# The Wheel Watch

*a newsletter of the*

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Dear Longliner:

This newsletter will bring you up-to-date on the North Pacific and Pacific Fishery Management Councils, IPHC, Washington, D.C. events, and marketing trends.

## ** *Pacific Council* **

For 2009, the Limited Entry Sablefish tier limits will be as follows:

| | |
|---|---|
| Tier 1 | 61,296 round lbs. |
| Tier 2 | 27,862 round lbs. |
| Tier 3 | 16,921 round lbs. |

The 2009 halibut 2A harvest level will likely be set less than 900,000 lbs., which will mean you will not get to harvest the halibut bycatch north of Cape Chehalis. The bycatch of Yellow-eye is still a concern. For the 2009 season, the restriction to fish seaward of 100 fathoms will likely be in place, though this will be discussed further at the March 2009 meeting.

Trawl ITQs, The Council. The Council took definitive action. They voted for a program that has four group components to it. Group #1 – At-Sea Processing – this group currently operates as a co-op of about 10 ships. The Council provided those in the co-op with a whiting certificate which will preclude any new entrants and they can continue to operate as a co-op without concern of new entrants. They were not awarded ITQs. Group #2 – Mothership (MS)and their catcher vessels – again, no ITQs were created. However, the class of motherships was closed to about six. No single mothership can process more than 40% of the MS allocation. The mothership harvesters, about 37 vessels, were given a whiting certificate for this sector. So both classes are closed, but no ITQs were issued. Group #3 – shoreside whiting – the harvesting vessels delivering whiting shoreside were granted ITQs. They received 80% of their historical landings. The whiting processors were granted 20% of the shorebased whiting ITQs. Group #4 – shorebased trawl groundfish, flounders, rockfish, non-whiting, etc., the harvesters get 90% of their history in ITQS and 10% of the quota is set aside as "adaptive management." This will be used to augment community concerns in fishing ports, when practicable. The ITQ program could be operational in 2011.

Of note, the Pacific Council's precedent-setting choice to grant the processors 20% of the whiting came about significantly due to agreements from two harvesting groups – MidWater Trawlers from Newport, Oregon and United Catcher Boats (UCB), Seattle, who both apparently agreed to the allocation to the processors. The 10% for adaptive management is also precedent setting. This trawl ITQ program comes with high costs for the non-whiting sector. There is the 5% trawl buy-out and loan fee, 3% IFQ fee, 100% observer coverage, plus costs of camera equipment. Estimate cost could be 20-25% of value of the fish. The 20% to processors is precedent setting and will likely end up as an option for crab or GOA rationalization options in the NPFMC.

The Pacific Council still has use and excessive CAPS to discuss. The Council could revisit this TITQ action at any time during the next three Council meetings. I doubt this will occur.

## **IPHC**

The following are the 2009 harvest recommendations from the Halibut Commission. With the exceptions of Areas 2C, 4A, and 4D, commercial catch per unit effort (CPUE) in 2008 decreased from 2007 values. The 2008 IPHC setline survey CPUE values increased in Areas 2B, 4A, 4B, and 4D but decreased in all other areas. These fluctuations were generally in the ±10% range.

| Regulatory Area | 2008 Fishery Catch Limit | 2009 IPHC Staff Recommended Fishery Catch Limit | % of Change |
|---|---|---|---|
| 2A[a] | 1.22 | 0.86 | 30%↓ |
| 2B[b] | 9.00 | 6.96 | 23%↓ |
| 2C | 6.21 | 4.47 | 28%↓ |
| 3A | 24.22 | 22.53 | 6%↓ |
| 3B | 10.90 | 11.67 | 7%↑ |
| 4A | 3.10 | 2.65 | 14%↓ |
| 4B | 1.86 | 1.94 | 4%↑ |
| 4CDE[c] | 3.89 | 2.93 | 24%↓ |
| **Total** | **60.40** | **54.01** | **10.5%↓** |

**Figure 20. Coast population estimates of halibut. Several large year classes are highlighted.**

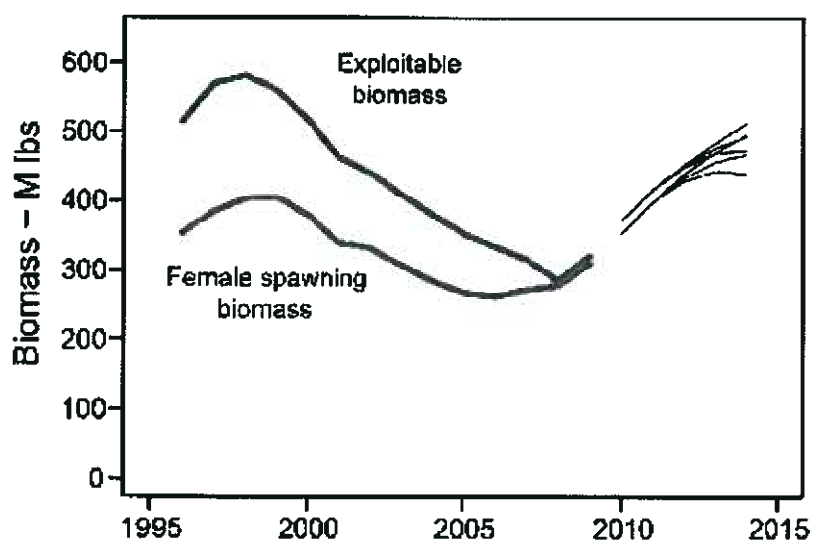


**Figure 21. Projected exploitable and spawning biomasses for the coastwide population of halibut.**

The Commission's report to the fleet says exploitable biomass of halibut has declined approximately 50% over the past decade. Relative to Area 2, the report says surplus production estimates suggest removals have exceeded surplus production for most of the past decade. All Area 2 subareas have seen a 50% survey CPUE decline between 1996 and 2007.

For Areas 3A and 3B, the CPUE indices show a slow decline of 20% in commercial and 33% in the survey between 1998 and 2008. The exploitable biomass has dropped 16% over the last 10 years. It appears emigration is roughly equal to immigration for all of Area 3. Area 3A has the appearance of being the most stable of the IPHC regulatory areas. – IPHC Staff

The Area 4A CPUE has declined 70% over the past decade. Area 4B is down 50% and 4CDE is off 40%. The exploitable biomass has declined 61% for Area 4A, 68% for 4B, and 43% for areas 4CDE. 4B is showing signs of improving. Additionally, 4A seems to be a net exporter of fish, receiving little emigration from the rest of Area 4 while immigration is quite large.

The final decision on harvest limits will be set the week of January 12th in Vancouver, B.C.

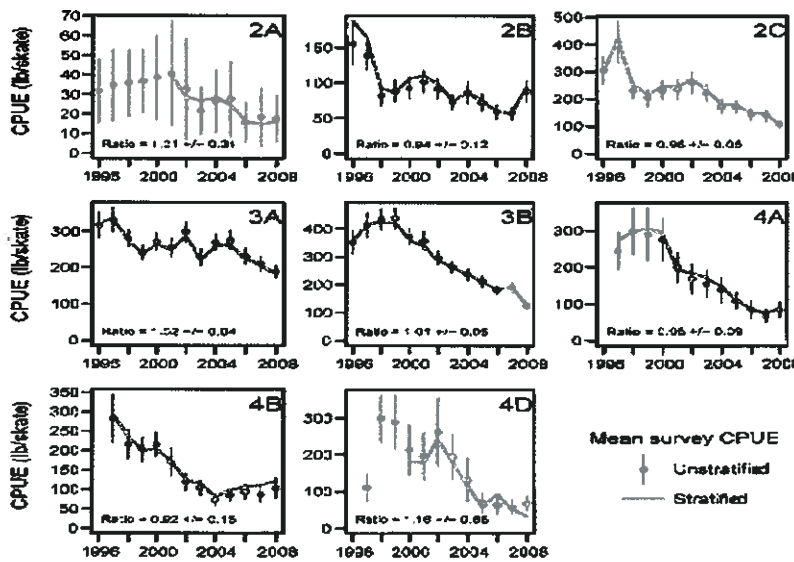


**Figure 23. Survey CPUE plotted as simple mean (unstratified, gray dots) and depth-stratified CPUE (yellow line). The errors bars are +/- two standard errors of the mean for the unstratified mean**

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IPHC Report of Assessment and Research Activities 2008

# **NPFMC**

**Sablefish.** In December 1999, the Council apportioned the 2000 ABC and OFL based on a 5-year exponential weighting of the survey and fishery abundance indices. We used the same algorithm to apportion the 2009 ABC and OFL.

| Apportionments are based on survey and fishery information | 2008 ABC Percent | 2008 Survey RPW | 2007 Fishery RPW | 2009 ABC Percent | 2008 ABC | Authors 2009 ABC | Change |
|---|---|---|---|---|---|---|---|
| Total | | | | | 18,030 | 16,080 | -11% |
| Bering Sea | 16% | 19% | 15% | 17% | 2,860 | 2,720 | -5% |
| Aleutians | 14% | 13% | 16% | 14% | 2,440 | 2,200 | -10% |
| Gulf of Alaska | 71% | 68% | 69% | 69% | 12,730 | 11,160 | -12% |
| Western | 15% | 16% | 12% | 15% | 1,890 | 1,640 | -13% |
| Central | 43% | 49% | 42% | 45% | 5,500 | 4,990 | -9% |
| W. Yakutat | 15% | 13% | 15% | 15% | 1,950 | 1,640 | -16% |
| E. Yakutat/S.E. | 27% | 22% | 31% | 26% | 3,390 | 2,890 | -15% |

*Spawning biomass and stock status trends.* The survey abundance index decreased 2% from 2007 to 2008, a change which follows a 14% decrease from 2006 to 2007. The fishery abundance index was up 5% from 2006 to 2007 (2008 data not yet available). The spawning biomass is projected to be similar from 2008 to 2009, but is expected to decline through 2012. The projected 2009 spawning biomass is 36% of unfished biomass compared with about 29% of unfished biomass estimated during the 1998 to 2001 period. The 1997 year class has been an important contributor to the population but has been reduced and comprises 13% of the 2008 spawning biomass.

There is increasing concern over sperm whale interaction with the survey vessel. The research vessel reported that 90% of its stations had sperm whales in the area.

**Pacific Cod.** Status and catch specifications (t) of Pacific cod and projections for 2009 and 2010. Biomass for each year corresponds to the projections given in the SAFE report issued in the preceding year. Catch includes the federally reported catch (parallel and catch outside 3 miles; excludes state fishery inside 3-miles) and is current through November 8th 2008.

| Area | Year | Biomass | OFL | ABC | TAC | Catch |
|---|---|---|---|---|---|---|
| GOA | 2007 | 273,000 | 97,600 | 68,859 | 52,264 | 39,473 |
| | 2008 | *233,310** | 88,660 | 66,493 | 50,269 | 42,424 |
| | 2009 | 520,000 | 66,600 | 55,500 | | |
| | 2010 | | 126,000 | 79,500 | | |

*the 2008 biomass is the trawl survey biomass from 2007

| | Apportionment | 2009 | 2010 |
|---|---|---|---|
| West | 39% | 21,567 | 31,005 |
| Central | 57% | 31,521 | 45,315 |
| East | 4% | 2,212 | 3,180 |
| Total | | 55,300 | 79,500 |

Cod harvest will take a dip for 2009 but are expected to rebound in 2010. The stock assessment author does caution that this will be reassessed next year.

**Bering Sea Pacific Cod.** Status and catch specifications (t) of Pacific cod in recent years. Biomass for each year corresponds to the projection given in the SAFE report issued in the preceding year. The OFL and ABC for 2009 and 2010 are those recommended by the Plan Team. Catch data are current through November 8, 2008.

| Area | Year | Age 3+ Biomass | OFL | ABC | TAC | Catch |
|---|---|---|---|---|---|---|
| | 2007 | 960,000 | 207,000 | 176,000 | 170,720 | 173,624 |
| | 2008 | 1,080,000 | 207,000 | 176,000 | 170,720 | 165,477 |
| | 2009 | 1,260,000 | 212,000 | 176,000 | n/a | n/a |
| | 2010 | n/a | 235,000 | 176,000 | n/a | n/a |

*Changes from previous assessment*

*Pacific Cod looks stable through 2010.*

## **Markets**

**Halibut.** The season ended at exactly the right time. During the last two weeks, the price began to weaken. One FVOA vessel sold on consignment due to the market weakening. Halibut has managed to be a featured item on the best restaurant menus on the West Coast. With the national and international economies weakening the upper-end restaurant trade is experiencing reduced clients. There are reported cold storage inventories. The market will have the next four months to deplete their inventories. Next year, the total supply will be down 10% which should help the market. On a bright note for wild halibut lovers, the farmed market halibut break-even price is likely to be higher than the prices they receive. The processors will likely ask for a three week delay in the opening date to help reduce inventory.

**Sablefish.** The market remained strong through the season with the market peaking in the fall. The Yen vs. the dollar reached 92¥ and is currently at 94. For the last several years, the Yen has been at 112 to 117. This fluctuation to the low 90's allows Japan to have 20% more purchasing power. Alaska sablefish harvests for 2009 will drop about 11% overall. My advice is, should the yen be in the 90's this coming spring, sell your sablefish first. Recognize that Japan is officially in a recession. The current fluctuation of the yen is not the result of a stronger Japanese economy but due to the broader international economic mess. Sablefish has done well in moving into the U.S. market, but it is a high end ticket item.

**Pacific Cod.** Cod is experiencing the true global impact on its value and sales. The price has dropped in Alaska from .64/lb. to .35/lb round. Loss of credit lines and the banking crisis have affected cod sales more than halibut or sablefish. Pacific cod from the Bering Sea should remain close to last year's production, 173,000 Mt for 2009.

Norway and Russia announced a 20% increase in Barents Sea cod quotas for 2009. This will result in a 546,000 ton harvest. *...Seafood News*

# **Eat on the Wild Side!**

**MSC.** More and more products are receiving the MSC certification. It is becoming the international trademark for sustainable resources. Denmark is moving to have all of its fisheries registered and certified as MSC. *...Fish News International*

Norway is to have NE Arctic cod and haddock go under full MSC certification. This represents 174,000 tons of cod and 76,500 Mt of haddock.

Russian Pollock companies expect to get MSC certification in four years time. *...The Wave*

**Phone for Fish.** If you are eco-conscious, you can text to 30644, with message fish and the name of the fish you are considering (for example, fish Halibut or fish Sablefish) and the Blue Ocean Institute will tell you immediately any concerns. Alaskan Halibut and Sablefish each received a thumbs up.

**Farmed Halibut.** Marine Harvest of Norway produces 1100 tons of product a year, about 70% of the global production. The prices are as follows: $14.05 per kg for size 3-5 kg
$16.70 per kg for size 5-7 kg
$17.55 per kg for size 7-10 Kg
"It's not cheap fish to use." Freshness is the most important fact. *...SFI*

**Farmed Sablefish.** 11-05-08 Sales of the world's first farmed sablefish from Canada took place in Japan. Prices were ¥2,800 per Kilo at the first auction with a total weight of about 40 Kg. Sales expected are 100-200 Kg/week. *...Seafood.com*

Some consumers opt for the convenience of shelf-stable fish oil supplements. Maybe they're afraid to prepare fish, or maybe they just dislike the taste. Whatever the reason, New Zealand researchers say they're missing out on seafood's healthful attributes, which extend beyond omega-3s.

Researchers at Massey University's Institute of Food, Health, and Human nutrition compared a group of volunteers that each ate a 120-gram portion of salmon twice a week with a group that took fish oil pills. While the groups had similar omega-3 levels in their blood, the group that ate salmon significantly increased its selenium levels, the researchers revealed late last week.

Selenium is a crucial antioxidant associated with reduced risk of heart disease and cancer, they said. It is also known to protect against the toxicity of methylmercury, which is found in relatively high levels in long-living, predatory fish. *...Seafood News*

# **Second Watch**

Arrowac closed its Bellingham facility. However, they are still in business for custom sales within Alaska as well as your sablefish from the lower coast or any halibut. You can reach Arrowac at Seattle (206) 282-5655 or Tony at (360) 676-1606.

Net lockers at Fishermen's Terminal – the "battle in Seattle" over the proper use of "lofts" in the net sheds is a hot issue which we are monitoring. We have met with the Port risk manager and will have some additional meetings.

Please welcome as an Associate Member, **Mr. Steve Aarvik, F/V Windjammer**, Lynnwood, Washington. Thank you for your support!

<u>First Aid/CPR through Washington Sea-Grant.</u> A class has been scheduled for Monday, February 2, 2009 for a refresher on First Aid/CPR. Please call Sarah Fisken to sign up for this class at (206) 543-1225.

Below is a graphic of Pacific Decadal Oscillation. This is a weather pattern that moves north and south around the Aleutians and seems to do so every 25 to 30 years. From 1947 to roughly 1977, we had a warm water regime. From 1959 to 1976, we had a cold water regime. Some scientists believe year-class strength of different marine species do better in different regimes. For instance, crab and shrimp appear to do better in a cold regime. Perhaps you can forecast the next good year class.