Sustainable Fisheries PARTNERSHIP

Target 75 Sector Report: Shelf-stable Tuna

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SFP's Target 75 (T75) initiative has set a goal to see that 75 percent of the world's seafood production is considered sustainable or making regular, verifiable improvements by 2020. To simplify achieving and measuring progress toward this goal, SFP has divided the world's fisheries and farmed seafood production into various "sectors," defined by groups of species. While the sectors as a whole do not cover the entirety of the global seafood industry (e.g., some high-volume species groups such as carp, milkfish, and some shellfish are not included), those included represent a substantial proportion of the commercial seafood production of importance to markets currently demanding sustainability.

For the purposes of this analysis, we define a fishery as "sustainable" if it is Marine Stewardship Council (MSC) certified or green-listed in SFP's Metrics tool. We define a fishery as "improving" if it is certified by one of the following programs: IFFO RS, ASMI RFM, Iceland Responsible Fisheries, Fair Trade USA; if it is under full assessment in the MSC program; or if it is in a fishery improvement project (FIP) that is making good progress (i.e., with a progress rating of A, B, or C using SFP's FIP evaluation tool).

In this report, SFP provides information on the current status of the shelf-stable tuna sector in terms of volumes coming from sustainable and improving fisheries, and, most importantly, we map out a path to close the gap to Target 75. We base the analysis on a blend of data and expert opinion on priority fisheries. SFP obtained production volumes and additional information relevant to this analysis from the Regional Fishery Management Organization (RFMO) catch data, relevant countries' national statistics, the respective certification programs' websites, FIP websites and FIP reports, and certification reports (e.g., MSC). Trade data provide a guide to how much of the production goes to markets that are highly engaged in sustainability (e.g., European Union (EU), United States (US)), markets with activities that engage in improvements (e.g., Brazil, China, Indonesia, Japan), and markets with little evidence of engagement in sustainability or immediate plans to engage in improvements (e.g., Nigeria, Vietnam). While such trade data provide some insights into the likely influence key markets have, we have combined this with expert opinion and information on the structure of production in each country, in order to determine whether a fishery is a candidate to contribute to the Target 75 initiative's goal.

Shelf-Stable Tuna Sector

SFP's Shelf-Stable Tuna Sector includes the supply of cooked tuna that is predominantly sold as canned product. SFP considered yellowfin (*Thunnus albacares*), skipjack (*Katsuwonus pelamis*), bigeye (*Thunnus obesus*), and albacore (*Thunnus alalunga*) as shelf-stable tuna when captured by the following gear methods: gillnet, bait boat, troll, purse seine, and small purse seine. Handline fisheries were considered shelf stable except when bigeye and yellowfin were included in the fresh/frozen tuna sector (from Indonesia, Oman, the Philippines, and Vietnam). Albacore and skipjack longline and rod and reel fisheries, skipjack caught with hook and line, albacore and yellowfin captured with trawl, and skipjack captured with ringnet were also considered shelf stable.

A precise understanding of tuna production and trade dynamics is difficult to attain, due to current practices in the reporting of production and trade in tuna. For example, based on RFMO reporting, specific production areas of catch may not be known, and it can be difficult to distinguish what product is destined for the fresh/frozen versus shelf-stable market. Additionally, it can be difficult to deduce from the available data what percentage of catch is consumed domestically. Despite the data issues, clear priorities for improvement and a route to Target 75 can still be reliably identified.

Global Supply and Patterns of Trade

- Just over 4.1 million tonnes of tuna landings (round weight) ends up in shelf-stable products, based on application of our sector definition applied to RFMO catch reports from 2014.
- The vast majority comes from three main species, skipjack, yellowfin, and albacore, with a relatively small amount coming from bigeye (<5 percent of total sector volume).
- Over 80 percent of shelf-stable tuna is caught using various types of purse seine gear.
- 1.9 million tonnes alone (over 45 percent of the total sector volume) is skipjack from the area managed by the Western and Central Pacific Fisheries Commission (WCPFC) (Figure 1). The remainder of the sector volume is spread fairly evenly across the areas managed by the Indian Ocean Tuna Commission (IOTC), the Inter-American Tropical Tuna Commission (IATTC), and the International Commission for the Conservation of Atlantic Tunas (ICCAT), and is dominated by skipjack and yellowfin.

- According to a 2017 California Environmental Associates (CEA) Seafood Analysis[1], North America, the EU, and other markets with strong sustainability demand consume 47 percent of all canned tuna produced globally, indicating relatively strong market leverage (Figure 2). Note, this is comparable to the 52 percent of whitefish going to the same markets, which was sufficient to achieve close to Target 75 for wild-caught whitefish.

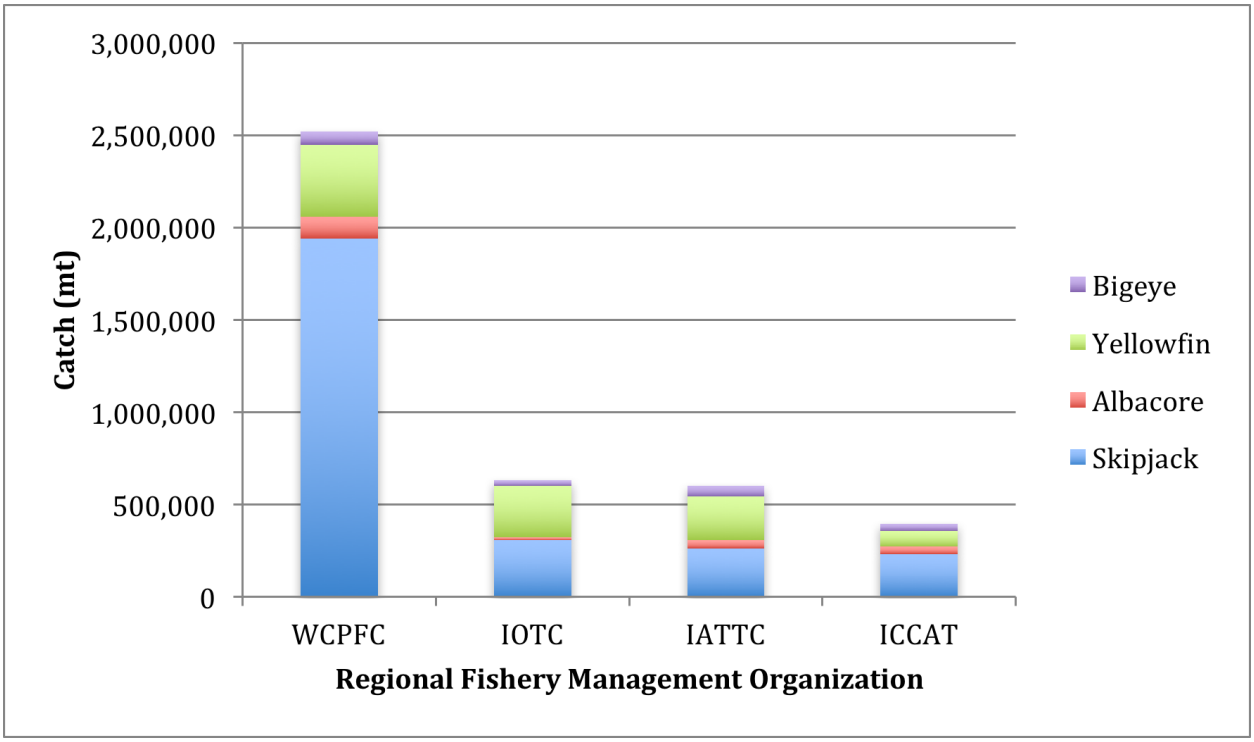

Figure 1: Shelf-stable tuna landings by main species and RFMO

[1]California Environmental Associates. "OSMI Outcome 1.1 – The Sector Map Data Compendium." Unpublished report, 9 March 2017, page 33.

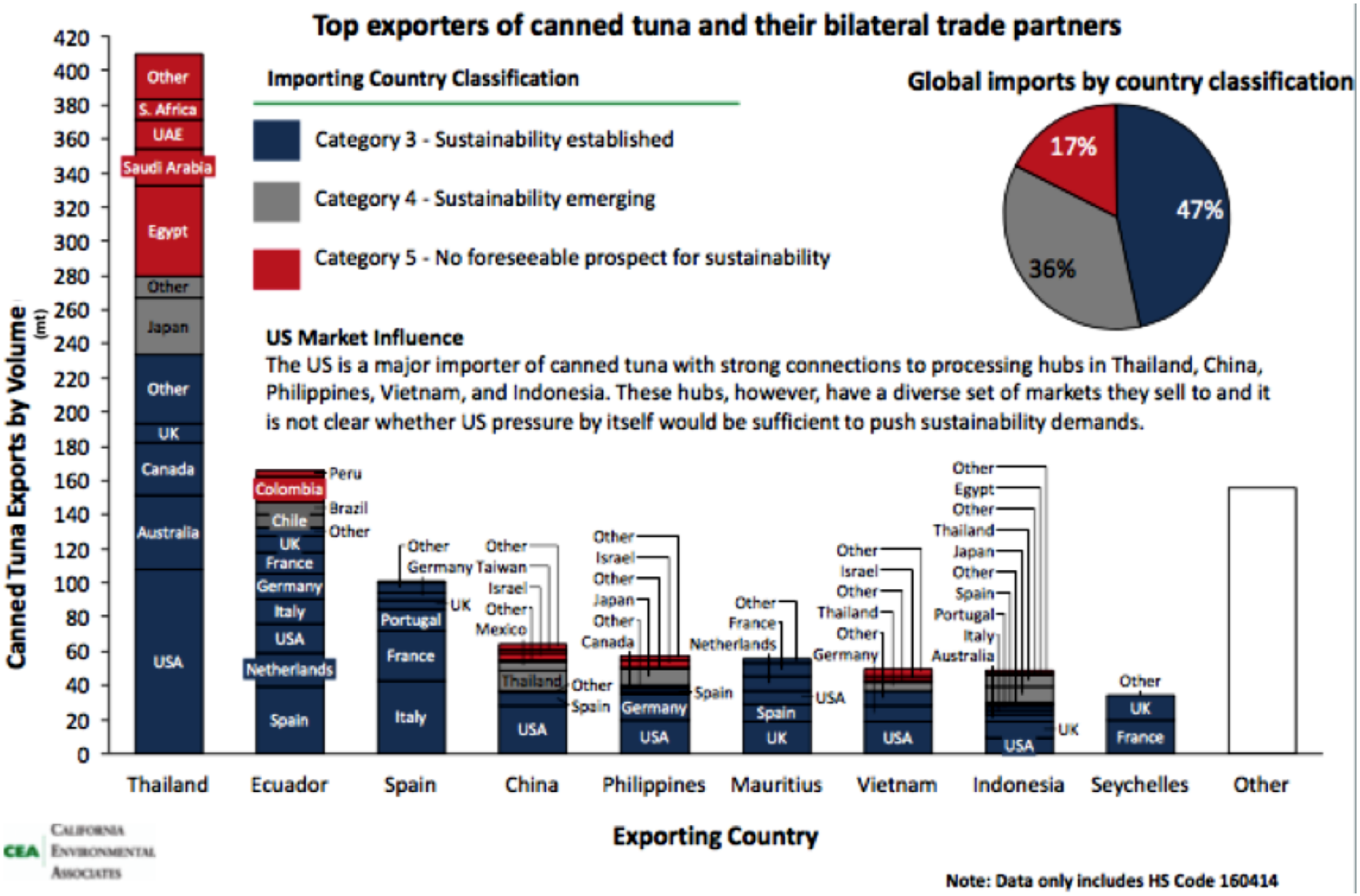

Figure 2: Tuna exporters and their customers (Source: California Environmental Associates)

Improvement Progress to Date

Based on 2014 production data, 1,699,000 tonnes, or 41.1 percent of global production, are considered sustainable or improving[2] (Annex: Table 1).

- MSC Certified Fisheries
    - 27.4 percent of global production is MSC certified, most of it under the PNA Western and Central Pacific skipjack and yellowfin certification unit in the WCPO and the Northeastern tropical Pacific purse seine yellowfin and skipjack fishery in the EPO.
- MSC Full Assessment
    - 1.3 percent of global production is under MSC full assessment, most of it from the Echebastar Indian Ocean skipjack purse seine fishery.
- FIPs with A-C rated progress
    - 12.4 percent of global production is covered by the following eight tuna FIPs:
        - Atlantic Ocean tropical tuna – purse seine (OPAGAC)
        - Eastern Pacific Ocean tropical tuna – purse seine (OPAGAC)
        - Eastern Pacific Ocean tropical tuna – purse seine (TUNACONS)
        - Indian Ocean tropical tuna – purse seine (OPAGAC)
        - Indian Ocean tuna – purse seine (SIOTI)
        - Indonesia pole and line tuna [IPNLF]
        - Longline tuna and large pelagics [PT Permata Marindo Jaya]
        - Western and Central Pacific Ocean tropical tuna – purse seine (OPAGAC)

Closing the Gap to Target 75

Existing Supply Chain Engagement

The primary target fisheries for improvement are those that SFP believes are likely candidates for successful improvement projects, or those under development by industry and other NGOs. These fisheries account for 504,300 tonnes of production, 12.2 percent of the global total (see Annex: Table 2).

- Other Likely Candidates for Improvement Projects
    - SFP is currently working with the Global Fresh and Frozen Tuna Supply Chain Roundtable to launch an Indonesia National Tuna FIP that will work to reform management of tuna fisheries at the federal level, positively impacting all tuna fisheries in Indonesia.

[2]MSC status and FIP progress ratings reflect information publicly available in August 2018.

- PT Pahala Bahari Nusantara (PT PBN) and Seafood Savers Indonesia have announced development of a tuna purse seine FIP for PT PBN's supply chain.
- Thai Union Europe is launching an Eastern Atlantic tuna purse seine FIP.

Urgent Additions Requiring Further Supply Chain Engagement

Between fisheries that are already sustainable or improving and FIPs that we believe the existing engaged supply chains will catalyze, we account for 53.3 percent of global production (Annex: Tables 1 and 2).

Target 75 can only be achieved by expanding improvement efforts in the following ways (see Annex: Table 3 for the respective volumes of these fisheries):

- The Parties of the Nauru Agreement (PNA) should launch a FIP for the remaining non-MSC portion of landings.
- Producers in Japan should launch a national-level FIP.

Overall, it is clear that FIPs need to mobilize worldwide on purse seine fisheries for skipjack and yellowfin in each of the RFMOs, with the WCPFC as the top priority, based on volume. Taiwan, Ecuador, and Korea also harvest large volumes of tuna for the shelf-stable market and should be considered for improvement efforts in the future.

Improvement Opportunities and Challenges

According to California Environmental Associates, Monterey Bay Aquarium Seafood Watch reports indicate that roughly 44 percent of global skipjack landings are already rated yellow, and just over 26 percent of global albacore landings are rated green. Thus, the sustainability challenges facing these fisheries may not be as severe as in some other sectors, and there are already good examples of healthy stocks.

The Global FIP Alliance for Sustainable Tuna, a collaboration of responsible tuna vessel owners engaged in WWF-partnered FIPs, is working to improve tuna fisheries management at the RFMO level around the world. Three major tuna purse seine FIPs have already been launched and represent 120 vessels. A fourth FIP is in development and will include an additional estimated 40 vessels.

The leverage of markets engaged in sustainability has mobilized improvement efforts at an appropriate market scale. Achieving further improvements requires major buyers in the US and

EU to continue their requests for FIPs and certified tuna, and work to align their encouragement to major producer blocks. Fortunately, it is reasonable to expect continuation of these existing efforts to be sufficient to encourage the improvements needed in the main target fisheries to achieve the T75 target.

Existing FIPs, MSC, ISSF, and other efforts need to successfully impact RFMO policies on HCRs, FAD management, data collection, monitoring etc., working with catcher and coastal-state-led efforts such as those by the Maldives in the IOTC and the PNA in the WCPFC.

Major brands of shelf-stable tuna should follow the example set by Thai Union and launch supply-chain-wide FIP efforts.

Along with these opportunities, it is worth noting one principal obstacle—it is difficult to produce sufficiently accurate and precise global production data for shelf-stable tuna, due to the scale of data processing required. This will reduce the frequency of SFP's updates on progress and ability to track shifts in volume from non-improving to improving. However, as data are refined, SFP will add all other tuna species to the analysis and evaluate whether FIPs on other tuna species (e.g., tonggol) also need to be prioritized.

Summary (see Figure 3)

The global shelf-stable tuna industry is already well on its way to achieving the T75 goal, with 41 percent of the global production of shelf-stable tuna currently considered sustainable (27 percent) or improving (14 percent). In addition, another 12 percent of global production with existing supply chain leverage is likely to shift to the improving category if publicly announced pre-FIPs or FIPs undergoing scoping are fully launched and generate adequate progress.

A FIP for all non-MSC-certified PNA harvest volume and a national FIP in Japan would add a further 23 percent to the improving category, but this will require further leverage.

The strategy as described above accounts for 76 percent of global production achieving T75. The North American and EU markets (approximately half of the market for shelf-stable tuna) should increase pressure on suppliers and producers to initiate more and larger FIPs. Further efforts should focus on skipjack and yellowfin tuna improvements in the WCPO, as the highest volume species and region.

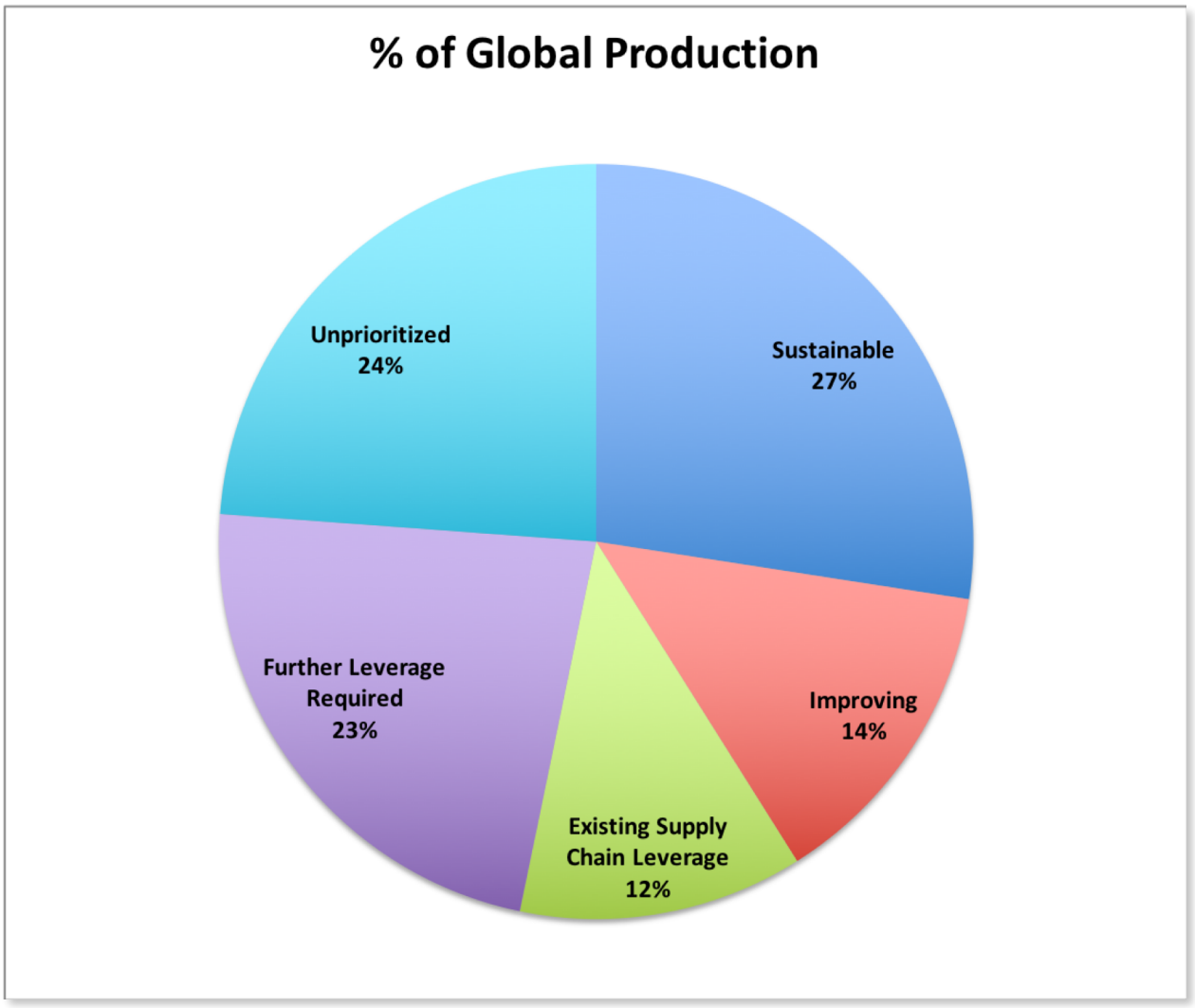

Figure 3: Strategy to reach Target 75 for the Shelf-Stable Tuna Sector

Annex: Progress toward Target 75 goal

The following tables show key figures in gauging the progress of shelf-stable tuna production toward the Target 75 goal. The table format will be reprised in future reports with updated figures.

Table 1: Volume considered sustainable or improving

T75 Category	Volume (mt)	% of Global Production
Sustainable: MSC-C	1,135,400	27.4%
Improving: MSC-FA	51,700	1.3%
Improving: FIP (rated A-C)	511,500	12.4%
Total	**1,698,600**	**41.1%**

Table 2: Target shelf-stable fisheries using existing engaged supply chains

Production Source	2014 Landings (mt)	% Global Production	Improvement Outlook
SFP Indonesia National Tuna FIP (volume not already covered by existing FIPs)	344,300	8.3%	Strong supply chain leverage needed, Global Fresh and Frozen Tuna SR is already engaged
PT PBN tuna purse seine FIP	Volume unknown		FIP publicly announced
Eastern Atlantic tuna purse seine FIP	160,000	3.9%	FIP publicly announced
Total	**504,300**	**12.2%**	

Table 3: Additional fisheries that must be further engaged to close the gap to T75

Production Source (shelf-stable only)	2014 Harvest (mt)	% Global Production
PNA (non-MSC volume)	776,309	18.8%
Japan, all species (non-MSC volume)	171,700	4.1%
Total	**1,482,009**	**22.9%**