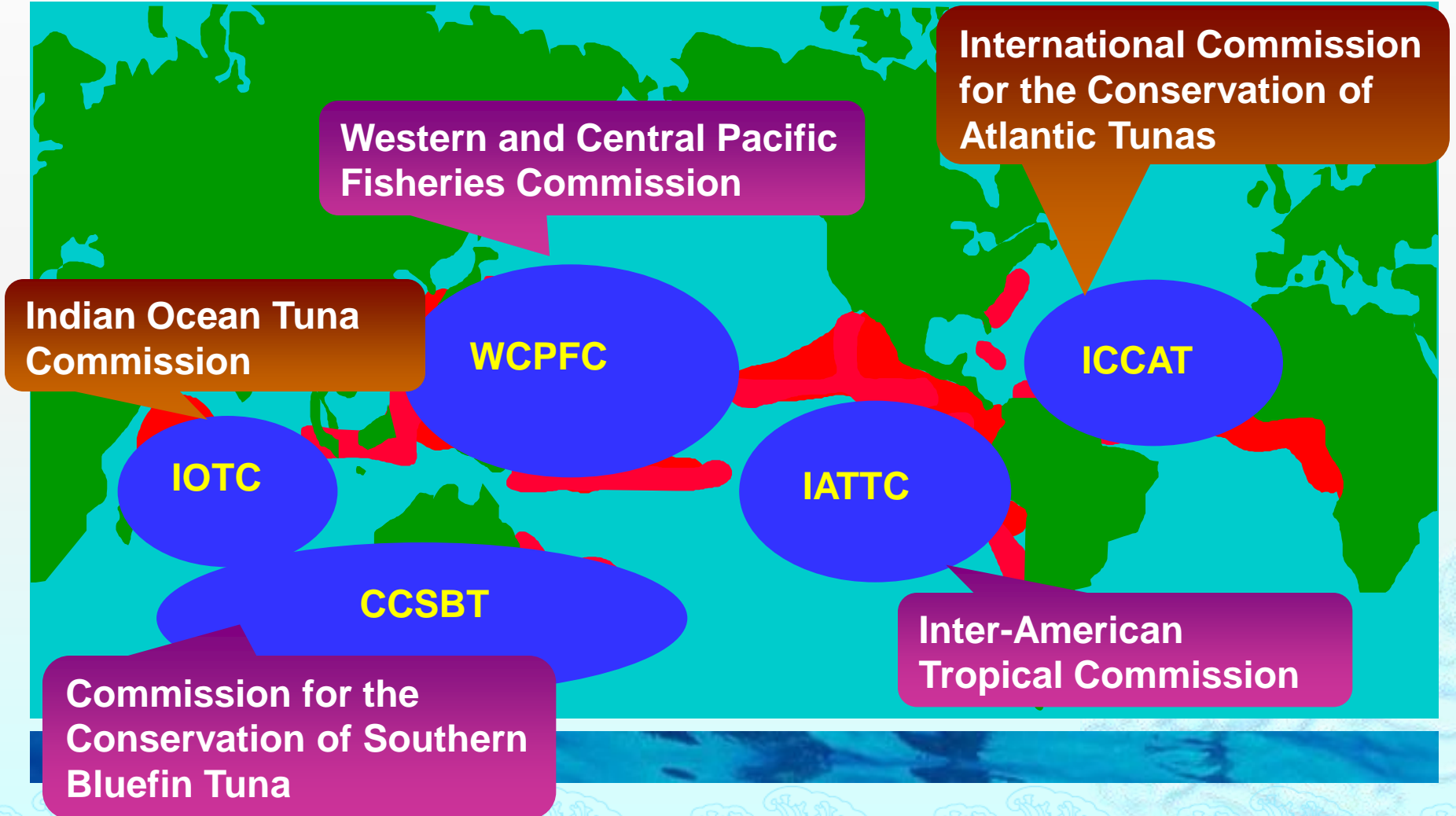


# **Managing and Migrating Harvesting Capacity to Retain Profitability**

**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

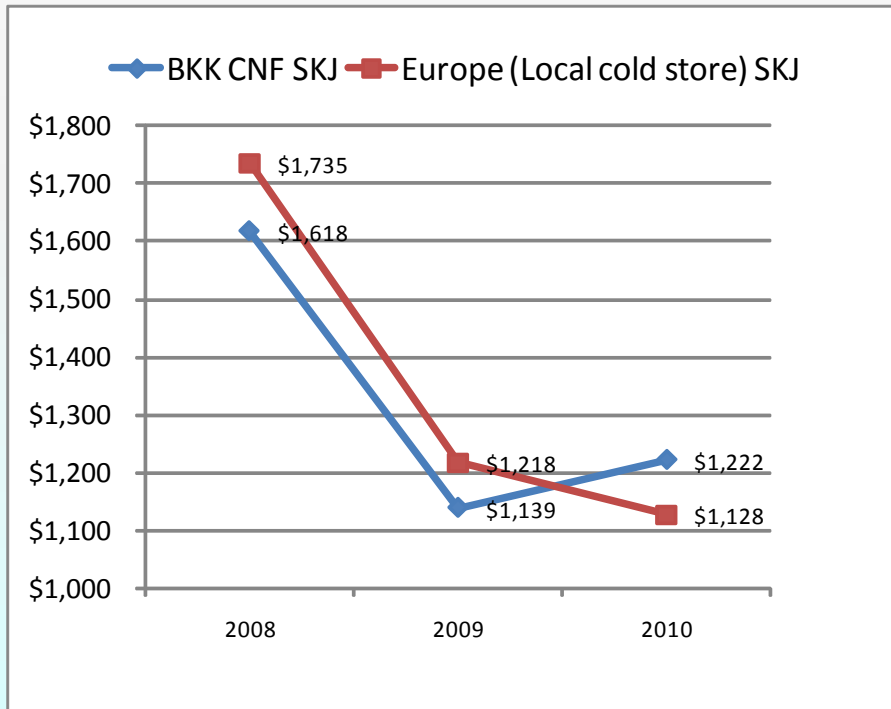
## current status

- ❖ 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

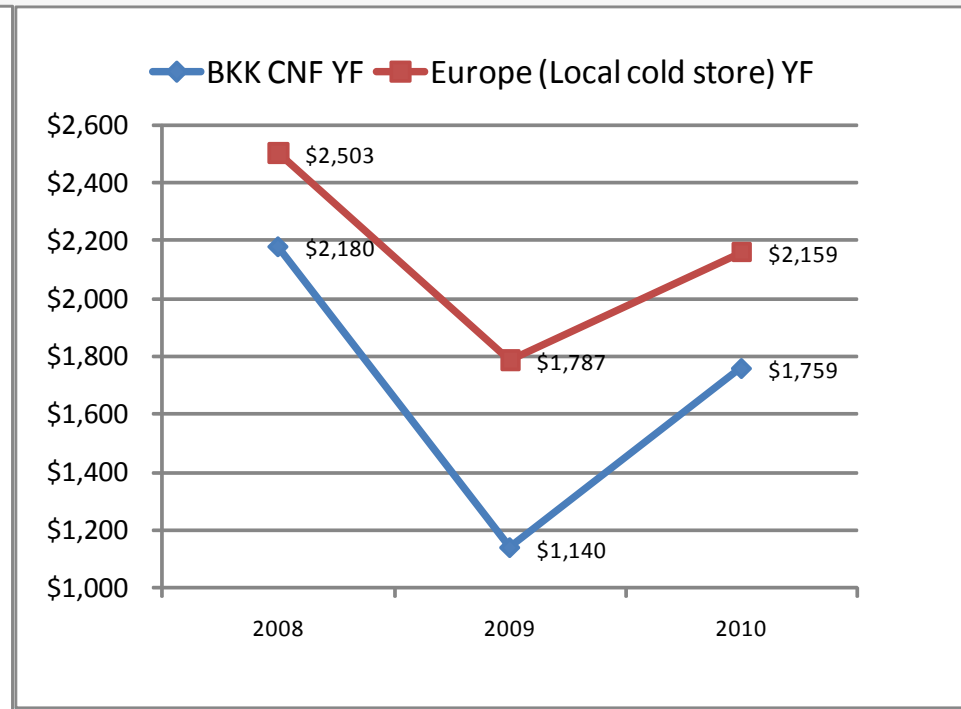
# Cost and Profitability

❖ 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