



**NOAA
FISHERIES**

In April 2020, NOAA Fisheries prepared its first national report on the regional impacts of COVID-19 on the commercial, recreational and aquaculture sectors. This report updates that initial assessment, capturing economic changes experienced by the fishing industry as the country began its phased reopening along with infusion of Federal funding through the CARES Act. NOAA Fisheries will continue to use this information to identify economic hardship where it exists and identify pathways for enhancing the resilience of the U.S. seafood and fisheries industries.

Alaska Snapshot, January-August 2020



Alaska Fisheries Impacts from COVID-19

Overview

This report is intended to supplement the prior Alaska Fisheries Impacts from COVID-19 documents, which include a more thorough review of COVID-19 actions taken by the state and local governments in Alaska and our finalized revenue trends from 2014-2018 (the most recent data currently finalized and completed). Herein, we provide a summary of the current harvest amounts and estimate projected revenues through August 2020.

Harvest volumes are down in Alaska approximately 15% compared with the baseline through August, and prices are generally expected to be lower in 2020 than prior years, which is confirmed by export data through June, and estimated revenues have dropped by over one third over the same period. Industry has reported that they have spent over \$50 million (McKinley Group September 2020)¹ to reduce the risk of COVID-19 transmission among harvesters, processors, and the local communities while still providing important seafood for the U.S. and international markets as well as providing food security for many Alaskans. The seafood industry has been fairly successful in Alaska at limiting virus spread, but they had to deal with a substantial reduction in transportation options in many Western Alaska and Aleutian Islands communities and limited ability to switch crews throughout the fishing seasons to date. NOAA Fisheries Alaska Regional Office has been instrumental in devising solutions with industry to allow the continuation of fishing operations and limit the need for fisheries closures which would otherwise lead to vessel downtime and higher crew turnover, increasing the risk of COVID-19 transmission.

Alaska remains the region of the United States with the largest export values over the baseline January-June period (about \$1 billion) but experienced a 7% decline in value in 2020 relative to 2019. There was also a large (48%) decline in imports to Alaska, but those only represent a very small amount (approximately \$5 million). China is the U.S.'s top export country for January-June seafood exports, and is a major importer of Alaska seafood. Exports to China (including cod, crab, and pollock) decreased from the \$515 million baseline average to \$386 million in 2020, a 25% decline. However, the U.S. dollar weakened from January to August 2020 against the Euro (-6%)² and Yen (-3%)³ which should have helped U.S. and Alaska seafood export competitiveness.

Commercial Fisheries Landings Trends and Impacts through August 2020

The figures below represent landings through August 2020 from in-season Alaska Department of Fish and Game (ADF&G) fish tickets (which are still considered preliminary). Revenues in 2020 are estimated using in-season ADF&G fish ticket prices for groundfish and the at-sea prices are estimated as their shoreside equivalents or imputed based on best available data. ADF&G in-season prices and historic Commercial Fisheries Entry Commission (CFEC) prices are used to estimate salmon and herring revenues for 2020. All values are deflated to \$2019 using the GDP deflator.

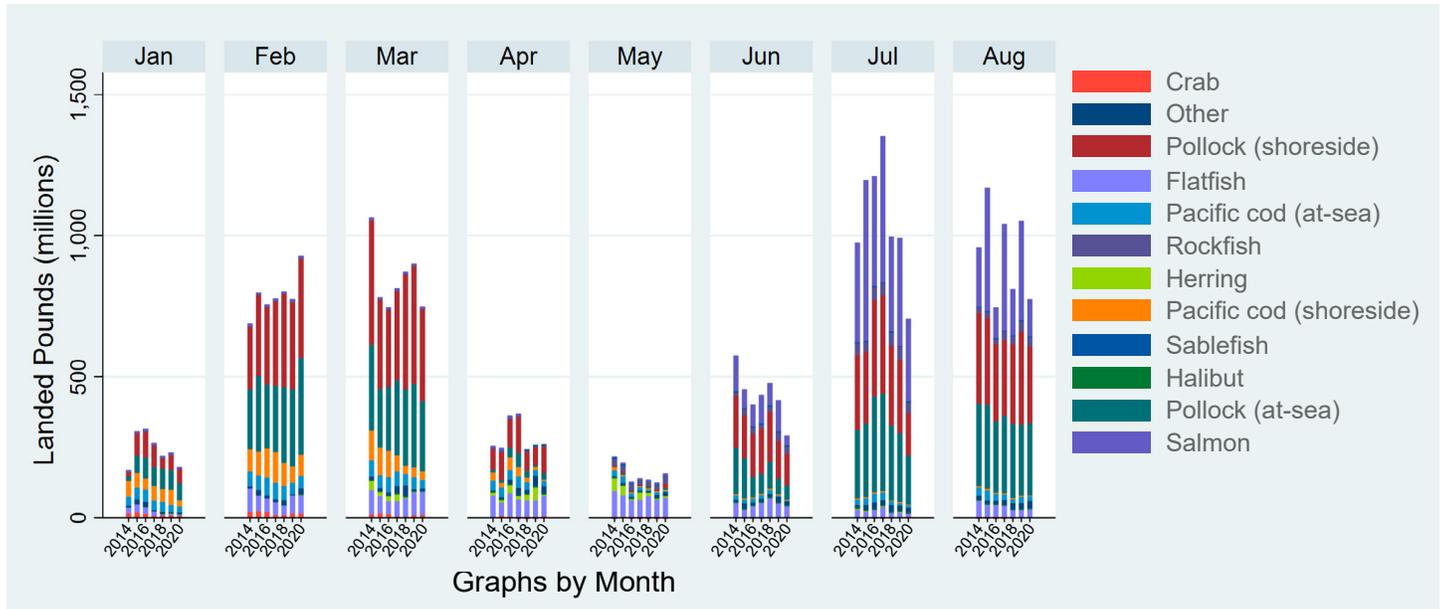


Figure 1. Landings by month and year from January-August.

Total landings from January through August 2020 are 15% below 2019 levels (Figure 1), a reduction of 695 million pounds from 4.74 billion pounds to 4.03 billion pounds (Figure 2). These trends are largely due to a 71% and 45% decline in harvest volume for herring and salmon, respectively, and a decline of 18% for halibut, 16% for Pacific cod at-sea and 13% for Pacific cod shoreside compared with 2019 levels. Landings in 2020 fell by 17% or 815 million pounds compared to the 2015-2019 baseline period as a result of a 74%, 44%, 36%, 39%, and 17% reduction in herring, salmon, Pacific cod at-sea, Pacific cod shoreside, and halibut landings, respectively.⁴ In contrast, crab, flatfish and rockfish harvests are up 3%, 4%, and 11%, respectively, compared with the 2015-2019 period.

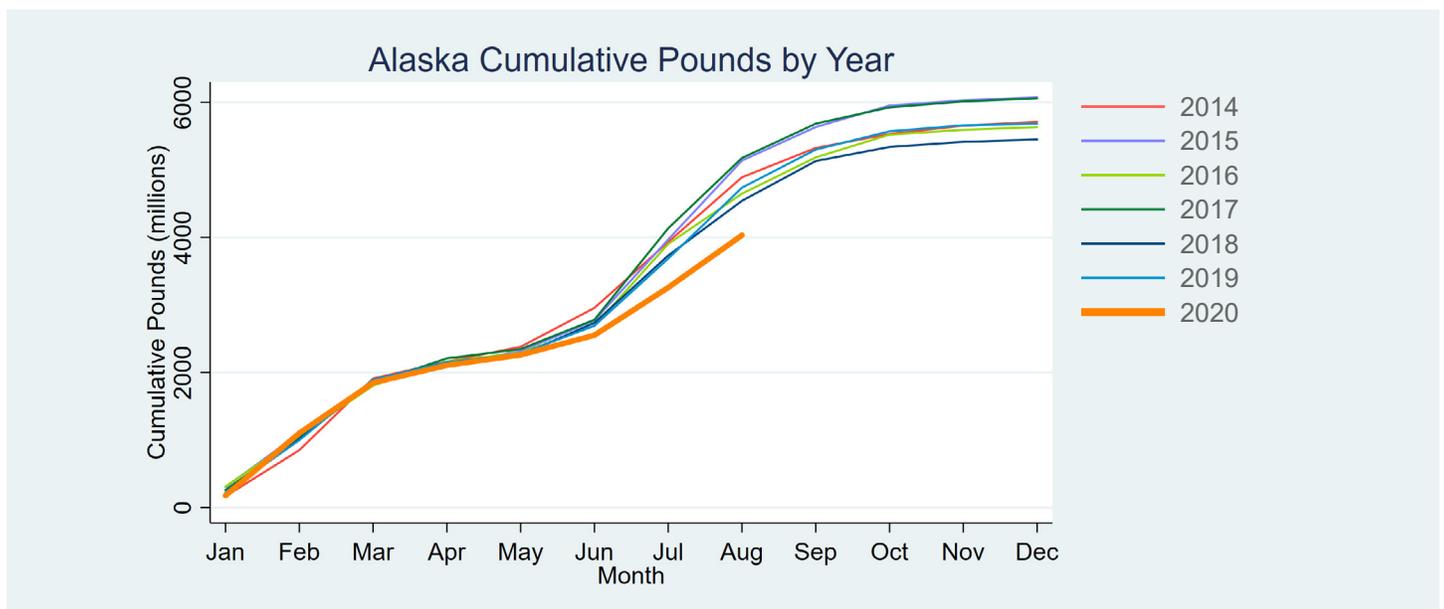


Figure 2. Alaska cumulative landed weight by month and year.

Estimated landings revenue from January through August 2020 are 30% below 2019 levels (a decline of \$436 million from \$1.48 billion to \$1.04 billion) and 35% below the 2015-2019 baseline period (a decline of \$549 million from \$1.59 billion; Figures 3 and 4). This is a result of the combination of lower volumes and lower prices across many species. The largest components of the decrease in value over this period include a 67% decline in the harvest value for herring, a 61% reduction in salmon, a 37% reduction in halibut revenues, a 30% decline in shoreside Pacific cod, and a 17% decrease in the value of flatfish compared with 2019 levels. Compared with the 2015-2019 baseline, salmon revenues are estimated to have declined by 58%, herring revenues decreased by 55%, halibut revenues dropped 48%, Pacific cod at-sea was reduced by 45%, shoreside Pacific cod decreased by 41%, sablefish declined by 26%, while pollock at-sea and shoreside fell 16% and 15%, respectively, and flatfish declined by 4%. The two bright spots compared with the baseline were a 17% increase in crab revenues and a 6% increase in rockfish revenues.

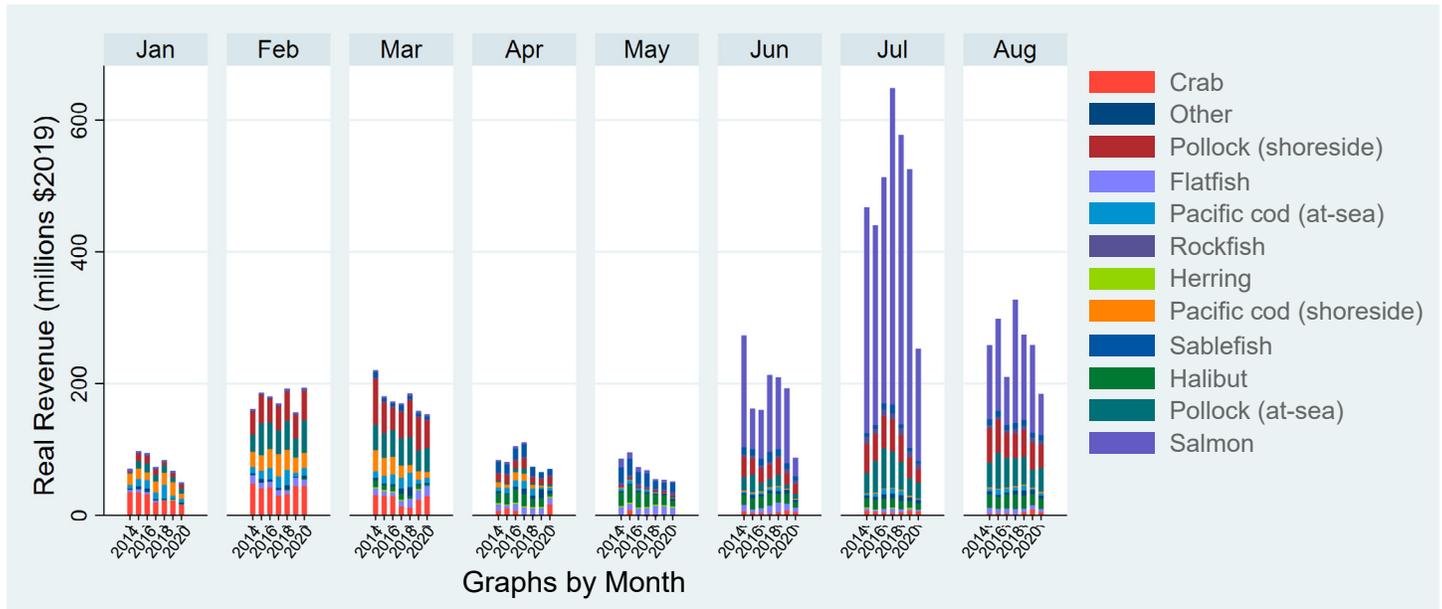


Figure 3. Estimated landings revenue (\$2019) by month and year from January-August.

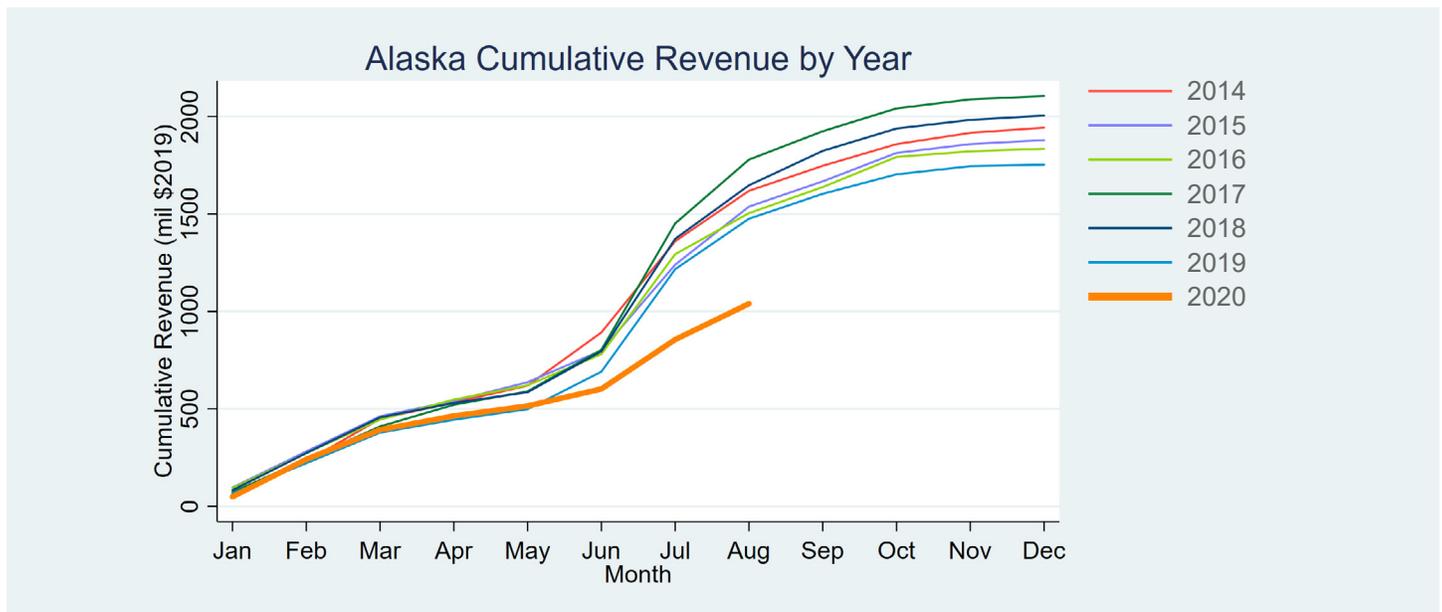


Figure 4. Total cumulative revenue by month and year.

While the novel coronavirus initially stoked fears of closing portions of the Alaska salmon fishery over the summer, the fisheries were prosecuted but with limited processing capacity, resulting in less value-added products and ultimately substantially lower ex-vessel prices. This is seen in Figure 4 as a further deviation from the recent past in cumulative revenues throughout the year, as the salmon fishery typically starts in late June and runs through August.

Figure 5 presents cumulative revenues by month and year for several major species groupings in Alaska in 2020 (the thick orange line) compared with each of the years 2014-2019 (line colors correspond to the legend in Figures 2 and 4). The following section provides a brief summary of cumulative harvest and revenue trends of several key species in Alaska from January through August.

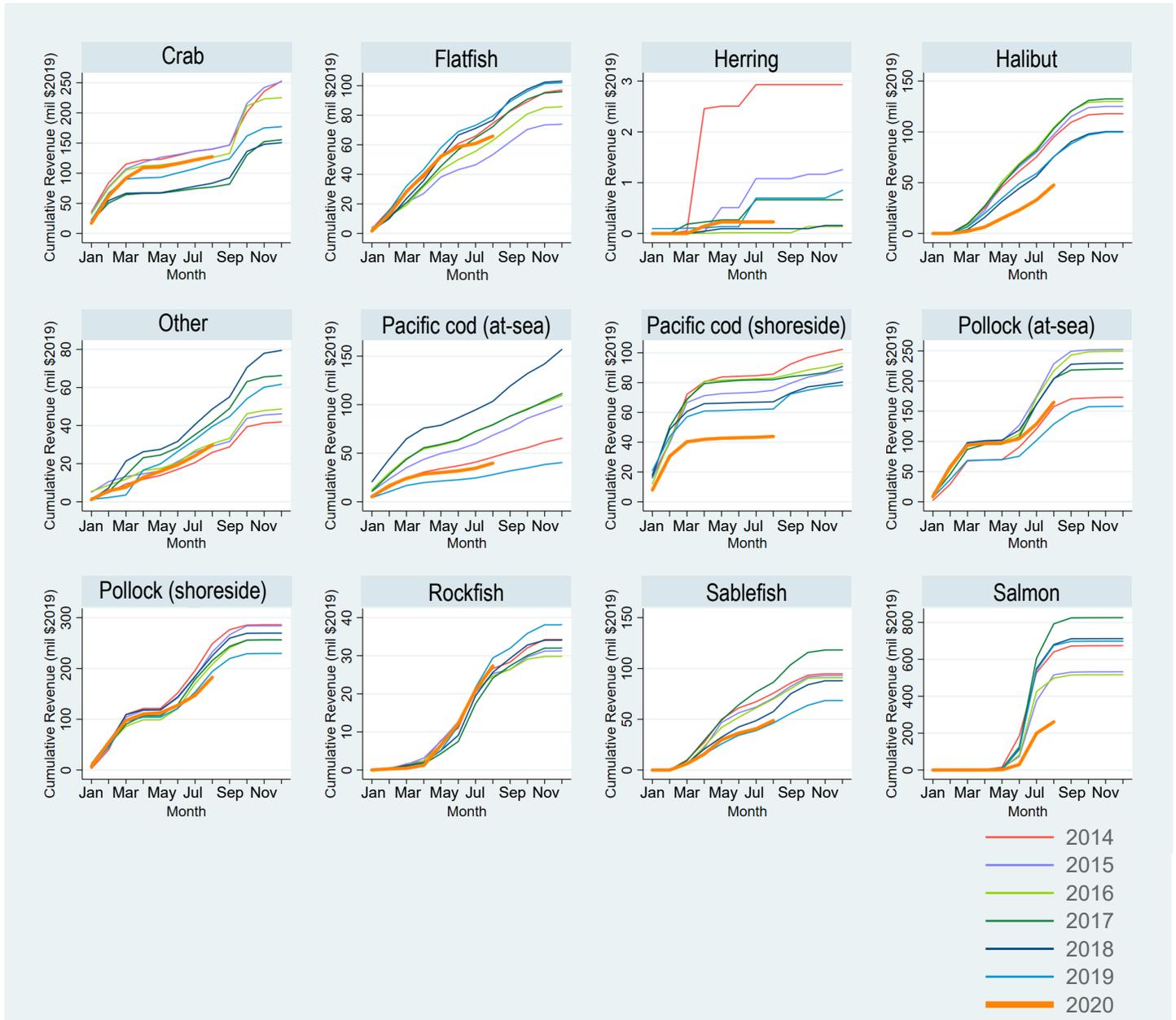


Figure 5. Cumulative revenue by fishery, month, and year.

CRAB

There was nearly full (99-100%) utilization of the total allowable catch (TAC) for all opened Bering Sea and Aleutian Islands (BSAI) crab fisheries: Bristol Bay red king crab, Bering Sea snow crab, and Aleutian Islands golden king crab. The TAC in the 2019-2020 Bristol Bay king crab fishery was a historic low, while the TAC for Bering Sea snow crab increased for the third straight season, but remains at historically low levels. For all crab species in Alaska, total landings from January-August of 2020 were 18% above the same period in 2019 but only 3% above the 2015-2019 average. There continues to be some indications of strong demand for crab throughout the COVID-19 pandemic, as crab revenues are up 9% through August of 2020 relative to the same period in 2019 and 17% compared with the 2015-2019 period (Figure 5).

FLATFISH

January to August flatfish catch in 2020 is up 1% from the 2019 level and is 4% higher than the 2015-2019 average by volume, but revenues are down 17% compared with 2019 and 4% compared with 2015-2019 (Figure 5).

HALIBUT

Prices have gone up for halibut relative to the beginning of the season but are still down over last year (estimated 10-15% for fresh and 25% for frozen). Many fishermen switched over to salmon during the summer and anticipate harvesting their remaining halibut quota in the fall. January to August 2020 has seen a large reduction in halibut landings of approximately 18% from the 2019 level and 2015-2019 average. Combined with lower prices, this has resulted in a decline in revenues of 37% in January to August 2020 relative to the same period in 2019 and a 48% decline relative to the average from January to August from 2015-2019 (Figure 5). However, many still expect that the full TAC will be harvested given the flexibility in leasing individual fishing quotas (IFQs) recently provided for by emergency transfer provisions instituted by the North Pacific Fishery Management Council (NPFMC) in response to the pandemic.

PACIFIC COD

Ex-vessel prices in 2020 have decreased slightly from 2019 but remain above 2014-2018 levels. Consistent with TAC declines in Pacific cod in the BSAI and Gulf of Alaska (GOA), shoreside catch of Pacific cod have declined by approximately 14% from January to August of 2020 relative to the same period in 2019, while shoreside catches are actually down 39% from the average from January to August during the 2015-2019 period. In combination with a slight decrease in ex-vessel prices in 2020, this has resulted in a reduction in shoreside Pacific cod revenue from January to August of approximately 30% compared with 2019 and 41% for the first half of 2020 relative to the average of the first half of the year from 2015-2019 (Figure 5).

For the at-sea sector, fishing conditions were mixed this past summer after a good A season. Prices in 2019 and 2020 are down relative to 2018 but are within 2014-2017 levels. Prices were okay this past winter but have softened as we approach the fall. There is a lot of inventory and many people are holding, hoping that prices will rebound. There is a lot of Russian cod on the market that is lowering prices in Japan and Europe. Consistent with TAC declines in Pacific cod in the BSAI and GOA, at-sea catch of Pacific cod have declined by approximately 16% from January to August 2020 relative to the same period in 2019, while at-sea catches are actually down 36% from the average January to August from 2015-2019. In combination with a slight increase in ex-vessel prices in 2020, this has resulted in a reduction in at-sea Pacific cod revenue of approximately 45% for the first half of 2020 relative to the average of first half of the year from 2015-2019, but a surprising 42% increase relative to the historically low revenue over this period in 2019 (Figure 5).

POLLOCK

For the shoreside sector, fishing was not very good (especially in the south where the shoreside sector predominantly harvests) this

past summer and therefore some vessels are waiting to fish later in the season; 2020 shoreside pollock harvests through August are down 12% compared with 2019 and the 2015-2019 average (Figure 5). Shoreside pollock prices are relatively stable in both GOA and BSAI relative to 2019 and are within historical range. Shoreside revenues are 6% lower than 2019 at this point in the year and over 15% below the average over 2015-2019.

For the at-sea sector, prices are down slightly now from the expectations for B Season. Pollock surimi exports to Japan are down significantly through May. However, surimi exports to the

European Union (EU) remain strong. Pollock fillet exports in March and April (the peak following A season) were below typical levels. 2020 at-sea pollock harvests are slightly below recent periods (7% less than the 2015-2019 average and 3% lower than 2019), but the revenues through August are lower than the 2015-2019 average by approximately 16% while the at-sea pollock revenues are up nearly 28% in 2020 compared with the same period in 2019, which was the lowest revenue year over this period for this sector (Figure 5).

ROCKFISH

Rockfish ex-vessel prices are within 2014-2019 norms. Rockfish harvests through August 2020 are down 4% from 2019 levels but are 11% higher than the average January to August period of 2015-2019. Similarly, revenues through August of 2020 are down 7% from the same period in 2019 but increased by 6% over the 2015-2019 period (Figure 5).

SABLEFISH

Fleet is reporting sablefish prices to be down by 55% compared to last year. This has a lot to do with the size of the fish, which are still on the smaller side, and the size-based pricing structure for sablefish. However, the large amount of small fish and market changes are bringing prices down across the board. There is an expectation that not all of the TAC is going to be landed for sablefish as a result. This was also true in 2019. Additionally, only 40% of the sablefish quota from the GOA Rockfish Program (secondary species) has been taken compared to 76% at this time last year, due to the very low price they are receiving for trawl caught sablefish.

Some are also reporting a shift in rents away from the permit holder and toward vessel operators as many individuals intend to take advantage of the special COVID-19 leasing provisions enacted by the NPFMC and International Pacific Halibut Commission (IPHC). Those transfers did not start clearing NOAA Fisheries Restricted Access Management (RAM) until early July, and may partially explain the large amount of IFQ remaining to catch this fall. Additionally, a number of individuals are also leaving their 10% rollover in the water hoping for better prices next year. Sablefish landings through August 2020 were 5% below 2019 levels but 4% above the 2015-2019 average, however revenue is down 26% and 2020 revenue is only 5% above the lowest revenue over this period, experienced in 2019 (Figure 5).

SALMON

Earlier in the year, it was unclear to what extent the wild Alaska salmon fisheries would be prosecuted this year, but the salmon fisheries were operating at slightly lower capacity on the harvesting and processing side as COVID-19 precautions are limiting

dense aggregations of individuals. Additionally, several runs did not meet their projected size outside of Bristol Bay. The somewhat compressed season and lack of processing throughput capacity has also led to a decrease in the amount of value-added products created in the Bristol Bay fishery, likely leading to substantially lower prices compared with previous years. For all salmon species in Alaska, total landings from January-August of 2020 were 46% below the same period in 2019 and 44% below the 2015-2019 average. In combination with a decrease in ex-vessel prices in 2020, this has resulted in an estimated reduction in salmon revenue of 61% through August of 2020 relative 2019 and a 59% decrease relative to the average the same period from 2015-2019 (Figure 5).

Charter Sector Impacts

In response to COVID-19, the NPFMC and IPHC relaxed some halibut-related charter fishing restrictions for the remainder of the season effective June 15, which relaxed size limits in Areas 2C and 3A, and a relaxed annual limit and no day of the week restrictions for charter halibut fishing in Area 3A. However, reports from the field suggest that charter fishing is still well below normal levels for this time of year throughout Alaska, with some in industry estimating between 30-50% losses for the season. A more representative industry poll (May 2020) with n=66 respondents suggested “68% [of charter businesses] have indicated up to a 50% drop in bookings from this time last year.” There is another industry poll planned for October.

Historically, 31.5% of total trips take place in May (7.1%) and June (24.4%) for a first half total of approximately 32% of total annual trips, while nearly all of the remaining trips take place from July-September. There is some evidence of a marginal increase in fishing activity in July, as Pacific halibut (a primary target species on charter trips) harvest through July picked up relative to May and June, but remains lower than previous years. Preliminary estimates of Pacific halibut harvest in IPHC Area 2C (Southeast Alaska) through July is slightly less than half of the harvest at the same time in 2019. In IPHC Area 3A (Southcentral Alaska), the other main area for charter fishing in Alaska, Pacific halibut harvest through July was at about 71% of the harvest for the same time in 2019. The harvest trends likely do not correspond in a one-to-one fashion with numbers of trips, and updated trip information is unfortunately not available at this time.

Endnotes

- 1 <https://www.alaskaseafood.org/covid-19-impact-reports/>
- 2 <https://www.x-rates.com/average/?from=USD&to=EUR&amount=1&year=2020> (accessed October 9, 2020).
- 3 <https://www.x-rates.com/average/?from=USD&to=JPY&amount=1&year=2020> (accessed October 9, 2020).
- 4 Note that the federal Gulf of Alaska Pacific cod fishery is closed in 2020 and the federal Bering Sea and Aleutian Islands total allowable catch (TAC) was reduced by 15% in 2020 relative to 2019.



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NOAA Fisheries Coronavirus (COVID-19) Update

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