



CCSBT-ESC/0309/07

Management Procedure Consultations with Industry and Management

Background

At the 2nd Management Procedure Workshop it was recommended that individual consultations be held with each member's industry and fisheries managers on the implications of the use of management procedures under various operating model scenarios. The consultations were also intended to elicit the views of industry and managers on their preferred management strategies under pessimistic and optimistic assumptions.

The consultations were held in two parts - Taiwan/Japan/Korea on 21-25 July and Australia and New Zealand on 20-22 August. All consultations were well attended by representatives of industry and management.

Discussion

General Economic Issues

There was a general consensus on economic issues relating to the SBT fishery.

Industries in all countries are sensitive to price, and all countries expressed concern that increases in global TAC would result in lower price.

All countries recognized the global nature of the fishery and the single Japanese market that makes bluefin tuna fishing profitable.

Longlining countries expressed concern and interest in catch rates. Higher catch rates would increase profitability of long lining and this was viewed as desirable by all longlining nations. Lower catch rates were considered a very serious problem and in Korea their quota is not being used because of poor profitability. Thus if the stock is declining and catch rates do decline, it seems likely that without reductions in TAC the actual harvest would decline. Perhaps this should be included in the operating models. As abundance goes down, catch rates would go down, but also price would rise and both should be considered.

New Zealand expressed an interest in a 580 ton rise in global TAC which New Zealand understands would be allocated to New Zealand based on existing CCSBT agreements, but New Zealand, like other countries, expressed concern that any significant increase in global TAC would result in lower prices.

All countries agreed that a period of stable harvest for the next 5 years would be highly desirable.

When faced with the circumstances of a pessimistic operating model that cannot support existing catch levels, all countries generally chose to reduce TAC to stop the decline in abundance, but no countries suggested that complete cessation of fishing was the appropriate response. All countries expressed the need for a significant lead time in knowing about quota reductions in order to allow their industries to adjust to the economic reality of declining stock and TAC.

Other General Issues

Some members raised the issue of adjusting national shares through the management procedure basis and it was explained that none of the MPs are considering changing those shares.

Some members raised a concern that increasing stock size and abundance might cause other entrants into the fishery from non-member countries. This is of concern because of the price impact.

Industry also asked in several countries if the management procedures would distinguish between fishing gear types and their selectivity patterns. We said this was entirely a matter for the Commission, but that the differential selectivities were included in the operating models.

Member Specific Comments

Taiwan: fishery is largely a targeted seasonal fishery. Want stability, but would take increases unless price declined. Taiwan indicated they would find decreases very painful as it was not profitable to fish with low quotas.

Japan: want stability and are not eager for increases due to price concerns, but declining quotas would be very undesirable. Japan indicated there are social/ structural implications for a reduction in quotas and they would need substantial lead time to make the adjustments in a sensible and manageable way.

Korea: not using all quota at present because of poor profitability. Korea could accept quota reductions but do not want to see this happen. Quota reductions would not cause extreme pain because the existing quota is not being used. Declining catch rates could not be managed. At current price would not use higher quotas, but overall would want stability.

Australia:

The Australian industry says that they have no trouble catching their current TAC and by implication would not suffer greatly from a decline in a catch rates. Their

current infrastructure and investment are geared for the existing catch levels and stability of catches is considered a very high priority. The Australian industry would like several years notice of any TAC reductions.

New Zealand:

The New Zealand industry was very eager to regain the 580 tons of quota which they gave up and this was the highest priority mentioned in the consultations. The New Zealand industry is also about to be changed by moving to an ITQ system and the participants in the consultation felt this would mean that the SBT ITQ would largely be used to cover by-catch of SBT in fisheries targeting on other tuna species, but if New Zealand received the additional 580 tons, there would likely develop a target SBT fishery.

Conclusions

Several important issues emerged from the consultations. Of most importance to definition of objectives and development of MP's are

1. The concern about price sensitivity to global TAC means that there is a general desire for stability, and MP developers should have very stringent criteria for TAC increases. There is little to be gained from increasing TAC unless the evidence for a stock increase are overwhelming.
2. If the stock is declining then gradual reductions in TAC should emerge from the MP but ideally with several years advanced notice of stock reductions.
3. Faced with pessimistic operating models, none of the managers invoked dramatic and rapid catch reductions, so such actions would seem to be unlikely to be a component of a MP that would be acceptable.

The consultations also raised the important issue of how the process will deal with the potential for TAC to be under-caught in the case of declining CPUE or declining price. This issue needs to be considered.