

The Wheel Watch

a newsletter of the

Fishing Vessel Owners' Association

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Dear Members and Friends,

This newsletter will bring you up-to-date on the Pacific and North Pacific Council actions, marketing, and DC concerns.

Pacific Council

Gearmarking

The Pacific Fishery Management Council met in San Diego in June. The primary issue for fixed gear was final action regarding your gear markings. These gear markings were driven by the lawsuit filed by the Center for Biodiversity regarding humpback entanglements in pot and hook & line gear. These entanglements are rare, but occurred about 15 years ago off Newport, Oregon with pot gear, and more recently in the directed halibut fishery off Newport, Oregon. There were two non-lethal incidents off Northern California.

Beginning in 2025, when fishing for sablefish with pots or hook & line gear you will be required to:

1. Have a cattle-ear tag on each buoy with vessel identification on the buoy. The cattle tags will likely be color coded, one color for pot and a different color for hook & line. The colors are yet to be determined.
2. Have at least 20 fathoms of your buoy lines marked by color to identify either for hook & line or pot gear. The hope is gear manufacturers will provide for this. The Council voted you must have manufactured line. Apparently, the east coast fisheries are required certain colors for their gear and the Council believes it will be made available for your 2025 season.
3. You only need surface gear (flagpoles) at one end of your set of gear. You can use flag poles at either end or only one. Surface gear is limited in length to 10 fathoms (60 feet).
4. The Council changed the cotton panel diameter to match the NPFMC pot requirements. If you fish in both areas, you are not out of compliance in the Pacific Council area.

The reason for these new identification items for your gear is 70% of the time when a whale is entangled with fishing gear, they do not know which type of fishing operations it came from. There are two populations of humpbacks under US protection. They are from Central America and Mexico.

NMFS 2021. Current estimates of abundance and relative proportions of the Central America DPS (endangered) Mexico DPS (threatened) and Hawaii DPS (non-listed) found off the U.S. west coast.

Action Area	Probability that a humpback would be from Central America DPS (population estimates = 2006)	Probability that a humpback would be from Mexica DPS (CA/OR/WA population estimate = 2,770)	Probability that a humpback would be from Hawaii (non-listed) DPS
CA/OR	42%	58%	0%
WA**	6%	25%	69%

NMFS will be establishing a Whale Take Reduction Team that will address sablefish pots and hook & line gear, and also Dungeness and prawn fishing in California. We have supported Bernie Burkholder, Paul, Clampitt, and David Lethin as possible representatives.

Tiered Limit Amendments

There are a couple of tiered limit amendments that will be acted upon this fall. The Pacific Council is considering changing your gear designation from pot or hook & line to any legal non-trawl gear. This would also include vertical longlines used in the live fish markets in California.

Gear Switching (GS)

This issue was finalized at the April Council meeting. Basically, there will be no change to gear switching as long as the Allowable Catch Limit ((ACL)) is 6000 MT or higher. Scientists believe the ACL will be well over this for the next 12 years. Should the ACL drop below 6000 MT the following will apply:

- Gear switching limit of 29% will be in effect when the ACL is below 6000 MT (when it's at or above 6000 MT, it will be status quo) – this is great news! The trawlers all pushed for 10,000 MT and Phil was initially at 8000 MT.
- The 29% limit applies to QP not QS.
- When the limit is in effect, those who meet the qualifying criteria (own QS and a permit, and gear switched a minimum of 30,000 lbs. in three years before the control date) will get 100% of the QS they owned prior to the control date as “any gear “ QP – this is what is referred to as “non-legacy participants“ to make up the 29%.
- The legacy status expires upon divestiture of the QS
- Any family member (definition of this is still TBD, but will be considered immediate /family, not extended family) that were added to the corporation that owns the QS account since the control date will be considered as having owned the QS account as of the control date
- The legacy is non-transferable, lasts for the lifetime of the individual, or 15 years, whichever comes first.

Harvest limits for 2025: Your harvest limits will go up by 238% in 2025

North Pacific Fishery Management Council

The Council met in Kodiak in June. Paul Clampitt accompanied me there. While there, we saw the Polaris, the Seymour, the Northern Prince, and the Pacific Sojourn making deliveries of fish. The Council took two important issues up as initial actions: 1.) Area 4 vessel CAPs, and 2.) Release of Small Sablefish.

Area 4 Vessels CAPs

Currently, there are provisions for ignoring your catch in Area 4 relative to vessel CAPs. This interim provision goes through the 2027 season. The Council will likely amend this by putting a sub-CAP for Area 4 of 4-6% of all area 4 TACs. The Council is also considering dropping Area 4a from the Area 4 vessel CAP exemptions. If you have Area 4a quota, you should voice your concern to the NPFMC. FVOA supported all Areas 4a, 4b, 4c, and 4d included. Final action will be at the September/October 2024 meeting.

Release of Small Sablefish

The Council voted to ultimately support the following for initial review:

“Require retention of sablefish 22 inches in total body length or lower (provide for voluntary release of sablefish under 22 inches in total body length) The council will allow the scientific committee to establish mortality release rates. In other areas, such as Chatham Strait, the mortality release rate is 16%, Pacific Council 20% and NMFS study suggesting 12%. Final action is scheduled for March 2025...”

Sablefish Survey 2024

There will be no survey this year due to low prices of sablefish. The survey is funded based on the value of fish. I asked the stock assessment folks what that might mean for 2025. The growth rate of all the small sablefish will keep the harvest up, but they will use an average year class index, which is very low. They estimate a 3 to 5% reduction from 2024 levels.

Observer Information

Below is a table that shows how many dollars are collected to finance the partial coverage program by gear. The federal contract cost per day was \$1,536/day. The private rate is about \$625/a day. Coverage rates in 2023 were: hook in line 18%, pot 17%, and troll 23%.

Federal Funds		\$810,973					
Table 2-2 -- Observer fees ¹¹ in 2023 by gear, vessel size category, and species or species group for all areas combined.							
Gear	Vessel Length Category	Halibut	Sablefish	Pacific Cod	Pollock	All Other Species	Total All Species
Hook and Line	<40	\$283,399	\$2,902	\$8,490	\$1	\$435	\$295,226
	40 - 57.5	\$758,583	\$125,664	\$20,233	\$10	\$5,133	\$909,624
	>57.5	\$848,600	\$103,376	\$1,381	\$0	\$3,682	\$957,039
	Gear Subtotal	\$1,890,582	\$231,942	\$30,105	\$11	\$9,250	\$2,161,889
Jig	<40	\$2,588	\$0	\$232	\$0	\$11	\$2,832
	40 - 57.5	\$994	\$0	\$709	\$0	\$221	\$1,924
	>57.5	\$5	\$0	\$0	\$0	\$0	\$5
	Gear Subtotal	\$3,588	\$0	\$941	\$0	\$232	\$4,761
Pot	<40	\$0	\$10,436	\$1,187	\$0	\$9	\$11,632
	40 - 57.5	\$2,331	\$343,581	\$6,417	\$0	\$915	\$353,244
	>57.5	\$4,341	\$716,297	\$283,937	\$1	\$1,349	\$1,005,925
	Gear Subtotal	\$6,672	\$1,070,315	\$291,541	\$1	\$2,273	\$1,370,801
Trawl	>57.5	\$0	\$1,093	\$235,433	\$588,150	\$17,038	\$841,715
	Gear Subtotal	\$0	\$1,093	\$235,433	\$588,150	\$17,038	\$841,715
Total All Gear		\$1,900,842	\$1,303,350	\$558,020	\$588,162	\$28,792	\$4,379,166
Percent by Species		43%	30%	13%	13%	1%	100%

Rounding error sometimes results in slight differences in row and column totals.

¹¹ The unpaid portion of the observer fees are included. Administrative fees and interest charged for late fee payments are not included

Markets

Halibut

Markets for halibut are relatively good. On the retail side I have seen prices of \$19-\$29 a pound in the Woodinville and Bothell areas. Recent June prices in Seward to an FVOA vessel were \$6.15/\$6.40/\$6.80. Catch rates have ranged. Some have mentioned the surface water is colder this year. Catch rates in 3B have been mediocre at best.

NOAA Fisheries
PO Box 21668
Juneau, AK 99802-1668

Prepared: 06/17/2024
Restricted Access Management
800-304-4846

Individual Fishing Quota (IFQ) Allocations and Landings

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	TAC		Percent Landed
					Remaining Pounds		
2C	halibut	408	1,558,188	3,500,000	1,941,812		45
3A	halibut	525	2,704,884	7,560,000	4,855,116		36
3B	halibut	104	793,751	2,980,000	2,186,249		27
4A	halibut	13	69,461	1,280,000	1,210,539		5
4B	halibut	***	***	872,000	***		***
4C/4D	halibut	***	***	1,104,000	***		***
Total		***	***	17,296,000	***		***

Sablefish

Sablefish is struggling to accommodate larger harvest limits, and exchange rates in Japan. Japan still is 60% of the market, however, Japan has devalued the yen by 50% over the last three years. Some good news, US domestic demand has begun to increase.

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Individual Fishing Quota (IFQ) Allocations and Landings

Area	Species	Vessel Landings	Total Catch Pounds	Allocation Pounds	TAC		Percent Landed
					Remaining Pounds		
AI	sablefish	9	305,140	11,164,094	10,858,954		3
BS	sablefish	19	802,449	7,050,311	6,247,862		11
CG	sablefish	231	6,404,866	17,021,717	10,616,851		38
SE	sablefish	348	5,012,577	11,728,472	6,715,895		43
WG	sablefish	32	1,295,799	8,287,091	6,991,292		16
WY	sablefish	134	2,626,052	5,542,364	2,916,312		47
Total		773	16,446,883	60,794,049	44,347,166		27

Total number of vessel offloads containing only halibut IFQ: 1,033

Total number of vessel offloads containing only sablefish IFQ: 759

Total number of vessel offloads containing both IFQ species: 261

Sablefish prices

size	Bellingham: April 2024	Kodiak: May 2024	Sandpoint: May 2024	Dutch Harbor: 2024
1-2	.50	.40	.25	.15
2-3	1.10	1.10	.90	.90
3-4	1.60	1.60	1.45	1.30
4-5	2.30	2.35	1.85	1.85
5-7	4.00	4.00	4.00	4.45
7 & ups	6.30	6.50	5.75	6.20

Since much of your income is based on Japanese consumption, I have provided the following article that was written by economist Michael Wilkerson. It is a comprehensive analysis, written in easily understandable language, on Japan’s economy. Your processors selling salmon roe, or pollock roe, pollock surimi, sablefish, squid, and whole salmon into Japan are bucking a difficult Japanese economy. Sometimes difficult times help to encourage a different direction, such as selling into your own country for markets.

Excerpt from Japan’s Warning for America by Michael Wilkerson:

Debt is growing more quickly now because the federal government refuses to wean itself off of deficit spending, including an additional \$1.7 trillion in 2023, which must be funded by new debt, as must over \$1 trillion in interest expense. This debt—and the cost to service it—acts as a drag on our economy. Deficit spending and the borrowing required support it crowds out private market investment and financings. Rather than let more insolvent banks and unprofitable firms fail, U.S. monetary policy since at least the GFC has propped up bad business models—and the asset values of otherwise worthless investments—by subsidizing the cost of capital well below the natural rate of interest. In the nation that has been the standard bearer and exporter of capitalism for over two centuries, socialist government policies are preventing capitalism from working at home. This will eventually catch up with our financial markets and economy, just as it did for Japan.

You can find the entire article at <https://stormwall.com/japans-warning-for-america/>

Second Watch

Office of Foreign Assets Control

The Russian Harmful Foreign Activities Sanctions Regulation 31.CFR. 587 prohibits Russian fishery products coming into United States markets. There was a loophole allowing China and other nations to re-process Russian products and sell under the name of the country re-processing. This is now prohibited, the restriction is due to the Russian invasion and war in the Ukraine.

Your ability to use AIS is due to a piece of legislation that instructs the USCG to suspend enforcement of individuals using AIS systems. This exemption is good through 2024. We have asked Senator Sullivan and Senator Cantwell to help provide for another two-year exemption. They have both been very helpful on this issue.

Greece has band bottom trawling as of 2024.

Canadian Atlantic Halibut- Canadian Broadcasting Corporation

The Atlantic-wide landings of halibut off Canada amount to 4,000 tons or about 10,000,000 pounds valued at \$100 million. The French, apparently, are encroaching on Canadian fisheries. Foreign fishing occurs just outside Canada's 200-mile limit off Newfoundland. The French want a percentage share four times their catch history. The French are ignoring that increasing their percentage of share requires a reduction by Canadian fisheries. (Oh my, sounds like 2B versus Alaska all over again in reverse!)

Sablefish Marketing Grant

Lots happening with the grant funds! We've got a logo and the final production of three short videos featuring Northwest chefs preparing dishes and discussing what they like about working with sablefish. They are available to view at the links below:

Local Tide: <https://www.youtube.com/watch?v=TSd8dYk1qM>

Chicory: <https://www.youtube.com/watch?v=dwjcrRwRPDs>

Cedar & Elm: <https://www.youtube.com/watch?v=m3Dcxdrk7n0>



In June, two award winning Northwest chefs developed a new sablefish recipe for our project and we held 2 photo shoots capturing imagery of each chef and the dish. The participating chefs included Renee Erickson's executive chef Bobby Palmquist from the award-winning restaurant group *Sea Creatures*, and Chef Cole Shardein (pictured left) from the 2022 Jame Beard Award Winning Sri Lankan-inspired restaurant *Rupee* in Ballard. Interestingly, Chef Cole's brother and uncle are both longliners on member vessels.



In addition to the restaurant shoots, we sent two photographers up to Alaska to capture video and photo images of fixed gear sablefish operations.

These and many other marketing assets will be showing up in several places over the coming months. We are currently building a website with QR code that you can point consumers and customers to for comprehensive information on sablefish. In addition, we will begin a product focused social media marketing campaign in mid- July. Things are really cooking now!

In Memoriam

It is with sadness we share the news that longtime FVOA member and friend Norman Ness passed away on May 28, 2024 after a short battle with an advanced aggressive cancer. He is survived by his children, Andy Ness and Merri Gunderson (Garet Gunderson), and grandchildren.

