bumble Bee CEO faces a 40-month sentence and US \$100,000 fine for his role in the price fixing scandal



a series of four tracks. The 'Big Three' brands had made an emergency appeal to a panel of judges on the US 9th Circuit Court of Appeals requesting a stay in the class-action lawsuit alleging price fixing. The panel of judges ruled against granting the stay, signifying that civil actions will continue to proceed.⁴¹ The tuna brands expressed concern that without the stay, they are facing a 'pile-on' of businesses joining the case.⁴²

Plaintiffs in the civil litigation gave statements during Lischewski's sentencing hearing, offering insight into the damages that they will pursue in the class action cases. The attorney representing a large member of the 'direct action plaintiff' track argued that since retailers use canned tuna as a loss leader and use promotions to draw customers in, rather than for direct profit, that the price fixing had ripple effects on what was sold in other parts of the stores; others argued that the conspiracy hurt the grocery business which is characterized by thin margins.⁴³ This argument, along with a detailed public statement and analysis of market dynamics issued by Lischewski,⁴⁴ sheds light on the highly competitive dynamics of the US market for shelf stable tuna in particular. These data points highlight some of the core drivers of downward price pressure on the canned tuna sector in the US market, which likely contributed to the price fixing strategy in the first instance, and reveal the dynamics that are required for profitability for processing and branding firms – as well as the rest of upstream actors. These pressures have led over time to emphasis on volume and to lowering the quality of products to enhance profitability.

US fishing industry finds support in Trump Administration Executive Order and COVID-19 relief

In early May 2020, President Trump signed an Executive Order promoting American seafood competitiveness and economic growth, with the aim of propelling the US forward as a seafood superpower by strengthening the American economy, improving competitiveness of American industry, ensuring food security, providing environmentally safe and sustainable seafood, supporting American workers and ensuring coordinated and transparent federal actions.⁴⁵ The Executive Order outlines several specific actions, including regulatory reform to maximize commercial fishing and enforcement of restrictions on seafood imports that do not meet American standards. To that end, the Administration will create a Seafood Trade Task Force that will develop recommendations to the United States Trade Representative in preparation of a comprehensive inter-agency seafood trade strategy to improve US market access and resolve technical barriers to US seafood exports. Regional Fishery Management Councils have been asked to prioritize actions that will reduce burdens on domestic fishing and increase production within sustainable fisheries. The Order also emphasises further implementation of the Port State Measure to prevent, deter and eliminate IUU fishing, as well as public-private partnerships to enhance maritime domain awareness and cooperation concerning transshipment at sea and fisheries law enforcement effectiveness.

One immediate outcome of the Executive Order was a late May letter from the US Regional Fishery Management Councils identifying the ban on commercial fishing within the monument as a regulatory burden on domestic fisheries.⁴⁶ In early June, the Trump administration rolled back a ban on commercial fishing in the Northwest Canyons and Seamounts Marine National Monument in the Atlantic, a 4,900 square mile marine protected area established by the Obama Administration in 2016. After the rollback, less than 0.1 percent of the US waters outside of the Western Pacific will be protected from commercial fishing.

Data presented in the price fixing hearing highlight that the US canned tuna market is exceptionally competitive

A Trump Administration Executive Order outlines priorities for propelling the US forward as a seafood superpower



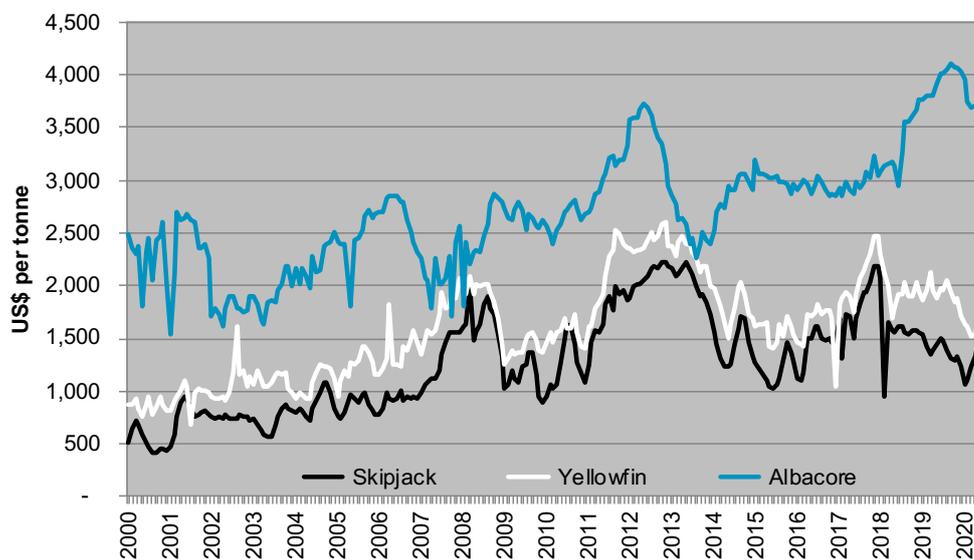
The Western Pacific Regional Fisheries Management Council (WPRFMC) submitted a letter to the Administration arguing that marine reserves in the Pacific put the US at a disadvantage against other Pacific countries and urging that fishing restrictions be lifted in the marine reserves.⁴⁷ The letter outlines harm to three tuna fisheries in the Pacific – Hawai'i's longline fishery, American Samoa's longline fishery and the US tropical tuna purse seine vessels – and the Starkist cannery in American Samoa. In the Pacific, more than 51 percent of US waters are in marine reserves. Marine National Monuments prohibit commercial fishing by American fishermen in the entire US EEZ surrounding the North-western Hawaiian Islands through Obama's expansion of the Papahānaumokuākea monument, Johnston Atoll, Wake Island and Jarvis Island and within 50 nautical miles of shore of Rose Atoll (American Samoa), Howland and Baker Islands, Palmyra Atoll and Kingman Reef, and the northernmost islands of the Commonwealth of the Northern Mariana Islands. The Council argues that these rules have forced Hawai'i longliners to leave US waters to fish and compete with foreign vessels, and hindered supply to the Starkist cannery in American Samoa. The letter also asks the Trump administration to address FAD regulations and to harmonize regulations. These issues coincide with the US National Marine Fisheries Service Pacific Islands Regional Office's work to develop draft management plans for two marine national monuments, The Pacific Remote Islands Marine National Monument (PRIMNM) and the Marianas Trench Marine National Monument. The Monuments prohibit commercial vessels from operating in nearly 600,000 square miles of US EEZ.⁴⁸

Also in early May, the US Secretary of Commerce announced the allocation of US \$300 million in fisheries assistance funding that is part of the Corona virus relief fund. Funds have been allocated to states, Tribes and territories with coastal and marine fishery participants who have been negatively affected by COVID-19.⁴⁹ Funds are being disbursed to address direct or indirect fishery-related losses and subsistence, cultural or ceremonial impacts related to the pandemic. The main categories for funding include direct payments and support for fishery related infrastructure, among other items. Notably, American Samoa has been allocated more than US\$2.5 million, which Congresswoman Amata has indicated will support the fishing industry.⁵⁰

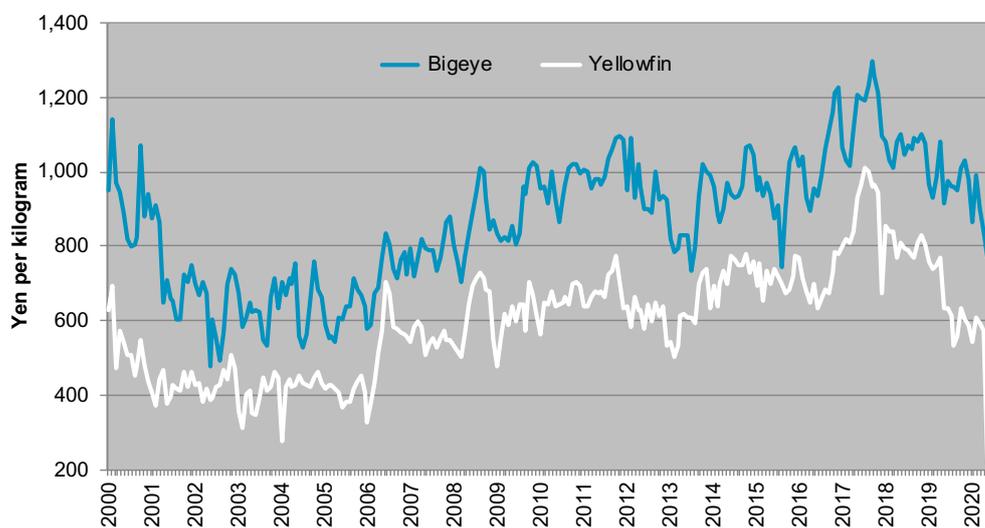
**WPRFMC
is pressing
for fishing
restrictions to
be lifted in US
Pacific marine
reserves**

TUNA PRICE TRENDS⁵¹

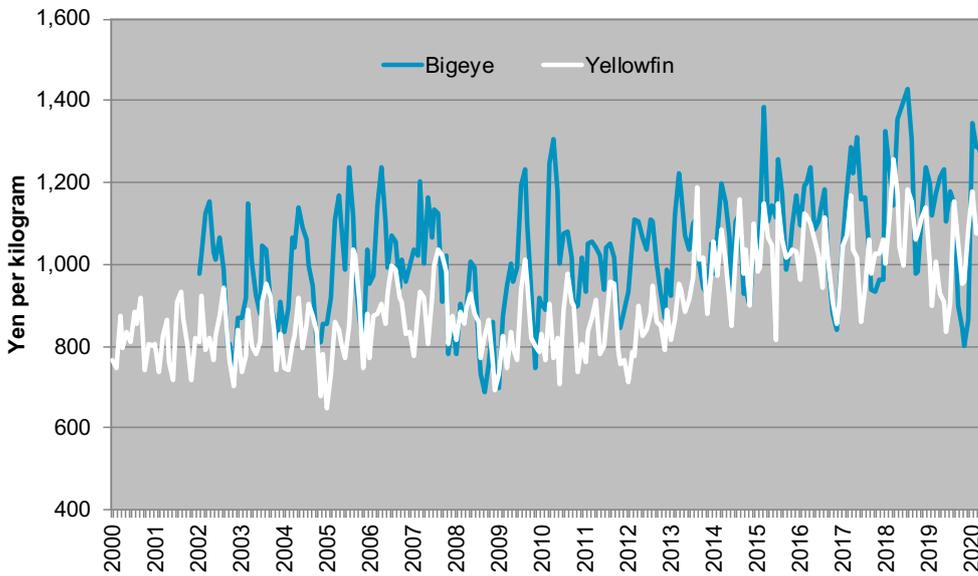
Bangkok canning-grade prices to May 2020⁵²



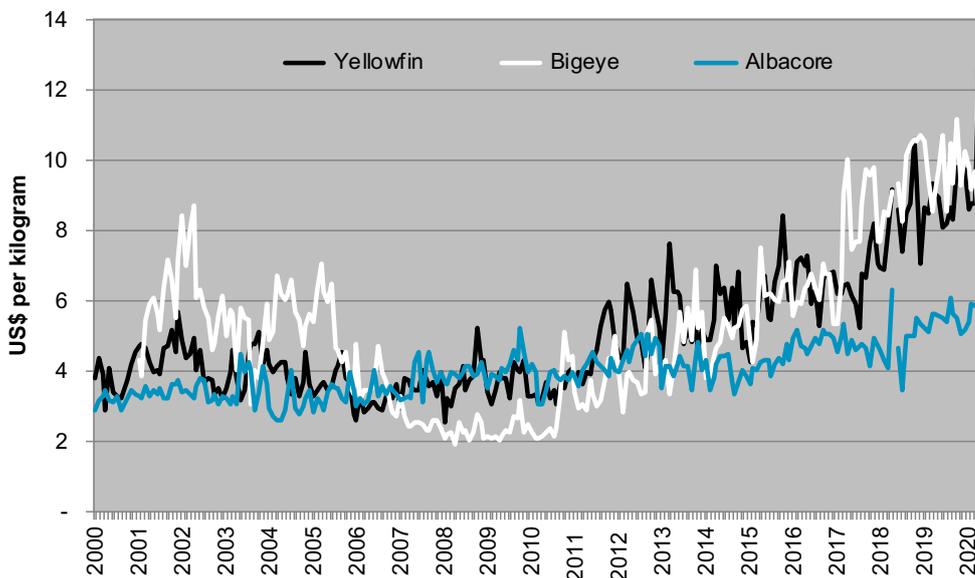
Japan frozen sashimi prices (ex-vessel, Japanese ports) to May 2020⁵³



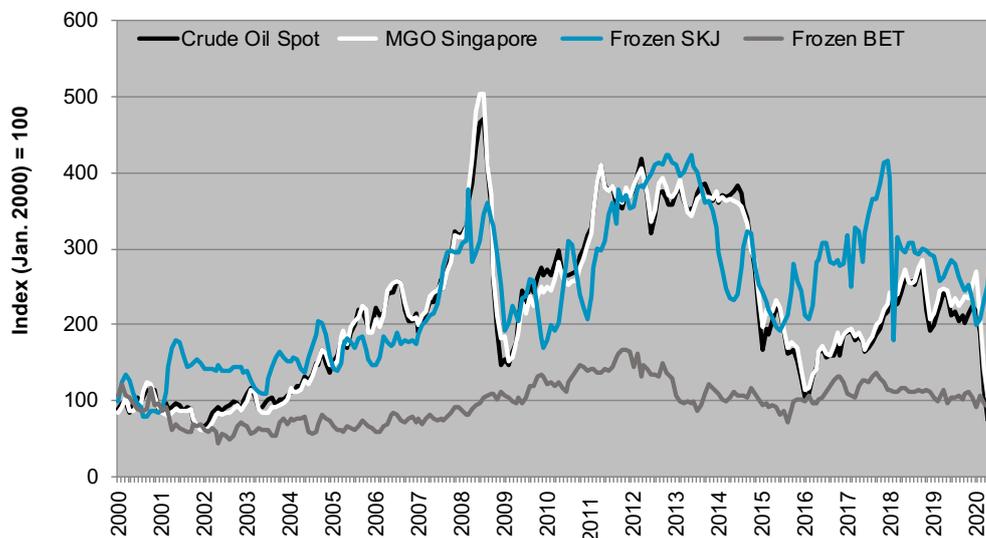
Japan fresh sashimi prices (origin Oceania) to May 2020⁵⁴



US imported fresh sashimi prices to May 2020⁵⁵



Crude oil, canning-grade frozen skipjack (SKJ) and frozen bigeye (BET) price index to June 2020⁵⁶



¹ Prepared for the FFA Fisheries Development Division by Professor Liam Campling, School of Business and Management, Queen Mary University of London, Dr Elizabeth Havice, University of North Carolina at Chapel Hill 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 Chris Reid and Len Rodwell 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.

² Elizabeth Havice, Liam Campling and Mike McCoy 2020, 'Post-Brexit UK trade policy and preference erosion for tuna', *FFA Trade and Industry News*, 13(1), Jan-Feb. Available at: <https://www.ffa.int/>

³ Department for International Trade 2020, 'UK tariffs from 1 January 2021', last updated 11 June 2020. Available at: <https://www.gov.uk/guidance/uk-tariffs-from-1-january-2021>

⁴ Toan Dao 2020, 'Vietnam endorses free trade agreement with EU', *Seafood Source*, 8 June. Available at: <https://www.seafoodsource.com/news/supply-trade/vietnam-endorses-free-trade-agreement-with-eu>

⁵ Elizabeth Havice, Liam Campling and Mike McCoy 2019, 'EU and Vietnam sign Free Trade Agreement', *FFA Trade and Industry News* 12(3), May-June 2019. Available at: <http://www.ffa.int>

⁶ The full text of the EU-Vietnam trade and investment agreements are available here: <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1437>

⁷ Vietnam Association of Seafood Exporters and Producers, 'EVFTA: Good opportunity for Vietnamese tuna exports', 9 July 2019. Available at: http://mseafood.vasep.com.vn/seafood/378_13168/evfta-good-opportunity-for-vietnamese-tuna-exports.htm

⁸ Joe Whitworth 2020, 'Histamine poisoning in Sweden linked to tuna from Vietnam', *Food Safety News*, 15 May. Available at: <https://www.foodsafetynews.com/2020/05/histamine-poisoning-in-sweden-linked-to-tuna-from-vietnam/>

⁹ Việt Nam News, 'Tuna export market still unstable', 27 May 2020. Available at: <https://vietnamnews.vn/economy/717266/tuna-export-market-still-unstable.html>

¹⁰ 'Latest death of Pacific fisheries observer highlights protection flaws', *Radio New Zealand*, 14 April 2020. Available at: <http://www.rnz.com.nz>

¹¹ A. Vance 2020, 'Death on the high seas; the mysterious death of a humble fishing observer' 12 April. Available at: <https://www.stuff.co.nz/>

¹² FFA Harmonized Minimum Terms and Conditions accessed at: https://www.ffa.int/system/files/HMTC_as_revised_by_FFC110_May_2019

¹³ 'Fisheries observer safety a key focus, as FFA wraps up annual meeting', *FFA's TUNAPacific*, 22 June. Available at: <http://www.tunapacific.org/>

¹⁴ 'Latest death of Pacific fisheries observer highlights protection flaws', *Radio New Zealand*. April 14, 2020. Available at: <https://www.rnz.co.nz/international/pacific-news/414236/latest-death-of-pacific-fisheries-observer-highlights-protection-flaws>

¹⁵ 'Kiribati fishing observer death sparks calls for reform', *Pacific Beat*, 29 May 2020. Available at: <https://www.abc.net.au/radio-australia/programs/pacificbeat/fisheries-observers/12300960>

¹⁶ 'Korean media report sparks outcry over abuse of Indonesian crew members on Chinese fishing ships', *The Diplomat*, 14 May 2020, Available at: <https://thediplomat.com/>

¹⁷ Nur Yasmin 2020, 'China continues investigation into sea burials of Indonesian fishermen: Foreign Affairs Ministry'. *Jakarta Globe*, 3 June. Available at: <https://jakartaglobe.id>

¹⁸ Information paper on labour rights in the fishing industry (the case of unpaid salary disputes on fishing vessels), WCPFC16-2019-DP23, WCPFC Sixteenth Regular Session, Port Moresby, Papua New Guinea, 5-11 December 2019. Available at: <https://www.wcpfc.int>

- ¹⁹ Koyo Jabiki 2020, 'Indonesia seeks UN protection after deaths on Chinese fishing ships', *Nikkei Asian Review*, 13 May. Available at: <https://asia.nikkei.com>.
- ²⁰ Cliff White 2020, 'Indonesia calls for RFMO reforms in response to crew abuse onboard Chinese longliners', *Seafood Source*, 5 June 2020. Available at: <https://www.seafoodsource.com>
- ²¹ For example: Joanna Nicette 2020, '50 more new fishing crew members in Seychelles test positive for COVID-19, bringing total to 59', *Seychelles New Agency*, 26 June 2020. Available at: <http://www.seychellesnewsagency.com/articles/13123/>
- ²² Liam Campling, Elizabeth Havice and Mike McCoy 2020, 'Temporary WCPO COVID-19 exemptions for observers and in-port transshipment', *FFA Trade and Industry News*, 13(2), Mar-Apr. Available at: https://www.ffa.int/trade_news Also: Bernadette Carreon 2020, 'Suspension of fisheries observers in place for Pacific until 31 July', *Radio New Zealand*, 2 June 2020. Available at: <https://www.rnz.co.nz/international/pacific-news/418039/suspension-of-fisheries-observers-in-place-for-pacific-until-31-july>
- ²³ *Radio New Zealand*, 'NZ Navy Pacific patrols limited by Covid-19 risk', 10 July 2020. Available at: <https://www.rnz.co.nz/international/pacific-news/420912/nz-navy-pacific-patrols-limited-by-covid-19-risk>
- ²⁴ Jamie Gibbon and Esther Wozniak 2020, 'International Fisheries Managers' Pandemic Response Highlights Need to Expand Electronic Monitoring'. Press release, Pew Charitable Trusts, 1 May. Available at: <https://www.pewtrusts.org/en/research-and-analysis/articles/2020/05/01/international-fisheries-managers-pandemic-response-highlights-need-to-expand-electronic-monitoring>
- ²⁵ Available at: <https://ngotunaforum.org/wp-content/uploads/2020/04/Pew-Observer-Letter-with-NGO-Signatures.pdf>
- ²⁶ WCPFC, Fifteenth Regular Session of the Technical and Compliance Committee, Pohnpei, Federated States of Micronesia, 25 September–1 October 2019. Summary report available at: https://www.wcpfc.int/system/files/WCPFC16-2019-TCC15%20TCC15%20Summary%20Report_issued%201%20December.pdf And FFA/PNA/SPC, Sub-Regional Electronic Monitoring Workshop, Honiara, Solomon Islands, 16-18 October 2019. Documents available at: <https://oceanfish.spc.int/en/meetingsworkshops/e-reporting-a-e-monitoring/499-e-monitoring-oct-2019>
- ²⁷ Report available here: <https://www.wcpfc.int/meetings/erandemwg3>
- ²⁸ Personal communication, industry representative, 14 July 2020.
- ²⁹ Harry Holmes 2020, 'Thai Union trials AI system to eradicate bad fishing practices', *The Grocer*, 19 June. Available at: <https://www.thegrocer.co.uk/sourcing/thai-union-trials-ai-system-to-eradicate-bad-fishing-practices/645504.article>
- ³⁰ James Vincent 2020, 'Japanese app Tuna Scope uses AI to grade the quality of fish', *The Verge*, 9 July. Available at: <https://www.theverge.com/21318402/japanese-app-ai-grade-fish-quality-tuna-scope-sushi>
- ³¹ Cliff White, 'Papua New Guinea's Fishing Industry Association receives MSC certification for purse-seine tuna fishery', *Seafood Source*, 13 May 2020. Available at: <http://www.seafoodsource.com>
- ³² SCS Global Services, *PNG Fishing Industry Association's Purse Seine Skipjack and Yellowfin Tuna Fishery – Public Certification Report*, 8 May 2020. Available at: <http://www.msc.org>
- ³³ Full report available: GAO, 2020. *American Samoa: Economic trends, status of the tuna canning industry, and stakeholders views on minimum wage increases*. GAO-210-467. June 11. Available at: https://www.gao.gov/products/GAO-20-467?utm_source=onepager&utm_medium=email&utm_campaign=fieldwork
- ³⁴ Madelyn Kearns 2020, 'Walmart announces sourcing commitment for its Great Value private brand canned tuna', *Seafood Source*, 8 June. Available at: <http://www.seafoodsource.com>; Sustainable Fisheries Partnership website: <https://www.sustainablefish.org/Programs/Seafood-Industry-Services/Seafood-Metrics>.
- ³⁵ 'The Bumble Bee Seafood Company Announces Acceleration of its Sustainability Efforts',

- Bumble Bee Press Room, 15 June 2020. Available at: <https://www.bumblebee.com>
- ³⁶ Chicken of the Sea website: <https://chickenofthesea.com/msc>
- ³⁷ Starkist – Supplier Letter re: Starkist MSC/FIP requirement, 19 November 2019; pers. comm., industry contact.
- ³⁸ Bumble Bee, 15 June 2020.
- ³⁹ Chris Chase 2020. ‘Chris Lischewski sentenced to 40 months in prison, USD 100,000 fine’, *Seafood Source*, 16 June. Available at: <http://www.seafoodsource.com>
- ⁴⁰ Chris Chase 2020. ‘Chris Lischewski sentenced to 40 months in prison, USD 100,000 fine’, *Seafood Source*, 16 June. Available at: <http://www.seafoodsource.com>
- ⁴¹ Cliff White 2020. ‘“Big Three” tuna companies lose appeal that would have halted price-fixing class-action suit’, *Seafood Source*, 17 June. Available at: <http://www.seafood-source.com>
- ⁴² ‘Without stay, tuna giants say they face anti-trust pile-on’, *Law360.com*, 4 June. Available at: <http://www.law360.com>
- ⁴³ Cliff White 2020. ‘“Big Three” tuna companies lose appeal that would have halted price-fixing class-action suit’, *Seafood Source*, 17 June. Available at: <http://www.seafood-source.com>
- ⁴⁴ Chris Lischewski 2020. ‘There was no price-fixing in the US tuna industry’, *Opinion-Undercurrent News*, 16 June. Available at: <http://www.undercurrentnews.com>
- ⁴⁵ Full executive order text available at: <https://www.whitehouse.gov/presidential-actions/executive-order-promoting-american-seafood-competitiveness-economic-growth/>
- ⁴⁶ Full letter available at: http://www.wpcouncil.org/wp-content/uploads/2020/05/29May-2020CCCLettertoDOCSec_final-1.pdf
- ⁴⁷ Full letter available here: http://www.wpcouncil.org/wp-content/uploads/2020/05/2020.05.08-WPRFMC-to-Trump_barriers-to-US-fisheries.pdf; ‘US president urged to relax fishing restrictions in the Pacific’, *Radio New Zealand*, 14 May 2020. Available at: <http://www.rnz.co.nz>
- ⁴⁸ ‘Federal fishery managers weigh-in on Marine National Monument draft plans, COVID-19 impacts to fisheries and more’, *Western Pacific Regional Fishery Management Council Press Release*, 24 June 2020. Available at: <http://www.wpcouncil.org>
- ⁴⁹ ‘Commerce Secretary announces allocation of \$300 million in CARES Act funding’, *NOAA Fisheries News*, 7 May 2020. Available at: <http://www.fisheries.noaa.gov>
- ⁵⁰ ‘Amata welcomes over 2.5 million CARES Act grant for American Samoa fishermen’, *Aumua Amata Press Release*, 7 May 2020. Available at: <https://radewagen.house.gov>
- ⁵¹ All databases are provided by the Fisheries Development Division at FFA.
- ⁵² Customs Department, Thailand. <http://www.customs.go.th/Statistic/StatisticIndex.jsp>
- ⁵³ FFA database
- ⁵⁴ Japan Customs. http://www.customs.go.jp/toukei/info/index_e.htm
- ⁵⁵ US National Marine Fisheries Service. <http://www.st.nmfs.gov/st1/trade/index.html>
- ⁵⁶ US Energy Information Administration. http://tonto.eia.doe.gov/dnav/pet/pet_pri_spt_s1_m.htm