



USA: MSC CANNED TUNA SNAPSHOT



Prepared by Cynthia Asaf



UNITED STATES OF AMERICA

SEPTEMBER 2020

The North American landscape is changing drastically and rapidly. **US grocery stores have started to introduce MSC certified canned tuna products as low as 0.68 USD per can.** US consumers will, from now on, enjoy access to affordable sustainable MSC certified canned tuna. Pacifical has been observing closely the recent developments of the US market with great interest. We bring you a snapshot on our findings:



THE SKIM.

KEY TAKEAWAYS

- There is significant **positive movement in the US** market regarding MSC canned tuna.
- The **US is at its tipping point** ("The Chasm") to start the progression towards **MSC canned tuna becoming the norm**, heading towards a "mainstream market".
- It is hard to predict which parties will follow Walmart and Bumble Bee in their commitments towards MSC Skipjack tuna, but clearly **the trend is upward and is there to stay.**
- We expect to see within the next year a very rapidly growing MSC tuna demand within the USA, but also in Europe and Australia (300,000 MT of whole round Skipjack fish).
- Key strategic alliances for efficient supply chains and **consistent raw material supply from the Western Pacific Ocean will be necessary** for all parties thinking to move towards MSC Skipjack, especially considering the expected upcoming catch reductions within the Indian Ocean [5] and likely the Eastern Pacific.

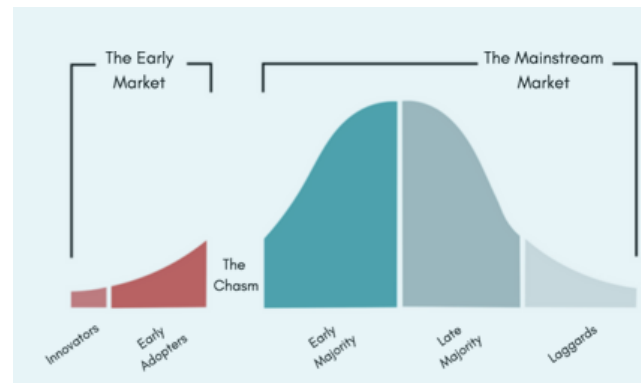


FIGURE 2. GEOFFREY A. MOORE. CROSSING THE CHASM. 2014 EDITION.



IN BRIEF

MARKET OVERVIEW

THE SHARE

The US total tuna market consumes around 550,000 MT Whole Round (W/R) tuna fish. Converted into about 40 Million cases of canned tuna (22% Food Service + 78% Retail). **The Big Three brands** (Starkist, Bumble Bee and Chicken of the Sea) **control over 70% of skipjack or chunk light / Skipjack volume sales, private label brands 19,5%.** The 5 oz can (142g) / 4 oz (113g) drained weight being the category's fastest mover.

THE "NEW" MARKET APPROACH

Better quality (more chunks and less flakes), more attractive packaging, easy open lids, lunch ready products, no drain pouches and, most recently, also **the inclusion of sustainable claims and the MSC ecolabel**, have been implemented to reverse the decline in consumption caused by the often negative perception of the canned tuna products.

THE 2020 ROLLER COASTER

The common feedback is **"Things are getting back to normal"**. General canned tuna sales in the US have stabilized after its COVID-19 peak in March 2020. From March 2nd 2020 to March 15th, the canned tuna sales went from about 13 million pounds to almost 28 million pounds. By the end of July 2020, just over eight million pounds of shelf-stable tuna was purchased.

THE CHANGE MAKER



23% of all preserved tuna for retail purpose is sold at Walmart. Therefore what Walmart does, sets a loud tone in the canned tuna category in the United States.

On June 2020, Walmart announced it was going to switch its **entire Great Value Chunk Light canned tuna category to 100 percent MSC certified.** [1]

November 2019, they introduced two pole-and-line caught MSC tuna products under its Great Value brand; one Solid White Albacore and one Chunk Light.

The market leader, the change maker, and a key early adopter, setting the new market trend.



BUMBLE BEE®
SEAFOODS

Bumble Bee Seafoods publicly announced on June 15th 2020 their commitment to source **100 percent of its Chunk Light / Skipjack tuna segment from MSC certified fisheries by 2022.** [2]

Bumble Bee is the second largest tuna brand by market share in the US. This move might also influence chunk light champion StarKist and Chicken of the Sea to take a position on MSC.

Most of Bumble Bee Tuna already comes from FCF, Bumble Bee's new owner. FCF has its own MSC certification for skipjack and yellowfin caught on free school sets since 2018. After the acquisition was official early this year (2020), we saw **FCF Fishery announcing its intention to expand its MSC certification to include FADs sets.** [6] If granted, the eligible volume could rise to almost 185,000 M/T. Making the transition for Bumble Bee quite smooth.



Last year, the Great Value chunk light tuna version was priced at 0.98 USD / 5 oz can. Our recent scans at Walmart stores (September 2020) found them **no longer offering any non-MSC skipjack** under the Great Value brand.

Pricing is now 0.68 USD per 5 oz can. The first MSC certified sustainable product that has entered the mainstream fast moving canned tuna market.

It is expected that Walmart will also pressure the Big Three and other tuna brands to substantially increase their MSC supply.





Chicken of the Sea Solid White (albacore) in water 12 oz (340 grams net weight) is **now 100% MSC certified**. The non-MSC 12 oz Albacore version is no longer available. We did not see the 5 oz (142 grams net weight) having MSC certification.

Thai Union has been putting a lot of effort into the "Sea Change" program, which is very FIP oriented, so only the coming months will tell us how the brand will proceed.



In 2017, Chicken of the Sea **introduced its MSC certified Genova tuna brand 100% Pacific**, a high quality yellowfin product, with easy open lid. Sourced from the PNA waters and **carrying the Pacific Geographical Indication**. Priced very competitively and in olive oil at 1.74 USD per can. Affordable to the average US consumer.

Genova is one of the fastest growing premium tuna brands available in the US market. The product was 100% MSC, but last year they moved most of the volume to non-MSC.



So far **no Starkist products have been moving towards MSC direction**.

Their premium brand "Starkist Selects" is also non-MSC certified.

A large percentage of Starkist Tuna is sold at Walmart, considering the retailer's commitment to have all the brands on the shelves under MSC or FIP, this is surely to impact "Charlie"



Dongwon-owned tuna fishery becomes first in South Korea to achieve MSC certification

By Ned Daly
October 29, 2019

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A Pacific free-school yellowfin and skipjack tuna fishery in South Korea has become the first in the country to achieve Marine Stewardship Council certification, according to a 24 October announcement.

The certification applies to free-school yellowfin and skipjack tuna caught by 12 purse-seine freezer vessels operating in the Western Central Pacific Ocean (WCPO) and owned by Korean fishing company Dongwon, which is one of the ten largest seafood companies in the world taking part in the Seafood Business for Ocean Stewardship (SeaBOS) initiative.

Dongwon Industries is the parent company of Starkist and is also one of the world's largest tuna vessel owners. They recently obtained their **own MSC certification** for tropical yellowfin and skipjack free school caught by purse seiners, which covers nearly sufficient volumes to supply Starkist with 100% MSC Chunk Light.



Kroger, America's largest grocery chain, has introduced **MSC tuna under the brand "Simple Truth"** since 2016.

So far we have not seen the "Kroger" tuna brand transitioning towards MSC during our last store check.

In terms of commitment towards the MSC, Kroger aims to source 90% of its wild-caught fish from MSC-certified fisheries by 2020 [4], but this excludes canned tuna.



\$1.99

Nature's Promise Free from
Chunk Light Tuna in Water

5 oz can | \$0.40 / oz



\$3.59

Nature's Promise Free from
Solid White Albacore Tuna in
Water

5 oz can | \$0.72 / oz



Since 2016, Ahold Delhaize has **100% of its Nature Promise private label certified by the MSC**. The chunk light tuna reference is pole and line and priced at 1.99 USD / 5Oz can.

The Dutch owned company has grown progressively over the years, to becoming the third-largest grocery retailer in the United States- in terms of revenue- after Costco and Kroger (Not Counting Walmart).



We were pleasantly surprised to see a new ALDI product on the shelf, **the "Northern Catch chunk light / Skipjack MSC Tuna"**, retailing at 0.95 USD / 5 Oz can - as a listed item.

Not a seasonal product, it is there to stay. Although, they still keep the 0.68 USD non-MSC reference.





MSC Wild Albacore Solid White Tuna in Water - 5oz - Good & Gather™

Good & Gather | only at

★★★★★ 1

\$1.89



MSC Wild Chunk Light Tuna in Water - 5oz - Good & Gather™

Good & Gather | only at

★★★★★ 1

\$0.99



Target has MSC Certified tuna under its "Good And Gather" chunk light / skipjack brand retailing at 0.99 USD.

They also have the non-MSC chunk light version on the shelves for 0.79 USD, their private label used to be called "Market Pantry". The "Good and Gather" brand is certainly a new face of Target brands.



100% Wholefoods 365 private label SKJ tuna is certified sustainable by the Marine Stewardship Council. The product retails at 1.99 USD.

All canned tuna the Wholefoods grocery shelves is sourced from fisheries using one-by-one catch methods.

Wholefoods also carries the "Pole and Line" brand, which is owned by American Tuna offered at or 2.99 USD/ can (Chunk).



Costco currently has **no SKJ reference under the Kirkland brand**, they only have albacore, and it is non-MSC. The product includes however a traceability claim.

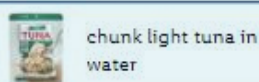


No commitment mentioned related to the MSC. Albertsons recently announced that 100 percent of its private-label seafood products will show the "Responsible Choice"^[4] logo for sustainable sourcing, meaning it meets guidelines based on the by the Monterey Bay Aquarium's Seafood Watch program. Albertsons non-MSC private label brand "Open Nature" retails for 1.99 USD per can.





chunk light tuna in



chunk light tuna in
water

\$0.85*

24.0 g per oz.

solid white albacore



\$1.12*

22.4 g per oz.

Tuna can be thought of as the "all-p
sauces to the classic tuna casserole
and light color with a mild, fresh fla
ingredient in a creamy tuna salad or



So far, **we have not seen MSC canned tuna introductions**, however we know LIDL International has strong commitments towards sustainability, an interesting market participant to observe closely from many angles.

Lidl's market expansion in the US market is happening at a fast rate.

LIDL does not have a canned skipjack tuna reference, but an albacore reference. They do however have a pouch reference with skipjack / chunk light tuna.



The H-E-B canned tuna brand has **does not have a sustainability claim** or certification (like the MSC) on their can of tuna. The purely Texan retailer's sustainability policy states a **"preference"** for green or yellow choices by Environmental Defense Fund or alternately MSC, **but no commitment announced yet.**



Wegmans Solid White Albacore Tuna in Water

6 ounce

★★★★★ 3.60 (5)

\$1.49 / ea (\$0.25/ounce)

ADD TO LIST +

Wegmans

We could not find any commitments towards MSC sourcing, instead the Wegmans site commits to "Source from fisheries that are certified sustainable or have a Wegmans-approved Fishery Improvement Project (FIP) in place". Wegmans does not have a skipjack reference under its private label, only albacore and yellowfin.

Publix.

We have not seen any indication of movement towards MSC canned tuna via the research conducted. However last year it was announced that Publix rolled out blue "Sustainably Sourced" and green "Responsibly Sourced" seafood labels to help consumers easily identify which products have met Sustainable Fisheries Partnership (SFP) and Global Sustainable Seafood Initiative (GSSI) sustainability standards. It looks as though they are trying to incorporate sustainability within their tuna supply chain, but nothing to share from the MSC tuna perspective.



WHY TRUST PACIFICAL ON YOUR MSC TUNA JOURNEY?

CAN PACIFICAL HELP MY BRAND GET MSC TUNA AT AFFORDABLE LEVELS?

Glad you asked!.. At Pacifical, we are **market developers and facilitators**. We are tuna experts, master architects of MSC tuna supply chains. We are obsessed with **making MSC certified tuna affordable and accessible to the every day person**.

We have been doing this over and over again for 10 years, in 40 different countries **translating our in-depth market knowledge on sustainable tuna into valuable opportunities for our partners**, from fishing companies, all the way to world retailers. We got your back!

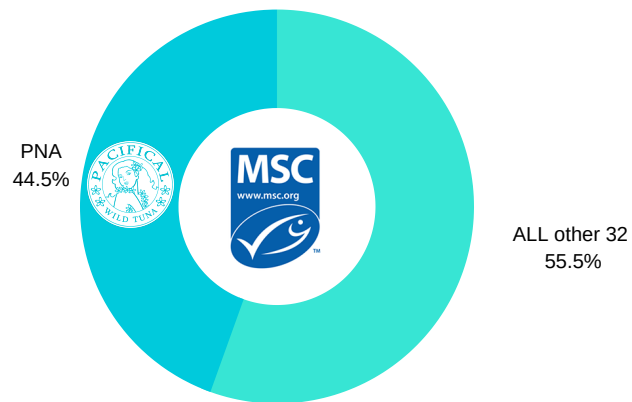
It is normal to feel intimidated with changing the status quo, switching your tuna brand from non-MSC towards MSC. But guess what? **It is not rocket science, as a matter of fact it is EASY**,

Did you know our PNA/PACIFICAL fishery is the world's largest MSC tuna fishery? We have over 250 purse seiners, over 30 processors and a team of lovely people that have your best interest at heart. Our umbrella system of numerous fishing and processing partners enables our end of chain partners to **lower risks of unjustified high prices and lack of supply**. We are the one stop shop to assess and determine the most effective supply chain and sourcing strategy of both Yellowfin and Skipjack MSC certified tuna.

We pride ourselves in having an ecosystem approach, for us all species matter! Our fishery is in **the only ocean with ALL tuna species in a healthy state**. WCPO is the largest and the most sustainable ocean.

Almost 70% of all canned tuna consumed in the USA comes from the Western Central Pacific, which is primarily Skipjack tuna sold as "Chunk Light". **50% of all Skipjack tuna comes from our PNA region**.

PNA: The World's Largest MSC Tuna Fishery



**Total MSC Tuna Volume (SKJ+YF+ALB)= 1,652,490 MT
***Total PNA Eligible Volume 735,523 MT

FIGURE 3 - BASED ON DATA FROM WWW.MSC.ORG

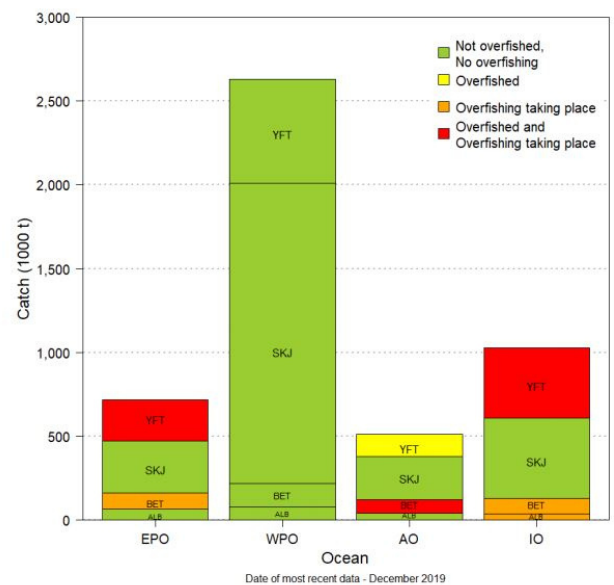


FIGURE 4 - WCPO STOCK STATUS SEPT 2020 REPORT - SPC

WAIT!

DID YOU SAY YOUR FISHING METHOD IS PURSE SEINING?

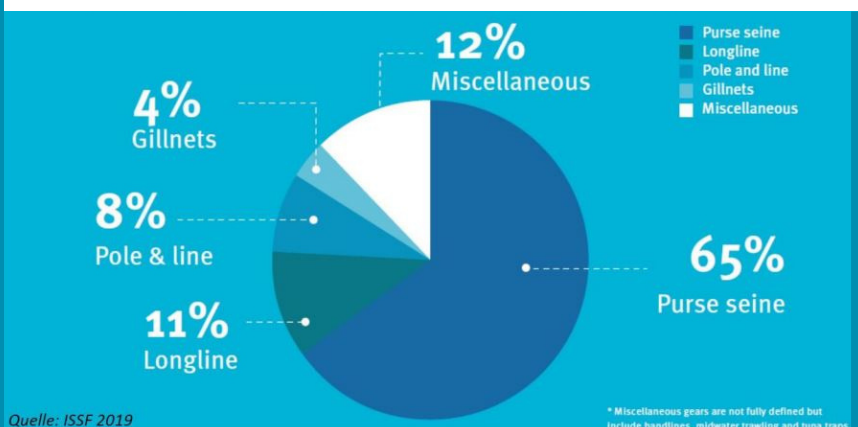


FIGURE 5 - SOURCE: 2020 MSC TUNA ANNUAL HANDBOOK

Yes, **True Sustainability Change Can only Happen at a Large Scale**

Did you know 65% of all tuna catch comes from purse seiners? Pole and line catches are only 8% of the tuna supplied to the world. In order to bring most of the world's tuna to a sustainable level, we need to make sure purse seiners operate sustainably.

THE PACIFICAL GEOGRAPHICAL INDICATION

Our Pacifical Geo-Indication (GI) assures consumers the origin of their tuna is the PNA region, the world's best managed tuna fishing ground.

Our Pacifical partners around the world showcase the GI in their products in representation of their support and commitment to the people of the PNA region, custodians of the tuna resource.

The GI also works as a traceability identifier along our fully traceable and sustainable tuna supply chain.

Transparency at its best. No other MSC certified tuna fishery offers data coming directly from an **independently verified source** (observer onboard). Other tuna traceability systems are regularly based on captain statements or self-declaration (not independently verified), Pacifical offers the most transparent traceability available in the tuna industry.



U73X2CBNN 3NMBN MSC/PNA

Blockchain Lookup

To learn more about Pacifical's sustainability program and their unique blockchain traceability system [click here](#). Enter the tracking code that is printed on the lid of your tuna can below to find out where your tuna came from. For example

"U73X2CBNN 3NMBN MSC/PNA"

MSC/PNA



We are pleased to share with you these developments of the USA market.

Have you thought of getting your brand on board with MSC Tuna as well?

Let's catch up. Always great to connect to explore opportunities
If you are interested, please send me an email to cynthia@pacifical.com

Looking forward to hearing from you,

Cynthia Asaf
Market Development Manager - Global

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