Tuna USA Market Report – FEBRUARY 2010

Recession impacts US tuna market

Canned fish is not immune to the effects of the recession. US orders for canned tuna products from the Philippines have slowed significantly; export from the Philippines dropped 12% in the first nine months of 2009. Ecuador's export of tuna pouches to the US market dropped by 25% in the January to September 2009 period compared with the same period a year earlier.

Imports
Canned tuna (excl. pouches): USA

	............Jan-Dec...........			............Jan-Sept..........		
	2006	2007	2008	2007	2008	2009
		(1000 tonnes)				
Thailand	74.3	66.1	64.7	51.8	49.6	56.6
Philippines	35.2	26.6	25.9	22.9	25.3	22.3
Indonesia	16.4	14.1	13.5	12.7	13.0	11.0
Ecuador	4.4	1.9	0.7	1.6	0.5	1.2
Others	22.2	25.3	27.8	18.6	19.7	19.1
Total	**152.5**	**134.0**	**132.6**	**107.6**	**108.1**	**110.2**

Source: NFMS: GLOBEFISH AN 11032

Overall US imports of canned tuna (excluding pouches) increased slightly in 2009. In the first nine months of the year, some 110 000 tonnes were imported, a 2% increase over the corresponding period of 2008. Thailand was able to expand its predominant position among exporters to the US market, accounting for over half of total supply. The Thai industry is very closely associated with the US industry, with Thai companies owning US companies or the reverse. The Philippines, on the contrary, showed some weakness in canned tuna exports to the US market.

The declining consumer demand for high-end non-canned tuna products continues to cut back fresh tuna imports in the US market; there was nearly a 9% decline in supplies during January-September 2009 compared with last year. The average import price of fresh chilled dressed bigeye tuna, for example, was firm at USD 7.50-8.00/ kg, but the supermarket price for tuna loins and steaks fell from USD 13-19/lb in early 2007 to USD 10-15/lb at the beginning of 2010. Even at this price there are fewer customers in the recession hit US market.

Imports
Tuna pouches: USA

	............Jan-Dec...........			............Jan-Sept..........		
	2006	2007	2008	2007	2008	2009
		(1000 tonnes)				
Thailand	18.6	16.5	19.3	14.3	15.3	17.1
Ecuador	15.6	10.8	13.5	10.0	10.9	8.1
Others	3.8	3.8	5.9	3.5	3.6	4.8
Total	**38.0**	**31.1**	**38.7**	**27.8**	**30.8**	**30.0**

Source: NFMS: GLOBEFISH AN 11038

Imports
Tuna loins: USA

	............Jan-Dec...........			............Jan-Sept..........		
	2006	2007	2008	2007	2008	2009
		(1000 tonnes)				
Thailand	12.5	7.8	14.9	5.7	11.2	7.0
Fiji	12.4	11.0	10.7	7.8	7.4	9.3
Trin & Tob	12.3	10.5	9.7	8.3	7.9	7.5
Ecuador	4.0	1.2	0.9	1.1	0.9	0.0
Others	9.9	13.3	9.0	9.6	6.7	10.5
Total	**51.1**	**43.8**	**45.2**	**32.5**	**34.1**	**34.3**

Source: NFMS: GLOBEFISH AN 11056

In the high-end sashimi tuna market, the use of cheaper southern bluefin (from Australia) has increased at the cost of the expensive Mediterranean bluefin. Closer proximity to Canada also allowed for more imports of high quality Atlantic bluefin from Canada as demand for this fish slowed down in Japan. As a result of the sluggish demand for sashimi products, US imports of fresh tuna declined by 10%, to 16 400 tonnes in the January-September 2009 period. In the fillet/loin market, frozen products with longer shelf life, have largely replaced fresh tuna products, particularly in the retail market segment. A real come back for the US non-canned tuna market is very unlikely to happen in near future.

Imports
Fresh Tuna : USA

	............Jan-Dec...........			............Jan-Sept..........		
	2006	2007	2008	2007	2008	2009
		(1000 tonnes)				
Albacore	0.9	0.9	0.7	0.8	0.5	0.6
Yellowfin	17.8	18.0	15.9	14.2	12.6	11.2
Bigeye	4.9	5.6	5.5	4.2	4.4	4.2
Bluefin	1.1	1.1	0.4	1.0	0.4	0.3
Skipjack	0.1	0.0	0.0	0.0	0.0	0.0
Others	0.4	0.1	0.2	0.0	0.2	0.1
Total	**25.2**	**25.7**	**22.7**	**20.2**	**18.1**	**16.4**

Source: NMFS

Initiative to promote sustainable tuna fisheries

The beginning of 2010 will mark the first anniversary of the formation of the International Seafood Sustainability Foundation (ISSF) – a global partnership among the tuna industry, science and the

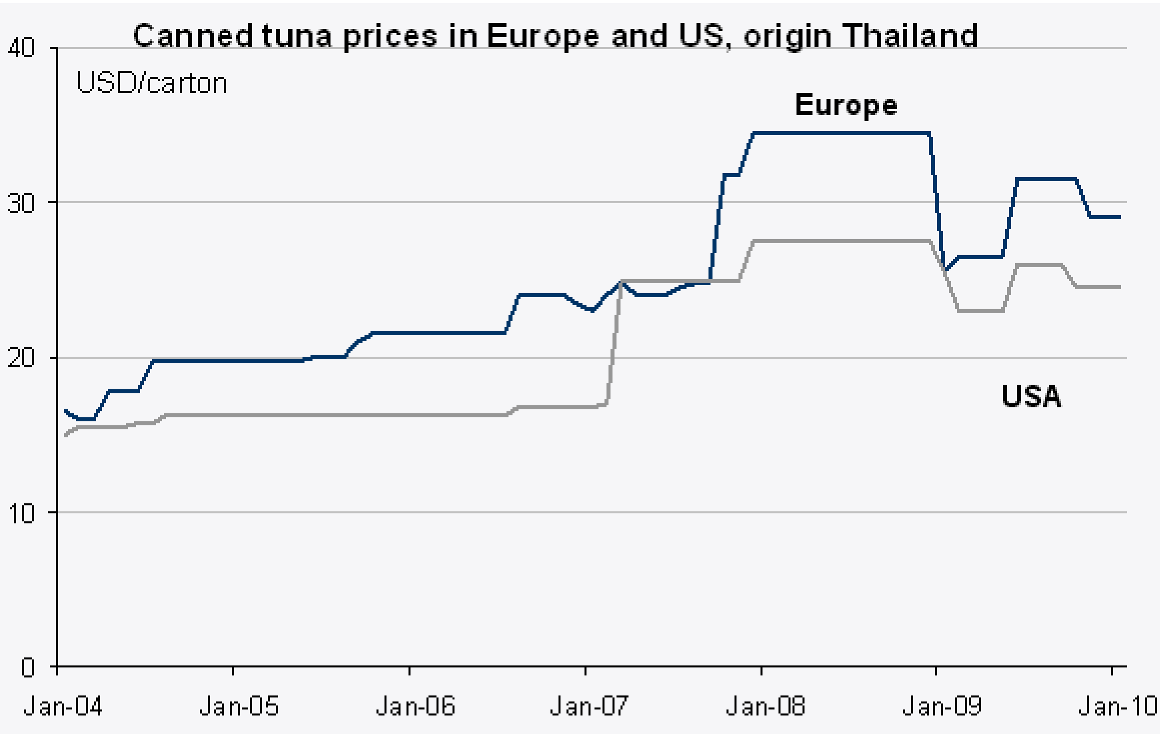
World Wildlife Fund (WWF). This foundation was created to promote sustainable tuna fisheries. This year ISSF will concentrate its focus on continued advocacy at the Regional Fisheries Management Organizations (RFMO) level, by-catch mitigation and data enhancement.

In November 2009, scientists gathered in Spain for a workshop facilitated by ISSF to discuss what is currently known about by-catch in tuna fisheries, including the identification of research already underway and setting priorities for future projects. The workshop was the result of ISSF's commitment to develop common best practises and facilitate research to mitigate the impact of by-catch in purse seine tuna fisheries..

Towards the end of 2009, ISSF announced that participating tuna companies have agreed to provide, on a regular basis, detailed tuna procurement data directly to the RFMO scientists. RMFO scientists and the companies involved together worked out what relevant information is needed for analysis and catch data from 2009 will be the first to be shared. It will include species/size composition data, with details down to an individual fishing trip level.

Prices likely to stabilize at high levels

Tuna catches are expected to stay relatively low in coming months, which should result in higher tuna prices on the world market. Consequently, canned tuna prices are likely to go up in the near future. Demand for sashimi tuna will continue the past year's trend, which is strong demand for sashimi products sold in supermarkets to be consumed at home. This tuna is generally at the lower end of the quality scale, while demand for high priced sashimi tuna will remain sluggish.



The sashimi market is likely to be impacted by the decision of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) on bluefin tuna that will be taken at the Fifteenth Meeting of the Conference of the Parties of CITES in Doha (Qatar), 13-25 March 2010. In December 2009, a majority of the FAO Ad Hoc Expert Advisory Panel *(1)* considered that the available data does support the proposal to include Atlantic bluefin in CITES Appendix I, although consensus was not reached. Further, there was consensus among panel members that the evidence available does support the inclusion of Atlantic bluefin in Appendix II, which lists species that are not necessarily now threatened with extinction but that may become so unless trade is closely controlled. International trade in specimens of Appendix-II species may be authorized by the granting of an export permit or re-export certificate. Permits or certificates should only be granted if the relevant authorities are satisfied that certain conditions are met, above all that trade will not be detrimental to the survival of the species in the wild. An Appendix I listing would prevent all commercial trade in Atlantic bluefin.

Independent of the decision of CITES on bluefin tuna, catch quotas for both Northern and Southern bluefin have been reduced for the corresponding 2010 tuna fishing seasons. The Southern bluefin catch quota was cut by 20% to roughly 10 000 tonnes, while the Northern catch quota was reduced by a notable 38.5%. High quality bluefin tuna will thus be in very short supply in the world market in 2010.

(1) Link to the preliminary summary of the panel's findings:
http://www.fao.org/fileadmin/user_upload/newsroom/docs/panel_preliminary summary.pdf

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