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MARKET SNAPSHOT

FISHERIES

Sept. 30, 2021

Executive Summary

Drivers for the fisheries industry include small fish, robust demand and solid pricing.

- Salmon and pollock don't have much in common, except both fisheries are reporting smaller fish this year.
- Consumers continue to demand seafood.
- Despite some issues with smaller fish or slower fishing, overall harvest levels are strong and pricing is favorable.

12-Month Profitability

Northwest FCS' 12-month outlook foresees fisheries being profitable. Pollock prices remain elevated especially for higher quality products like fillets. The salmon season in Alaska was generally strong and prices in Bristol Bay, Alaska's largest revenue salmon fishery, are advantageous. Consumers continue to demand seafood and prices are reflecting that in all products from crab to cod.

Alaskan Pollock

The pollock season has wrapped up with nearly all the total allowable catch (TAC) harvested. Fishing was stronger this season compared to last 'B' season which was a challenge. However, reports have indicated small fish size which reduces product yield. Despite this, pollock prices remain favorable especially for pollock fillets which are facing some supply shortages as smaller or lower quality fish can't be processed into fillets. Surimi prices have also increased due to the abundance of small fish and strong demand. Proposed catch limits for the 2022 pollock and other groundfish harvests should be determined at the North Pacific Fishery Management Council's October meeting.

U.S. Customs and Border Protection has issued Jones Act penalty notices regarding a shipping route used to ship a sizeable amount of fish, including pollock. The route ships fish from Dutch Harbor, Alaska, through the Panama Canal to Bayside, Canada, where the shipment is loaded for delivery into the Eastern U.S. This shipping route has been used for years. Although the implications are unknown at this time, use of the route has currently stopped.

Pacific Cod

Pricing of pacific cod is strong, but fishing is reported as mediocre meaning fishermen are working harder to catch fish.

The North Pacific Fishery Management Council is expected to decide on the limited access privilege program for the Bering Sea/Aleutian Islands trawl catcher vessels at their fall meeting. The proposed program considers options for allocations of quota shares or a license limitation program. The intent of the program is to enhance the fisheries sustainability and safety.

Halibut and Sablefish

As of Sept. 13, 69% of Halibut TAC and 52% of Sablefish TAC had been landed. With larger TAC this season, the total amount of pounds harvested so far is significantly larger compared to 2020. The seasons have been extended to Dec. 7, compared the typical closure of around Nov. 15.

Pricing has increased for both species as restaurant demand has returned. Pricing for Halibut in Homer, Alaska, last year was between $4-$4.50 per pound compared to $7.25-$7.50 this August. Sablefish in Seward was $2 per pound for 3-4-pound fish; as of September this year, a fish that size is going for $2.95 per pound. Typically, smaller-sized Sablefish get a lower price per pound; however, smaller fish have found new markets recently and prices have firmed.

Salmon

Alaska's salmon harvest is currently the fifth largest on record, which goes back to 1970, with 219.9 million fish caught. Although runs for several species were strong and resulted in harvests above forecasts, some species, such as Chum and Coho, have come in significantly below forecast. Pinks and Sockeyes drove the large harvest with catch well above forecasts.

Alaska's Salmon Harvest Compared to Forecast
(millions of fish)

Species	Forecast	Harvest
Pinks	124.2	151.4
Sockeye	46.6	54.3
Chum	15.3	11.6
Coho	3.8	2.4
Chinook	0.27	0.24

Source: Alaska Department of Fish and Game

However, pinks in southeast Alaska, the second largest pink production region, and sockeyes in Bristol Bay, the largest sockeye production region, are reported small. Average sockeye size is just 4.7 pounds per fish, the lowest since 1979. In fact, when accounting for fish size, the Bristol Bay sockeye harvest is the smallest since 2014.

Supplies are tight due to solid demand and small fish sizes; therefore, prices are expected to be strong. Processors will pay a base price of $1.25 per pound for Bristol Bay sockeye, up nearly 80% from last year's low price. Some processors have announced between 10-30 cents per pound for late season fishing and quality bonuses.

Alaskan Crab

The 2020/21 crab season draws to a close with retail price gains between 60%-94% compared to last year depending on species. Further price increases are expected for the 2021/22 season which began Aug. 1 with golden king crab.

The Bristol Bay king crab fishery will be closed for the 2021/22 season. Although impactful, fishermen have diversified away from Bristol Bay king crab over the last several years as TAC has decreased. With the closure, golden king crab will be the only Alaskan king crab until next season; therefore, demand and pricing will be high.

The snow crab quota for 2020/21 was fully harvested and has mostly sold out in the domestic market. The 2021/22 snow crab fishery will open in January and price increases are expected as buyers search for any kind of crab for the holiday season. However, the 2021 survey data showed a 69% reduction in legal male abundance from 2019 and a 70% decline in mature female abundance from 2018. Although the data is currently under review and the TAC won't be finalized until early October, survey results showing declines this steep are concerning.

Additional Information

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NOAA Fisheries, Alaska Regional Office
http://www.fisheries.noaa.gov/region/alaska

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