

## PRICING OF YELLOWFIN AND OTHER TUNAS

by

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### SUMMARY

*Factors that are used in pricing frozen tunas include, among others, types of species, fish size, condition, quality, the resulting product yield when canned, the finished product quality and processing labour.*

*Skipjack prices are closely related to yellowfin prices. There usually is a general relationship between trends in cannery prices in the USA, Japan and western Europe. Western Europe has great preference for yellowfin tuna. The USA on the other hand relishes both yellowfin and skipjack tuna.*

*Currency exchange rates and sudden changes in national supplies or demand could cause sharp fluctuations in price trends world-wide. International trends in tuna prices from the mid-1960's to the present have been discussed. These have shown fluctuations, and since the first quarter of 1988, have been on a general downward trend.*

*The mechanism of tuna pricing has been illustrated with an example of what is practised in the USA and Ghana.*

### RESUME

*Les facteurs utilisés pour fixer le prix des thonidés congelés comprennent, entre autres, les types d'espèces, la taille du poisson, son état, la production qui en résulte une fois mis en conserve, la qualité du produit final et la main-d'oeuvre.*

*Le prix du listao est très lié à celui de l'albacore. Il y a en général un rapport entre les tendances des prix des conserveries aux Etats-Unis, au Japon et en Europe occidentale. L'Europe occidentale montre une forte préférence pour l'albacore. Les Etats-Unis, par contre, apprécient le listao tout comme l'albacore.*

*Les taux de change et les modifications subites de l'approvisionnement ou de la demande nationales peuvent entraîner des fluctuations accusées de la tendance des prix à l'échelle mondiale. Les tendances*

*internationale du prix des thonidés du milieu des années soixante usqu'à l'heure actuelle ont été traitées. Elles ont montré des fluctuations, et, depuis le premier trimestre de 1988, une tendance décroissante.*

*Le processus de détermination du prix des thonidés est illustré avec un exemple de ce qui se produit aux Etats-Unis et au Ghana.*

### RESUMEN

*Los factores determinantes del precio de los túnidos congelados incluyen, entre otros, la especie, la talla del pez, su estado, calidad, el producto resultante del enlatado, la calidad del producto terminado y todo el trabajo aplicado en el proceso.*

*Los precios del listado están estrechamente ligados a los del rabil. Existe una relación de tipo general entre las tendencias de los precios de los productos enlatados en Estados Unidos, Japón y Europa occidental. En esta última, las preferencias van hacia el rabil, mientras que en Estados Unidos se aprecia tanto el rabil como el listado.*

*El cambio de divisas y las vicisitudes del aprovisionamiento nacional o bien, la demanda, provocan grandes fluctuaciones en los precios mundiales. Se trata acerca de los precios de los túnidos desde mediados de la década de los 60 hasta el presente, observándose fluctuaciones y, a partir del primer trimestre de 1988, una tendencia descendente.*

*El mecanismo que rige el precio de los túnidos se ilustra con un ejemplo de la práctica en Estados Unidos y en Ghana.*

Frozen raw tuna is an internationally traded commodity which has relatively free access into the major markets. There are value differences among species which are related to national market preference, fish size, condition, quality, the resulting product yield (cases per ton), the finished product quality, and processing labour and other costs.

Surface fishing vessels such as purse seiners and baitboats, which catch about 80 percent of the light meat tuna taken each year, land their catch in the "round" or whole (not eviscerated).

Yellowfin tuna, as the prime light meat species in most markets, is generally used as a standard when discussing light meat tuna prices. Skipjack price tends are closely related to yellowfin prices and for the most part, run in concert with yellowfin (Figure 1). Also, there is a general relationship between trends in cannery fish prices in the United States and Japan (Figure 2 and 3), and to some degree west-

ern Europe (Figure 4). However, western Europe is primarily a yellowfin market and the principal buyers, such as France and Italy, will pay premium price for this species. The United States canners, for the most part, look at skipjack and yellowfin as "light meat" tuna; therefore, the prices of these two tend to move together. The United States is the largest market for skipjack for canning purposes and usually sets the world market price for this product (Peckham 1989). All markets interact and tuna prices in international trade follow similar trends. Currency exchange rate play an important role in international trade and they can often obscure or alter price relationships. Sudden but temporary changes in individual national supplies or demand can cause sharp fluctuations from the general trend, (i.e. U.S. prices) as can be seen in the skipjack prices in Japan in 1983, 1985 and late 1986 and early 1987 (Figure 2).

Tuna prices worldwide, trended upward from the mid-1960's until late 1974 (Peckham 1989). During this period of rising prices, production increased, some from newly developed areas.

However, heavy consumer resistance developed against the high priced tuna and surpluses of product began to build. In early 1975 tuna prices declined in all three major markets (Peckham 1989).

Prices moved upward in 1976 and remained relatively stable through 1978, moved moderately higher in 1979, and rose sharply in 1980. From 1980 through 1986 raw material supplies were abundant and prices remained soft through the entire period. The rising demand for tuna finally exceeded supplies and in early 1987 tuna prices moved sharply higher. Prices firmed again during the first quarter of 1988, but have shown a general downward trend since that time.

The price of tuna in any particular area reflects the pricing mechanism of the area. For example the fixing of tuna prices in the United States is undertaken after discussion between the canners and ATSA (The American Tuna Sales Association), through their pricing system, which is fixed by all the U.S. canners who participate in the discussion.

The price of tuna so fixed ensures the best means of independent market prices and is published monthly in the United States Market News. This pricing arrangement provides a fair market value for the joint venture vessels. There are also other market pricing mechanisms reflective of those particular markets.

Nonetheless, the question of pricing of tuna is always a subject of discussion. The Ghana Fleet as suppliers of fish for the U.S. market has received prices fixed by the ATSA system over the years. Being in West Africa, however, pricing for Ghana Fleet utilizes a formula which takes Abidjan prices into consideration. Below (Figure 5) are the fluctuations of the prices since 1984. Market prices are usually influenced by the world supply and demand of tuna. When an oversupply of tuna exists the prices fall, with the converse holding true when supplies are tight. When prices remain stable for any length of time (1985, 1986), this means that both supply and demand are in balance. Table 1 also shows comparative prices of other tunas.

It is evident from the trend, however, that prices tend to rise between November, December and January, as is evident from 1983 to 1984.

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## REFERENCES

- Peckham, C. J., 1989. Personal communication. An Overview of Recent Trends in the International Tuna Market. Proc. Seminar on Yuna - Ghana, May 1989, in press.

Table 1. Comparative prices of tunas

1983	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVERAGE
YFT GG		981.64	981.64	981.64	981.64	981.64	981.64	981.64	981.64	981.64	1003.95	1003.95	10842.66	985.696
YFT +20		884.64	884.64	884.64	884.64	884.64	884.64	884.64	884.64	884.64	906.95	906.95	9775.66	888.696
YFT 7½-20		768.24	768.24	768.24	768.24	768.24	768.24	768.24	768.24	768.24	761.45	761.45	8437.06	767.005
SKJ 7½		613.04	613.04	613.04	613.04	613.04	613.04	613.04	613.04	613.04	630.50	630.50	6778.36	616.215
YFT/SKJ 4-7½		680.94	680.94	680.94	680.94	680.94	680.94	680.94	680.94	680.94	533.50	533.50	7195.46	654.133
YFT/SKJ 3-4		583.94	583.94	583.94	583.94	583.94	583.94	583.94	583.94	583.94	388.00	388.00	6031.46	548.315
YFT/SKJ -3		428.74	428.74	428.74	428.74	428.74	428.74	428.74	428.74	428.74	194.00	194.00	4246.66	386.060

1984	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVERAGE
YFT GG	1003.95	936.05	936.05	936.05	936.05	936.05	936.05	936.05	936.05	936.05	936.05	936.05	11300.50	941.708
YFT +20	906.95	839.05	839.05	839.05	839.05	839.05	839.05	839.05	839.05	761.45	761.45	761.45	9903.70	825.308
YFT 7½-20	761.45	708.10	708.10	708.10	708.10	708.10	708.10	708.10	708.10	669.30	669.30	669.30	8434.15	702.846
SKJ 7½	630.50	591.70	591.70	591.70	591.70	591.70	591.70	591.70	591.70	532.90	532.90	532.90	6962.80	580.233
YFT/SKJ 4-7½	533.50	494.70	494.70	494.70	494.70	494.70	494.70	494.70	494.70	455.90	455.90	455.90	5858.80	488.233
YFT/SKJ 3-4	388.00	349.20	349.20	349.20	349.20	349.20	349.20	349.20	349.20	232.80	232.80	232.80	3880.00	323.333
YFT/SKJ -3	194.00	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	1901.20	158.433

1985	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVERAGE
YFT GG	936.05	722.65	722.65	722.65	722.65	722.65	722.65	732.35	732.35	732.35	732.35	732.35	8933.70	744.475
YFT +20	761.45	625.65	625.65	625.65	625.65	625.65	625.65	635.35	635.35	635.35	635.35	635.35	7692.10	641.008
YFT 7½-20	669.30	533.50	533.50	533.50	533.50	533.50	533.50	538.35	538.35	538.35	538.35	538.35	6562.05	546.838
SKJ 7½	532.90	465.60	465.60	465.60	465.60	465.60	465.60	485.60	485.00	485.00	485.00	485.00	5751.50	479.292
YFT/SKJ 4-7½	455.90	397.70	397.70	397.70	397.70	397.70	397.70	417.10	417.10	417.10	417.10	417.10	4927.60	410.633
YFT/SKJ 3-4	232.80	203.70	203.70	203.70	203.70	203.70	203.70	223.00	223.00	223.00	223.00	223.00	2570.00	214.167
YFT/SKJ -3	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	1862.40	155.200

1986	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVERAGE
YFT GG	722.65	722.65	722.65	722.65	722.65	722.65	722.65	722.65	722.65	722.65	722.65	722.65	8671.80	722.500
YFT +20	625.65	625.65	625.65	625.65	625.65	625.65	625.65	625.65	625.65	625.65	625.65	625.65	7507.80	625.650
YFT 7½-20	528.65	528.65	528.65	528.65	528.65	528.65	528.65	528.65	528.65	528.65	528.65	528.65	6343.80	528.650
SKJ 7½	504.40	504.40	504.40	504.40	504.40	504.40	504.40	504.40	504.40	504.40	504.40	504.40	6052.80	504.400
YFT/SKJ 4-7½	436.50	436.50	436.50	436.50	436.50	436.50	436.50	436.50	436.50	436.50	436.50	436.50	5238.00	436.500
YFT/SKJ 3-4	310.40	310.40	310.40	310.40	310.40	310.40	310.40	310.40	310.40	310.40	310.40	310.40	3724.80	310.400
YFT/SKJ -3	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	155.20	1862.40	155.200

Table 1. (Cont.)

1987	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVERAGE
YFT GG	722.65	698.40	698.40	698.40	746.90	746.90							4311.65	718.608
YFT +20	625.65	601.40	601.40	601.40	649.90	649.90	931.20	931.20	931.20	931.20	931.20	931.20	9316.85	776.404
YFT 7½-20	528.64	523.80	523.80	523.80	572.30	572.30	809.95	809.95	809.95	809.95	809.95	809.95	8104.35	675.363
SKJ 7½	504.40	523.80	523.80	523.80	572.30	572.30	748.84	748.84	748.84	748.84	748.84	748.84	7713.44	642.787
YFT/SKJ 4-7½	436.50	455.90	455.90	455.90	504.40	504.40	761.45	761.45	761.45	761.45	761.45	761.45	7381.70	615.142
YFT/SKJ 3-4	310.40	329.80	329.80	329.80	378.30	378.30	700.34	700.34	700.34	700.34	700.34	700.34	6258.44	521.537
YFT/SKJ -3	155.20	135.80	135.80	135.80	184.30	184.30	494.70	494.70	494.70	494.70	494.70	494.70	3899.40	324.950
1988	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVERAGE
YFT GG	*												0	0.000
YFT +20	931.20	1219.00	1219.00	1219.00	1219.00	1219.00	1164.00	1164.00	1137.90	1137.90	1152.19	1050.06	13832.25	1152.688
YFT 7½-20	809.95	846.00	846.00	846.00	846.00	846.00	824.74	824.74	786.86	786.86	787.45	683.71	9734.31	811.193
SKJ 7½	748.84	775.00	775.00	775.00	775.00	775.00	810.19	810.19	673.33	673.33	648.05	637.16	8876.09	739.674
YFT/SKJ 4-7½	761.45	775.00	775.00	775.00	775.00	775.00	747.14	747.14	567.98	567.98	539.66	526.85	8333.20	694.433
YFT/SKJ 3-4	700.34	595.00	595.00	595.00	595.00	595.00	543.44	543.44	373.06	373.06	340.60	351.04	6199.98	516.665
YFT/SKJ -3	494.70	344.00	344.00	344.00	344.00	344.00	--	--	--	--	--	--	2214.70	184.558
1989	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVERAGE
YFT GG													0	0.000
YFT +20	1050.06	998.03	980.86										3028.95	1009.650
YFT 7½-20	683.71	687.41	700.85										2071.97	690.657
SKJ 7½	637.16	673.95	639.68										1950.79	650.263
YFT/SKJ 4-7½	526.85	564.87	580.94										1672.66	557.553
YFT/SKJ 3-4	351.04	397.57	416.31										1164.92	388.307
YFT/SKJ -3	--	--	215.29										215.29	215.290
Annual means	1983	1984	1985	1986	1987	1988	1989							
YFT GG	985.696	941.708	744.475	722.650	718.608									
YFT +20	888.696	825.308	641.008	625.650	776.404	1152.688	1009.650							
YFT 7½-20	767.005	702.846	546.838	528.650	675.363	811.193	690.657							
SKJ 7½	616.215	580.233	479.292	504.400	642.787	739.674	650.263							
YFT/SKJ 4-7½	654.133	488.233	410.633	436.500	615.142	694.433	557.553							
YFT/SKJ 3-4	548.315	323.333	214.167	310.400	521.537	516.665	388.307							
YFT/SKJ -3	386.060	158.433	155.200	155.200	324.950	184.558	215.290							



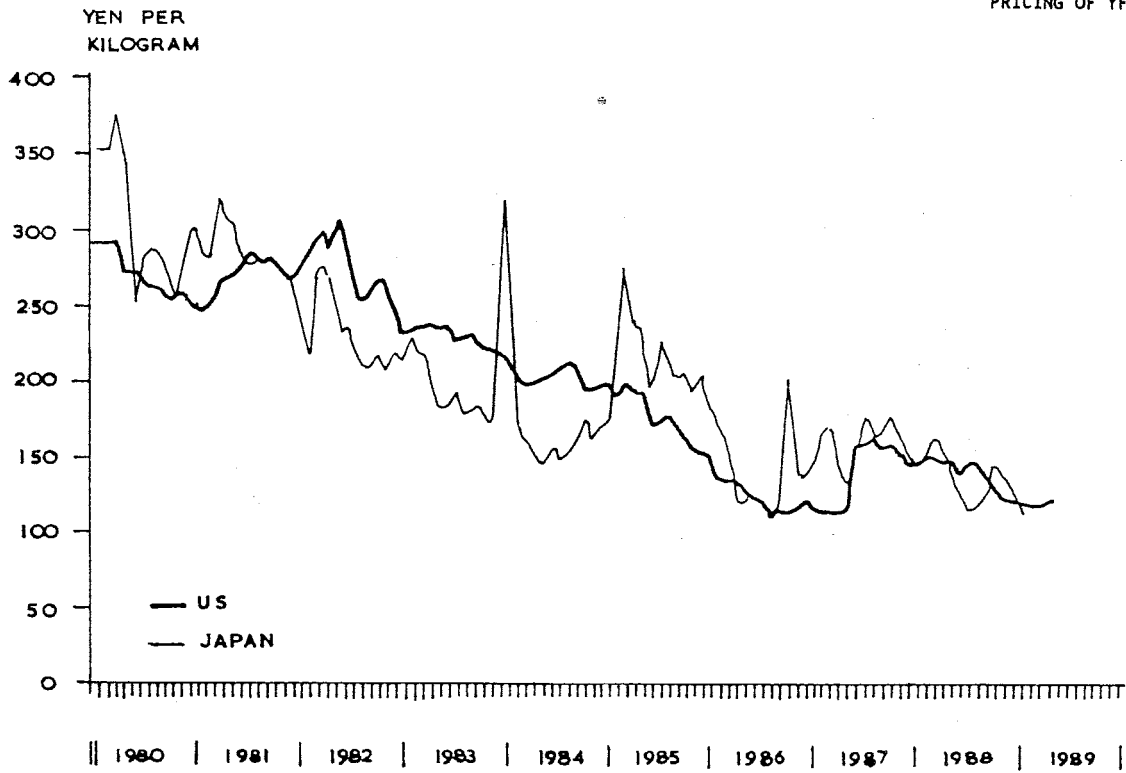


Fig. 3. Comparison of United States and Japan skipjack tuna prices (Yen per kilogram).

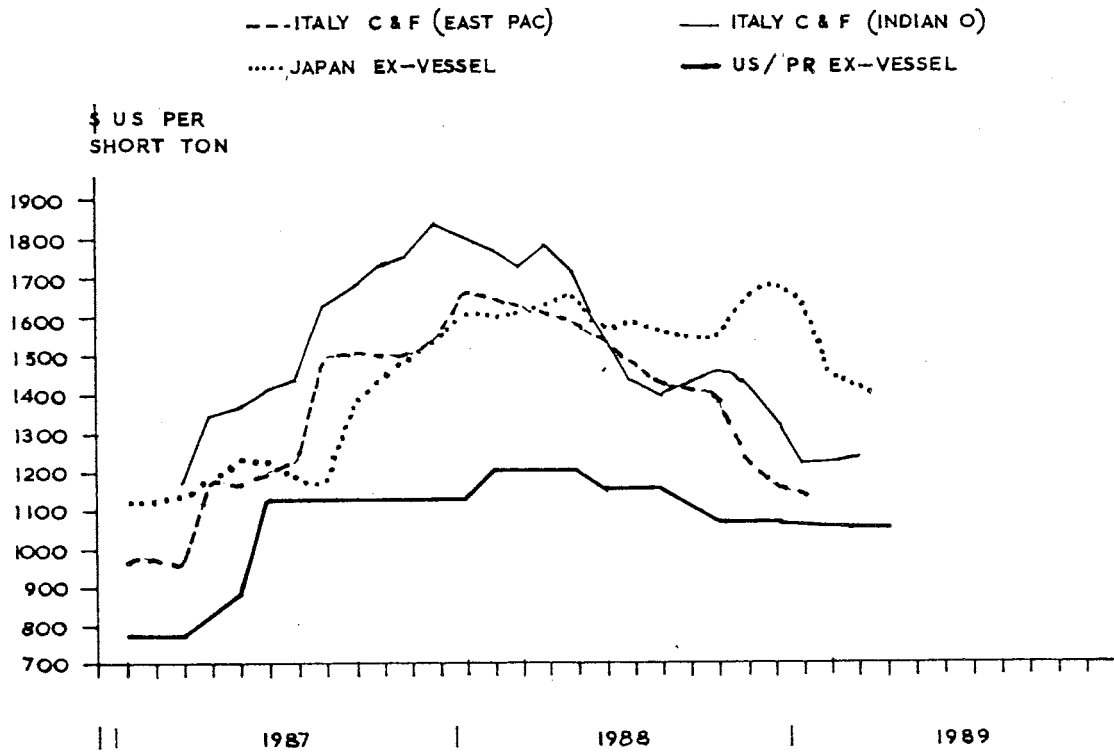


Fig. 4. Comparison of international cannery prices for frozen premium yellowfin tuna.

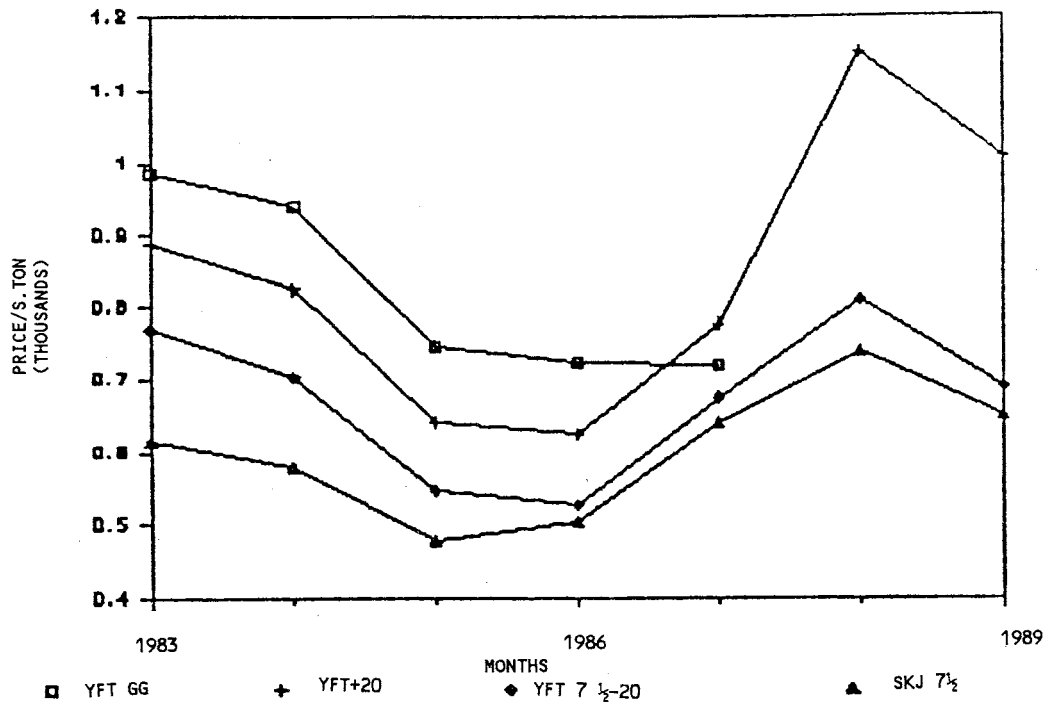


Fig. 5. Annual average prices of yellowfin tuna, 1983-1989.