



FISHERIES TRADE

WTO Ministerial debates Chair's text and charts route to Fisheries Subsidies agreement

A WTO Trade Negotiations Committee (TNC) met virtually at the Ministerial level on 15 July 2021 to discuss the way forward for rules on fisheries subsidies and the status of the Chair's 'final' text of 30 June.² The official communication on the meeting stressed its positive aspects – primarily that WTO members agree to the text being used as a basis for future negotiations.³

However, there was some heated debate which can be grouped into two broad camps. One camp is comprised of Members that are broadly happy with the Chair's text as a compromise position, albeit recognising that issues such as special and differential treatment (S&DT) for developing and least-developed members still need work. The other camp are a large number of developing members who have raised concerns around a fundamental lack of 'balance' in the Chair's text, especially between developed and developing member interests.

This disagreement resulted in the Chair changing an initial plan for immediate intensive text-based negotiations to instead build in a two-week period of consultations from 1 September, with text-based negotiations scheduled for the period 13 September - 8 October. The intended focus of the latter will be on the remaining 'big picture' issues in the text:

- The issue of 'balance' – especially in the overcapacity and overfishing pillar – between Members' relative state capabilities to 'demonstrate' biological sustainability in Article 5.1.1 (seen as benefitting developed countries) and Article 5.5 on S&DT, and related transparency and notification requirements in Article 8.4, which are seen as onerous for countries with small administrations and limited state capacity.
- The disciplines on subsidies to fishing in areas beyond the subsidizing Member's jurisdiction and in high seas.
- The issue of automaticity of the subsidy prohibition in the IUU fishing pillar.

The extent to which members will feel satisfied that consultations are effective is entirely dependent on the willingness of the Chair and powerful members to allow new issues to be included in the Chair's text. Currently, this could include the US forced labour clause, as well as the Pacific and other Members' concern that, if not properly addressed, the agreement risks resulting in fishing licences and quotas being found by a WTO dispute panel to implicitly include a subsidy, thereby undermining good fisheries management.

The next phase of negotiations involves daily meetings from 11 - 29 October where Member's will work through the entire draft text, clause-by-clause. The intention, affirmed by Ministers at July's TNC is to have a clean text, fully agreed, ahead of the 12th Ministerial Conference (MC12) which will take place from 30 November - 3 December 2021 in Geneva. Whether or not this will happen is hard to predict. However, given the additional pressure of the UN Sustainable Development Goals and the desperate need for the WTO to demonstrate relevance in the 21st Century, the Pacific Islands will need to be prepared to respond quickly and firmly.

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PACIFIC ISLANDS REGIONAL ISSUES

Recent meetings of Pacific Island leaders emphasise addressing COVID-19 and climate change

August saw a series of remote gatherings of Pacific Island leaders. At the 18th Annual **Forum Fisheries Committee** (FFCMIN18) meeting, the focus of discussions was on addressing urgent and present impacts of the COVID-19 pandemic and the longer-term threats of climate change on offshore fisheries.⁴

The Ministers endorsed working to place the impact of climate change on Pacific fisheries on the agenda for input into the United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties, scheduled for November 2021 in Glasgow (after a one-year delay because of COVID-19). Ministers also recognized the need to transition to adaptive fisheries management regimes to ensure the Pacific region's fisheries are climate resilient. Ongoing work to secure PIC's maritime zones so that these cannot be challenged in the face of sea level rise was strongly supported. Ministers also supported the work of FFA and other CROP agencies to analyse how potential climate change impacts on tuna stock levels and their distribution may impact tuna fisheries and their associated economic benefits at the national level for individual PICs.

Crew safety on multiple fronts was also a topic of discussion. Ministers supported the notion that all governments, including flag states fishing in the region, should prioritise vaccination of observers, fishing crew and seafarers to limit risks of COVID-19 to crew on fishing vessels and, by association, the impacts that crew health has on fisheries and related sectors including fuel distribution, national revenues, and island health services. Likewise, Ministers highlighted the importance of protecting human rights of crew on fishing vessels and ensuring that crew have fair and decent labour conditions. Ministers supported developing a binding measure in the WCPFC on labour standards for crew.

The second **Pacific Regional Fisheries Ministers Meeting** (RFMM2), also held virtually, addressed regional priorities for the Pacific's coastal fisheries, aquaculture and marine sectors. Present were fisheries ministers and officials from Pacific Islands Forum countries and territories and regional organisations and observers.⁵ There are several key action items that emerged from the meeting, as well as tasking of regional organisations. First, the group endorsed the *Pacific Framework for Action on Scaling-up Community Based Fisheries Management* as a regional commitment to empowering and valuing coastal communities work to sustainable coastal fisheries in the region. Second, fisheries officials were tasked with working with national climate change focal points to secure greater access to climate finance and to advocate that fisheries are a key issue in climate change. Third, the group aims to encourage the Pacific Islands Forum to consult closely with Pacific Fisheries Ministers and related regional agencies as work advances on the 2050 Strategy for the Blue Pacific Continent. At the meeting, New Zealand announced a NZD 14 million funding package to support Pacific Community (SPC) programmes for improved food security, livelihoods, and economic and environmental resilience in the Pacific.

At the **Pacific Islands Forum** 51st Annual Meeting, climate change was also at the top of the agenda.⁶ A key outcome from that meeting was a signed declaration affirming that once Pacific Island countries have established and notified maritime zones to the Secretary-General of the United Nations, that those zones will be fixed, irrespective of changes to the shape and size of islands.⁷ Pacific Island countries declared their intention to maintain their zones regardless of coastal degradation imposed by climate change related events, and not to review or update baselines

FFCMIN18
outcomes
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attention to
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of climate
change and
crew safety
in the face of
COVID-19 and
human rights
concerns

*Pacific Island
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intention to fix
their EEZ based
on GPS data,
regardless of
climate-induced
sea level rise
and coastal
degradation*

and outer limits of their maritime zones as a consequence of sea level rise. Ministers tasked CROP agencies to incorporate formalised maritime boundaries within their information systems and databases. This move follows from prior efforts to investigate how to claim and stabilize the size of EEZs in the face of climate change.⁸ In 2018, the Parties to the Nauru Agreement reported efforts to do so and Tuvalu Prime Minister, Enele Sopoaga, discussed the need to define EEZ borders by GPS, rather than physical landmarks to allow for ownership of fisheries in the events of land loss from climate change. In those discussions, PNA leadership highlighted the long-term consequences of claiming EEZs permanently: such a move would enable future climate migrants leaving Pacific Islands to maintain access and licenses and economic benefits from their EEZs. For its part, FFA is one member of a consortium of Pacific inter-governmental organizations working on 'The Pacific Maritime Boundaries Projects' to establish maritime zones under the UNC Convention on the Law of the Sea.

Study: Climate change-induced distribution shifts in tuna biomass present risk for Pacific SIDS

A collaborative team of researchers led by eNGO Conservation International, with team members from SPC, FFA and PNAO, has published an analysis of climate-driven distribution of tuna and the threats that distributional changes present to the economies of ten 'tuna dependent' Pacific SIDS in which 95 per cent of all tuna caught from the jurisdictions of 22 PICTs are taken. The ten countries included in the analysis are: Cook Islands, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands, Tokelau and Tuvalu. The article is presently open access and free for download.⁹

The analysis simulates distributional changes to tuna biomass in EEZs and the high seas in the WCPO and EPO by 2050 under two greenhouse gas emissions scenarios. The two scenarios utilize Intergovernmental Panel on Climate Change (IPCC) 'representative concentration pathways' (RCP) for a 'business-as-usual', high emissions scenario (RCP 8.5) and a lower emissions scenario (RCP 4.5). For reference, the UNFCCC Paris Agreement, which aims to limit warming to ~2°C by 2100, would entail an RCP of 2.6, but data were not available to conduct the model at this RCP.

The 'business-as-usual', high emissions scenario presented a future of significant losses for the ten countries, though impacts are distinct for each country. Total tuna biomass located within the 10 countries EEZs declined by an average of 13 per cent because of a shift into the high seas. Impacts range for each country between -5 to -20 per cent biomass loss in EEZs. The high emissions scenario yielded a 20 per cent decline in in-zone purse seine catch and average annual loss in regional tuna fishing access fees of USD 90 million; again the range of access fee losses varied nationally from negative USD 40 million to negative USD 140 million. These declines translate into reductions in government revenue of up to 13 per cent for individual Pacific countries, with a range of negative eight per cent to negative 17 per cent.

The lower emissions scenario is predicted to reduce the purse seine catch from Pacific SIDS' waters by an average of only three per cent, even under an RCP that is higher than the Paris Agreement targets. However, the impacts under this scenario will also not be evenly distributed: the range of changes spreads from negative 12 per cent to positive nine per cent.

The study authors emphasize that the modelled futures present management concerns. For one, biomass will shift into the high seas where enforcement and regulations are less robust than in-zone. Such shifts will also raise the stakes for

Under 'business-as-usual' emissions, tuna access fees for 10 PICs EEZs decline between USD 40 – 140 million

ongoing negotiations in RFMOs and in the UN BBNJ discussions on topics related to high seas management. In addition, such shifts will create an imperative for new engagement and collaboration between the WCPFC and the IATTC bodies.

These findings add to the growing body of empirical data supporting the need for rapid development of pathways for tuna-dependent economies to retain and secure their hard-won rights to, and benefits from, their tuna resources. First, it squarely illustrates the future of tuna fisheries and fisheries management as a climate justice concern. While Pacific Island countries are not the drivers of climate change, they will face significant negative implications from it. The findings add urgency to the call for the largest greenhouse gas emitters to take ambitious action to limit warming, the concomitant harms to Pacific Island countries. With more tuna moving from EEZs to high seas from climate change, there may be increasing pressure from distant water fishers to increase effort/catch levels in the high seas in the future.

Second, the analysis points to the inter-generational and temporal challenges of climate justice concerns. PICs ability to declare sovereignty over tuna is presently linked to a spatial logic: the ability to claim resources within the space of the EEZ. However, climate-induced spatial shifts raise the question of how Pacific Island countries will be able to continue to claim rights to tuna as their location in the oceans moves. The WCPFC might be a site for Pacific SIDS to negotiate to maintain the benefits that they receive from tuna into the future. However, if history is a guide, negotiations along these lines are likely to face still political challenges, despite recognition in the WCPFC of the threats that climate change poses to the security and well-being of Pacific people.¹⁰

Finally, while this point was not emphasized in the study or in coverage of it, it is evident that even within the ten Pacific Island countries included in the analysis, the impacts, costs and opportunities of climate change will be unevenly applied. While all PICs have a vested interest in curbing climate change and while all will be harmed in the business-as-usual scenario, the impacts will differ by locality, as will the abilities of each country to introduce mitigation and adaptation strategies. It is certain, however, that collective action in the region is essential to secure the Pacific's future in a changing world.

FISHERIES MANAGEMENT

MSC WCPO tuna fisheries at risk of certification suspension due to harvest strategy delays

In late July 2021, the Marine Stewardship Council (MSC) circulated a press release warning that 22 MSC-certified Western and Central Pacific tuna fisheries risk having their certifications suspended in mid-2023, if WCPFC fails to establish robust management measures for key tuna species – skipjack, yellowfin, bigeye and albacore – by December 2022.¹¹ MSC-certified sustainable fisheries are required to have effective harvest strategies with harvest control rules (HCR) that are responsive to the status of stocks. Harvest strategies reflect contemporary best practice in fisheries management by providing greater certainty and transparency to fisheries managers and industry than traditional management approaches.

In January 2019, MSC approved a Mega Variation (MEGVAR) request submitted by all MSC Conformity Assessment Bodies (CABs) which harmonized conditions and deadlines for MSC certifications for highly migratory species globally under Principle 1 (sustainable target fish stocks). For WCPO fisheries, deadlines for harvest-strategy/

Tuna biomass shifts mean more catch could take place on the high seas, and PICs will need to find strategies to retain their rights into the future

HCR conditions being met were aligned to WCPFC's 2017 revised Harvest Strategy Workplan; that is, by December 2021 a harvest strategy would be in place for skipjack and HCRs adopted for yellowfin, bigeye and albacore. MSC has since granted two COVID 19-related derogations which have pushed these deadlines out by 18 months. Hence, under MEGVAR, WCPFC needs to have a harvest strategy in place or HCRs adopted for all four species by December 2022 when the WCPFC annual session is held (WCPFC19). Demonstrable progress will need to be made in the interim during 2021 (WCPFC18). If harvest strategies/HCRs are not in place by the June 2023 deadline, all CABs will conduct simultaneous expedited audits immediately after and suspend all existing MSC certifications.¹²

However, the WCPFC's position on its harvest strategy workplan is at odds with CABs' harmonized decision to lock deadlines to a fixed version/year of the workplan. Since WCPFC developed its first Harvest Strategy Workplan in 2015 (in line with CMM 2014-06), the workplan has been reviewed and updated annually by the Commission, with adjustments made to milestones and timing. The most recent version of the workplan (updated in 2020) includes a preamble which explains that the first workplan developed in 2015 "set out a deliberately ambitious schedule of technical work and Commission decision making" ...and that "the workplan was always intended to be a living document and has been updated annually to reflect actual progress, as well as other needs and developments". The preamble also acknowledges that delays in the execution of the workplan may occur given the complexity of developing harvest strategies for multiple species within the multilateral WCPFC environment, as well as limited capacity of some member CCMs to understand and participate fully in the process. It cautions all parties against an expectation that harvest strategy elements will be completed in specific years.¹³ These points were reiterated in a letter from the WCPFC Chair addressed to client groups of WCPO tuna fisheries in the MSC program, dated 15 April 2020.¹⁴ The urgency to develop and adopt harvest strategies at WCPFC has also been tempered by the current healthy status of all four tuna stocks.

With WCPFC meetings moving to a limited virtual meeting format during 2020 and 2021 due to COVID-19, there has been less time available to progress the full suite of WCPFC priorities. Given the Commission's key conservation and management measure for tropical tunas expires at the end of December 2021, much of the focus this year will be on negotiating a new measure. At the recent 17th Scientific Committee Meeting (SC17) held from 11-19 August, future progress of the WCPFC Harvest Strategy was discussed. SC17 noted that while substantial progress has been made on the technical work to support harvest strategies by the Scientific Services Provider (SPC), capacity-building initiatives, as well as WCPFC consideration, engagement and decision-making has not kept pace, particularly on bigeye, yellowfin and the multispecies framework. It was also noted that the current timeline for completing the harvest strategy is ambitious. A recommendation was made that greater priority should be given during 2022 to harvest strategy work within the Commission's workplan. With the current plan (2020 version) covering activities only until 2022, an extension for 2023 onwards will need to be developed and agreed upon by members. It is understood that at this point, the Scientific Committee is planning for the adoption of a harvest strategy for skipjack and potentially, albacore, in December 2022, which fits within the MEGVAR timeframes. However, bigeye and yellowfin harvest strategy/HCR development will extend into 2023 and beyond.¹⁵

The current 22 MSC-certified WCPO tuna fisheries, plus another five currently under MSC assessment, account for over two million tonnes of MSC-certified tuna which enter the global tuna supply chain annually. If these certifications are suspended, this tuna will longer be able to be marketed as 'MSC certified' or make use of the MSC's ecolabel on consumer facing product packaging.¹⁶ It is likely that this outcome will

If WCPFC does not have harvest strategies in place by June 2023, all WCPO MSC-certified tuna fisheries will have their certifications suspended

cause some disruption to the supply chain, given a number of major global retailers and tuna brand owners have made firm commitments to only source tuna from MSC-certified fisheries or those in Fisheries Improvement Projects. However, these impacts alone are likely not enough to incentivize governments to speed up progress at WCPFC on harvest strategy adoption, despite the majority of WCPFC members having some connection to WCPO MSC-certified fisheries, via their own-flagged or beneficially-owned vessels participating in these fisheries. In the past, some WCPFC member governments have viewed MSC-certification as a commercial undertaking by industry to obtain higher price premiums for certified product, rather than as an avenue to ensure the long term sustainability of tuna fisheries.¹⁷

However, in addition to major disruption to the global supply of MSC certified tuna products, mass suspension may compromise the momentum of improvements being made in MSC-certified fisheries in areas such as bycatch mitigation, FAD management, at sea monitoring, bait management, decision-making processes and monitoring and enforcement. MSC fishery clients and other stakeholders will need to pro-actively engage with WCPFC members so that the potential consequences of suspension are well understood; generic letters from industry and NGOs for circulation to WCPFC members are likely to have little impact at this point.

Unless there is an immediate shift of focus by WCPFC members to make harvest strategies the Commission's highest priority, coupled with strong political will and flexibility to reach consensus, there appears to be little likelihood of meeting the MSC's December 2022 deadline. MSC will then have a difficult conundrum on its hands. Firstly, it is somewhat counter-intuitive that MSC certifications would be suspended for the most well-managed tuna stocks in the world. Suspension may also disincentivize MSC client tuna fisheries to participate in the MSC program in the future, as it's 'one-size-fits-all' wild capture fisheries standard may no longer be considered suitable for highly migratory, multi-gear, multi-species, multi-jurisdictional tuna fisheries with complex management systems. Also, given the majority of the world's tuna supply comes from the WCPO, companies who have made MSC/FIP sourcing commitments will not have the option of boycotting WCPO tuna and fulfilling their supply requirements by sourcing higher volumes from other oceans. It is likely they would instead adapt their tuna sourcing policies to align with alternative sustainability programs or metrics. On the other hand, if MSC softens its position to provide tuna fisheries with longer time frames to adopt harvest strategies, it will suffer harsh criticism from environmental NGOs. Either way, MSC will have to manage reputational risk. Similarly, this situation may open WCPFC to criticism for not being more proactive in pursuing the timely adoption of harvest strategies and harvest control rules.

FISHERIES REGULATION

Charges of forced labour denied by Fiji vessel operator

On 4 August 2021, U.S. Customs and Border Patrol (CBP) issued another Withhold Release Order (WRO) detaining tuna and seafood from a vessel believed to be using forced labour. The order was issued against the Fiji-flagged longliner *Hangton No. 112*, a 34-meter vessel built in China in 2017 and based in Suva. The vessel is owned by Hangton Pacific Pte. Ltd., a registered Fiji company with strong ties to China that operates a fleet of around a dozen longliners delivering albacore to the local PAFCO processing plant, as well as exporting to North America, New Zealand and elsewhere. The vessel in question reportedly has a Chinese captain and includes Fijian, Korean, Chinese and Indonesian crew onboard and is licensed to fish in Fijian waters.

Over two million tonnes of WCPO tuna will no longer be potentially marketable as MSC-certified or able to display the MSC ecolabel on packaging if certifications are suspended

Strong political will and flexibility to reach consensus will be required from WCPFC members to meet MSC's December 2022 deadline for harvest strategy adoption



This latest WRO against a tuna fishing vessel comes after CBP issued a similar order in May of this year aimed at an entire fleet of 33 Chinese tuna longliners belonging to Dalian Ocean Fishing Co Ltd.¹⁸ A WRO is used to enforce portions of U.S. law that prohibits the importation of merchandise produced, wholly or in part, by convict labour, forced labour and/or indentured labour, including forced or indentured child labour.¹⁹ Shipments of goods that are suspected of being imported in violation of the relevant laws are detained, and subsequently importers are given the opportunity to either export the shipments or show that the contents were not produced with forced labour.

The Hangton Pacific vessel is the third Pacific Island-flagged vessel to have its cargo placed under a forced labour WRO. The first was in February 2019 when the Vanuatu-flagged vessel *Tunago No. 61* was cited. A second incident occurred in August 2020 when the Vanuatu-flagged longliner *Da Wang* was also hit with a WRO. In addition to the action taken against the Chinese longliners cited above, two Taiwanese-flag longliners have been cited in the recent past: *Lien Yi Hsing No 12* in December 2020 and *Yu Long No. 2* in May 2021. WROs for all vessels mentioned are still in force except for the *Tunago No. 61*. In April 2021, CBP announced that tuna and tuna products harvested from the *Tunago No. 61* would be admissible at all US ports of entry. According to a news release at the time, the decision was based on information obtained by CBP that tuna and tuna products from this vessel are no longer produced under forced labour conditions.²⁰

The Australian Broadcasting Corporation has reported it was told by CBP that the U.S. agency does not publicly disclose its sources of information, including “non-governmental and civil society organizations, open-source information, witness testimony, trade data and records of importers”. ABC went on to quote CBP, “If information reasonably, but not conclusively, indicates that merchandise made with forced labour is or is likely to be imported into the United States, CBP will issue a WRO instructing US ports of entry to detain the merchandise.”²¹

The General Manager of the Fijian fishing company that owns and operates the *Hangton 112*, Jitendra Mohan, has rejected the accusations by CBP that it uses forced labour on the vessel. In an interview on Radio Australia, Mohan said that his company “strongly advocates for crew to be protected”.²² Mohan said that he was never contacted by CBP prior to initiation of the WRO and that he learned of the action online from various publications. He believes that accusations of forced labour may relate to an incident with a disgruntled crewman from Indonesia in 2018 who was sent home after fighting with another crewman onboard. The Hangton vessel’s name shows up in a 2019 publication by Greenpeace Southeast Asia, *Seabound: The Journey to Modern Slavery on the High Seas*,²³ produced in collaboration with the Indonesian Migrant Workers Union. The report includes correspondence from Mohan saying his company does not make any salary deductions nor retain any of the crews’ documents. The inference is that any discrepancies in salaries received by crew or their family was the result of actions by the Indonesian recruiting agents that are used to source crew in the country. Mohan said that the WRO has severely impacted his company’s reputation in the industry, and he would support an independent investigation into the matter and was seeking further information from CBP.

It is clear from the recent actions of CBP that labour practices onboard fishing vessels whose cargoes are exported to the US are being more closely scrutinized than ever before. Since incidents and situations do not have to be conclusively proven before a WRO is issued and importers bear the responsibility to prove merchandise was not produced with forced labour, it behoves Pacific Island companies to be fully ethical and transparent with their labour practices.

A Fiji-flag longliner is the third Pacific Island-flagged vessel to be hit with a US Withhold Release Order since late 2020

Fijian company rejects accusations of forced labour onboard their vessel

TUNA INDUSTRY

ISSF updates conservation measures for shark finning, FADs and longline bycatch mitigation²⁴

In early August 2021, the International Seafood Sustainability Foundation (ISSF) announced updates to several ISSF conservation measures relating to shark finning, longline tuna by-catch management, and purse seine FAD management.

Since June 2012, ISSF Participating Companies have been required to have a public policy in place which prohibits shark finning. ISSF Participating Companies are now required to update their shark finning policies to not only prohibit shark finning, but also require any sharks that are retained to be landed with fins naturally attached by 31 December 2022. This change is reflected in ISSF Conservation Measure (CM) 3.1 (a), 3.1 (b) and 3.1 (c). ISSF's fins naturally attached requirement goes above and beyond what is mandated by three out of the four major tuna RFMOs. While WCPFC adopted a fins naturally attached requirement in 2019, IOTC, ICCAT and IATTC still have a 5% fin:carcass weight ratio in place, which has proven very difficult for compliance monitoring and enforcement. The fins naturally attached requirement is intended to decrease shark finning and should help prompt tuna RFMOs to follow suit with its adoption.

ISSF has also extended its fisher education in bycatch prevention and mitigation requirements to longline skippers (ISSF CM 3.4). Previously this was a compulsory requirement for all purse seine skippers of vessels supplying ISSF Participating Companies. By 31 December 2022, all longline skippers need to have completed ISSF's in-person or online longline best practices training. ISSF has also expanded its longline by-catch mitigation measure (ISSF CM 3.6) to include best practices for seabirds, in addition to sharks and marine turtles. Crew also now need to implement best practice handling techniques for sharks, seabirds and marine turtles, such as those outlined in ISSF's Skipper's Guidebook to Sustainable Longline Fishing Practices. To reduce the incidental bycatch of sharks and turtles, ISSF will require the use of whole finfish bait, rather than squid. It is understood that sharks prefer squid to finfish, while turtles typically gulp down whole squid making them more likely to become hooked in the process, compared with finfish that they more carefully bite around.

In October 2019, ISSF adopted a conservation measure requiring purse seine vessel owners to develop and publish FAD Management Policies (ISSF CM 3.7) outlining vessel-based activities to minimize the impact of FAD fishing on marine ecosystems (i.e. RFMO/FAD data reporting, FAD recovery, use of non-entangling and biodegradable FAD designs, compliance with FAD limits and silky shark bycatch mitigation). This requirement came into effect on 30 June 2021 for large-scale purse seiners and supply vessels. ISSF have since extended requirements under CM 3.7. By 1 January 2023, vessels covered by public FAD Management Policies need to be participating in trials of biodegradable FAD designs and/or FAD recovery programs which include the participation of RFMO, coastal state, national or ISSF scientists to monitor experimental design. By 1 January 2024, vessels covered under the policy will only use and deploy fully non-entangling FADs, which do not contain netting in any components, particularly the raft or tail. Company's public FAD Management Policies will need to be updated to include statements reflecting these two new vessel-level requirements. ISSF has adopted these FAD management-related requirements to help facilitate implementation of RFMO initiatives. Implementation of activities included in these policies will also help vessels participating in MSC-certified purse seine FAD fisheries to address conditions related to FAD fishing impacts on marine ecosystems (under MSC Principle 2).

ISSF has introduced a fins naturally attached requirement to deter shark finning

Vessels will be required by ISSF to participate in bioFAD and/or FAD recovery trials and deploy fully non-entangling FADs

These measures apply to ISSF Participating Companies and any other companies/vessels that they transact with. Each ISSF participating tuna company is required to comply with ISSF's extensive suite of conservation measures and commitments to improve the long-term health of tuna fisheries. Companies are audited annually by ISSF's third-party auditor, MRAG Americas, on their compliance, with results published annually.

Bolton Group enters the US canned seafood market with Wild Planet acquisition

Italy's Bolton Group, a large privately-owned fast-moving consumer goods company, has acquired US' leading sustainable canned seafood brand, Wild Planet. Bolton has over 50 years' history in the European canned tuna market and currently owns three prominent European brands – Rio Mare (Italy), Isabel (Spain) and Saupiquet (France). The acquisition of Wild Planet Foods marks Bolton's first foray into the US canned tuna market and reinforces Bolton's corporate strategy to diversify geographically into markets beyond Europe and be a global leader in innovation and sustainability. Brand ownership in the US market also strengthens Bolton's position against its major global competitor, Thai Union, which owns US' number three-ranked canned tuna brand, Chicken of the Sea.²⁵

Since it was founded in 2004, Wild Planet has grown from a niche tuna brand to become the fourth largest in the US market and is sold by prominent US retailers including Costco, Target and Whole Foods. Since its beginning, Wild Planet has sourced 100% sustainable pole-and-line and troll-caught tuna. All other seafood products within the Wild Planet range are reportedly also caught using selective sustainable fishing methods. Bolton regards Wild Planet Foods as "the innovation leader and pioneer in the natural and sustainably-caught canned seafood market in the US".²⁶ Greenpeace also regularly ranks Wild Planet as the US' most sustainable tuna brand.²⁷

Like Bolton's previous acquisitions – Saupiquet, Calvo, Garavilla and Tri Marine - Wild Planet Foods' business model and organizational culture is well-aligned with Bolton's. Wild Planet is a privately owned family company with a strong brand, selling premium quality products, with no interest in the private label business. Importantly, Wild Planet is a market leader in sustainability.

Bolton will retain the Wild Planet name, as well as Wild Planet's President and Founder, Bill Carvalho, together with the company's existing staff. According to Bolton Groups' Executive Chairwoman, Marina Nissim, "Wild Planet, together with our Tri Marine sustainable supply chain and Bolton capabilities to develop unique and strong brands, will allow us to make a great success in the US while preserving the health of the oceans".²⁸

Thai Union sees record profits, looks to future investments in products and sustainability

Thai Union has made news for a flurry of activity related to high profits, future plans and sustainability. The firm saw profit hit record highs in the second quarter of 2021, with credit owed to frozen and chilled sales and to its Red Lobster restaurants chain, which has likely seen a boost as COVID-19 restrictions have lifted and US vaccination rates increased.²⁹ Thai Union's sales rose 8.6 per cent year-on year to USD 1.07 billion between April and June and up 28.7 per cent year-over-year, following 2020's COVID-19 impacted second quarter. Thai Union CEO, Thirapong Chansiri attributes "diversification in our business in terms of geographical markets, product categories,

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and source of revenues” as key to strong performance. These trends have unfolded even as COVID-19 has surged throughout Southeast Asia and some Thai Union plants have had to implement temporary shutdowns in Thailand and Vietnam.³⁰ Recent investments offer insights into where Thai Union sees future growth opportunities. The firm has recently made investments into Aleph Farms, an Israel-based cell-cultivated meat company and US-based BlueNalu, a cellular aquaculture producer.³¹

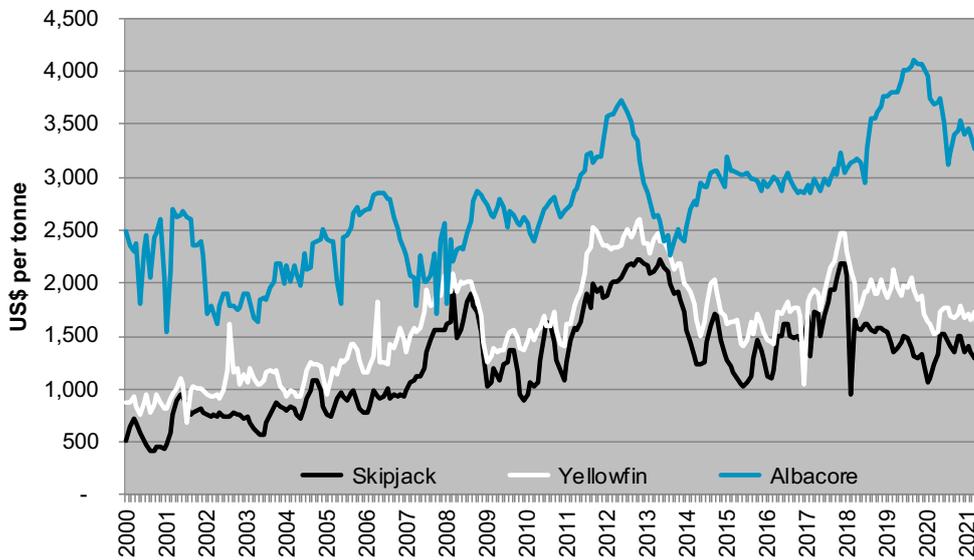
In August 2021, Thai Union reported on its global sustainability strategy known as SeaChange. In its *Tuna Commitment 2021 Progress Report*,³² it reported surpassing its target of having 75 per cent of its branded tuna sourced from MSC-certified fisheries and Fisheries Improvement Projects (FIPs) in 2020. The firm reported upwards of 87 per cent of tuna meeting this goal, with a break-down of 83.3 per cent global branded tuna sourced from FIPs and 3.2 per cent from Marine Stewardship Council certified sources. Only four years ago, in 2017, 2.3 per cent of supply was sourced from FIPs and 14.2 per cent from MSC certified fisheries, totalling 16.5 per cent of global branded tuna. The firm aims to have all tuna come from these sources as indications of sustainability. The report also reviews Thai Union’s activities between 2016-2020 related to traceability and sustainability through support of priority FIPs in each ocean area, continuous improvement of labour and ethical conditions in the fishing sector, advocacy in regional fisheries and ocean management bodies, internal practices, collaborations with NGOs, and participation in multi-stakeholder groups to address industry challenges. Thai Union’s sustainability goals for the next five years emphasise traceability as ‘the backbone of sustainability’ and include commitments to source from vessels and suppliers that demonstrate operational best practices to prevent IUU fishing and modern slavery. A key element of this will work be its ongoing partnership with NGO, The Nature Conservancy, to implement 100 per cent on-the-water monitoring, including via e-monitoring on vessels in its supply chain.

Darian McBain, who joined Thai Union six years ago as the company’s first Director of Sustainable Development, has announced her departure from the firm. McBain has been integral in the creation and roll out of the SeaChange sustainability strategy, and has been named ‘sustainable development goal pioneer for a sustainable ocean economy’ by the UN Global Compact.³³ She will stay on in an advisory role as Thai Union searches for a replacement. In an interview with *Undercurrent News* before she announced her departure, she pointed to a likely evolution and broadening of the corporate sustainability agenda as corporations begin to be more attentive to climate change, biodiversity and the blue economy, with blue financing as critical to ‘valuing’ the oceans as a way to resolve climate change. She emphasized that blue finance is to not yet well developed, but a likely site of growth and future demand.³⁴ In this vein, Thai Union has expanded its sustainability work into the area of blue finance, announcing a Sustainability-Linked Bond (SLB). The bond is seven years in duration and at par, offers a 2.47 per cent interest rate. The move is the first SLB issued in Thailand and is a part of Thai Union’s commitment to environmental, social, and governance (ESG) principles and blue finance. Demand for the product was high enough that Thai Union increased the size of USD 121 million to US 152 million.³⁵

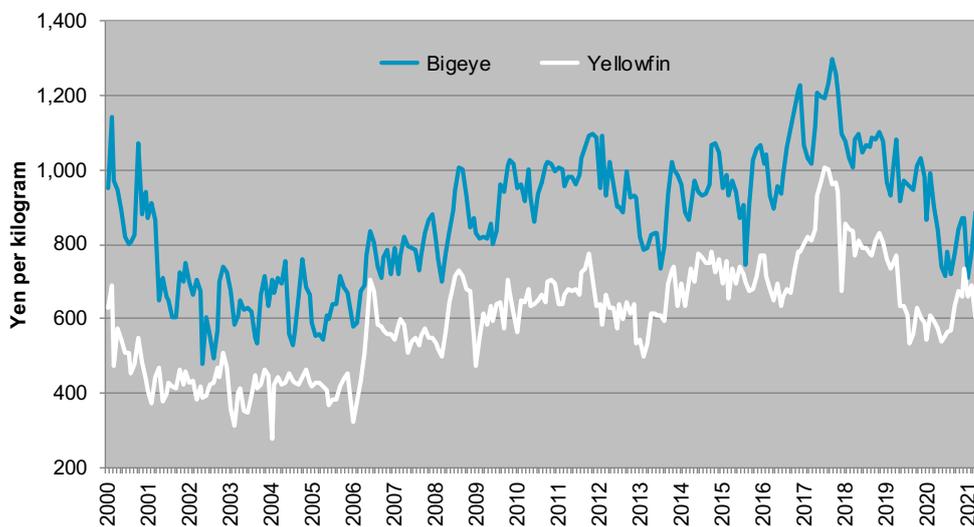
**Thai Union
exceeded its
sustainable
tuna sourcing
goals through
heavy reliance
on FIPs**

TUNA PRICE TRENDS³⁶

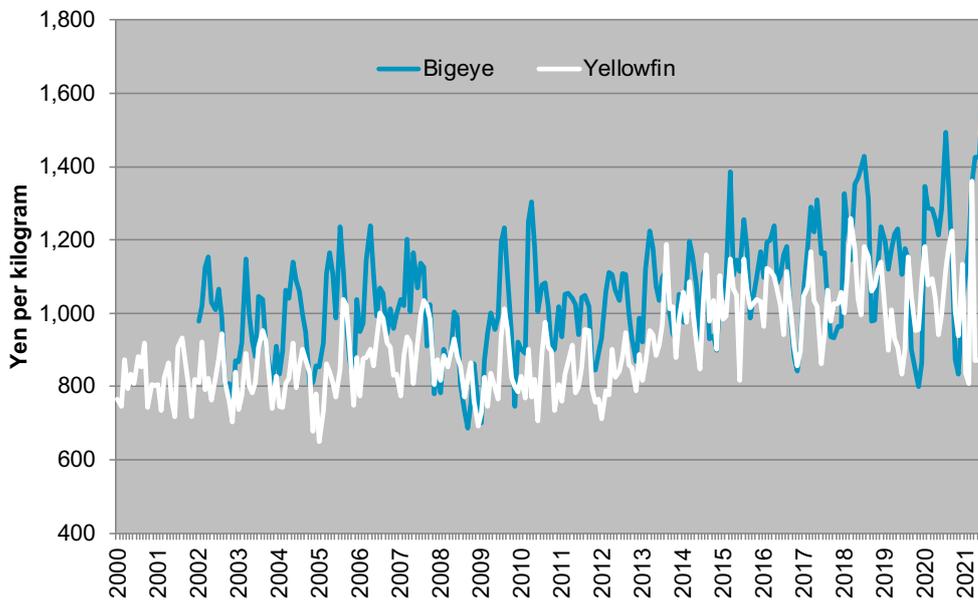
Bangkok canning-grade prices to July 2021³⁷



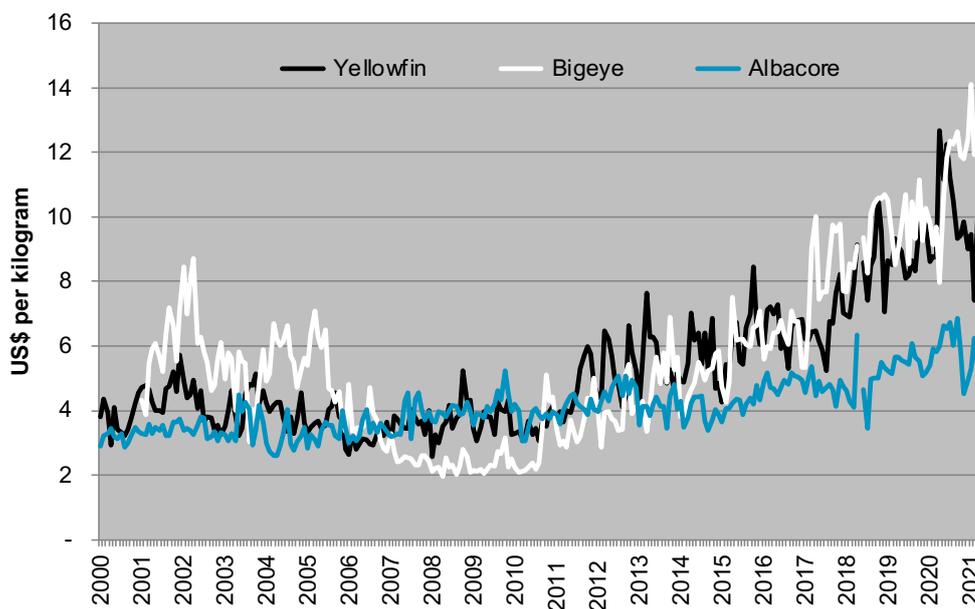
Japan frozen sashimi prices (ex-vessel, Japanese ports) to July 2021³⁸



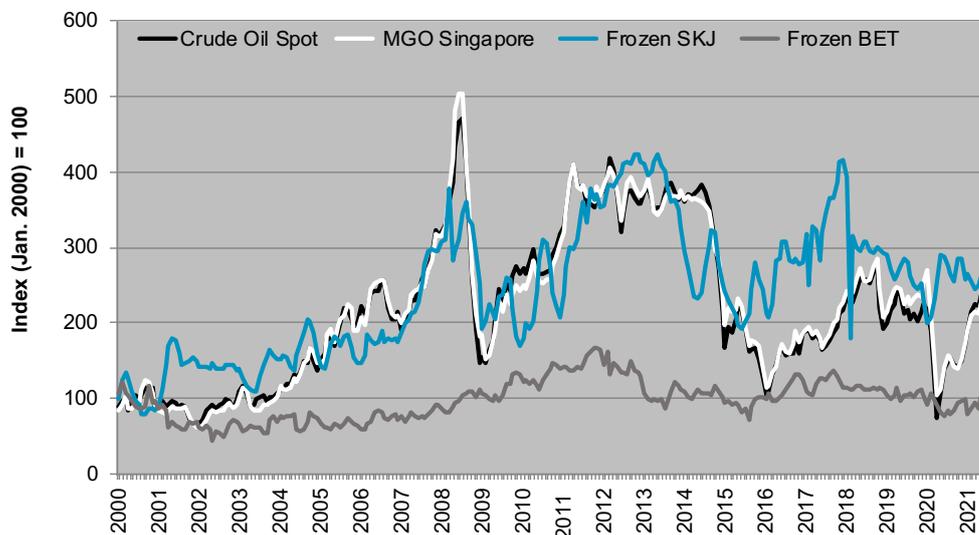
Japan fresh sashimi prices (origin Oceania) to July 2021³⁹



US imported fresh sashimi prices to July 2021⁴⁰



Crude oil, canning-grade frozen skipjack (SKJ) and frozen bigeye (BET) price index to August 2021⁴¹



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 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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³³ Madelyn Kearns 2021. 'Darian McBain announces departure from Thai Union', *Seafood Source*, 15 July 2021. Available at: <https://www.seafoodsource.com>

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