Distribution Channels for Longline-Caught Fish in Hawaii

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Economic and cultural importance of tuna and longline fish in Hawaii

- From 2004-2008, bigeye accounted for 56% of the volume and 69% of the value of all longline catch

  “We have one tuna dish – ahi tartare – it’s a cult favorite here. If I take it off, there’d be a mutiny” – Local Restaurant Owner

Fish buyers are important but little understood stakeholders in the longline fishery

Connected to research investigation of the impacts of the 2010 bigeye tuna closure
Purpose

• To understand the distribution chains for Hawaii’s longline caught fish (local and export)
• To classify the types of buyers
• To describe sociocultural aspects of Hawaii’s seafood distribution chain
Methods

• Regular ethnographic observation at fish auction
• Observations of and conversations with Honolulu retailers
• “Follow the fish” with representative selection of nine buyers (wholesale, retail, restaurant)
• Semi-structured interviews with buyers
Market Chains

Source: www.nicholas.duke.edu
Hawaii Seafood Business Considerations

- Quality preference = market niche
- Requires all senses to determine quality
- Use of imports
- Size and breadth of business
  - Number and types of species
  - Production of value added products
  - Size of staff
“You don’t get into this industry by accident - you are born around it, or you love fish or fishing, something about the romantic nature of the sea draws you in. People are in this business because they love it. Just like the restaurant business. If you don’t love it, you are not going to do well.”
-Hawaii Wholesaler 9/8/11

“Life is full of worry. If you worry, this is not the business to be in.” – Hawaii Wholesaler 9/23/11
Typology of Buyers:

- **WHOLESALEERS**
  - Local Only
  - Export Only
  - Export – Local Hybrid

- **RETAILERS/CONSUMERS**
  - Retail Markets
  - Restaurants
  - Cash Buyers

HONOLULU FISH AUCTION
Retailer/Consumer

- Includes cash buyers, retail markets, and restaurants
- Eliminates the middleman but must bid for and process their own fish
- Sometimes circumvent auction and buy direct from fishermen or from small boats
- Price breaks from wholesalers at auction – not direct competitors
- Fewer regulations and standards – e.g. no Hazard Analysis & Critical Control Point (HACCP) needed
Wholesalers

• Types – local only, export only, export/local hybrid
• TSA regulations
• Barcode/scan technology – traceability
• Level of fish processing – G&G, filets
• Shipping strategies – UPS, FedEx, Airline cargo
Preliminary Findings

• Much longline fish stays in Hawaii and some buyers do not export at all

• Longline fish and the associated seafood industries significantly contribute to the local economy and culture

• Hawaii longline fish, particularly tuna, is significantly situated within global seafood markets
  – Exporters monitor global markets
  – Global market changes can impact local auction prices and activities

• Quality plays a large role in distribution consideration with the auction allowing quality differences to interact in one market
Thoughts for follow up

• Additional analyses of these data
• Landings in Hilo – this research only involved Oahu landings
• Examine interactions outside the auction where buyers purchase directly from boats
• Describe substitutability of yellowfin and other species
• Explore imports contribution to Hawaii seafood market chains
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