

TRAWL CATCH SHARE PROGRAM REVIEW PUBLIC HEARING



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AGENDA

- A. Administrative Matters
- B. Council Objectives Related to the Review
- C. Presentation on Preliminary Findings
- D. Public Comment
- E. Next Steps



**B. COUNCIL
OBJECTIVES RELATED
TO CATCH SHARE
PROGRAM REVIEW**

GOALS AND OBJECTIVES OF A20

Goal: Create and implement a capacity rationalization plan that increases net economic benefits, creates individual economic stability, provides for full utilization of the trawl sector allocation, considers environmental impacts, and achieves individual accountability of catch and bycatch.

Objectives:

1. Provide a mechanism for total catch accounting.
2. Provide for a viable, profitable, and efficient groundfish fishery.
3. Promote practices that reduce bycatch and discard mortality and minimize ecological impacts.
4. Increase operational flexibility.
5. Minimize adverse effects from an IFQ program on fishing communities and other fisheries to the extent practical.
6. Promote measurable economic and employment benefits through the seafood catching, processing, distribution elements, and support sectors of the industry.
7. Provide quality product for the consumer.
8. Increase safety in the fishery

COUNCIL OBJECTIVES

- Program performance of the trawl catch share program
- Provide a diagnosis of why the program does not appear to be meeting its economic goals and objectives.
 - This would include factors related to program design and those outside of the Council process
 - High priority focus on the non-whiting bottom trawl sector.



C. PRESENTATION ON PRELIMINARY FINDINGS

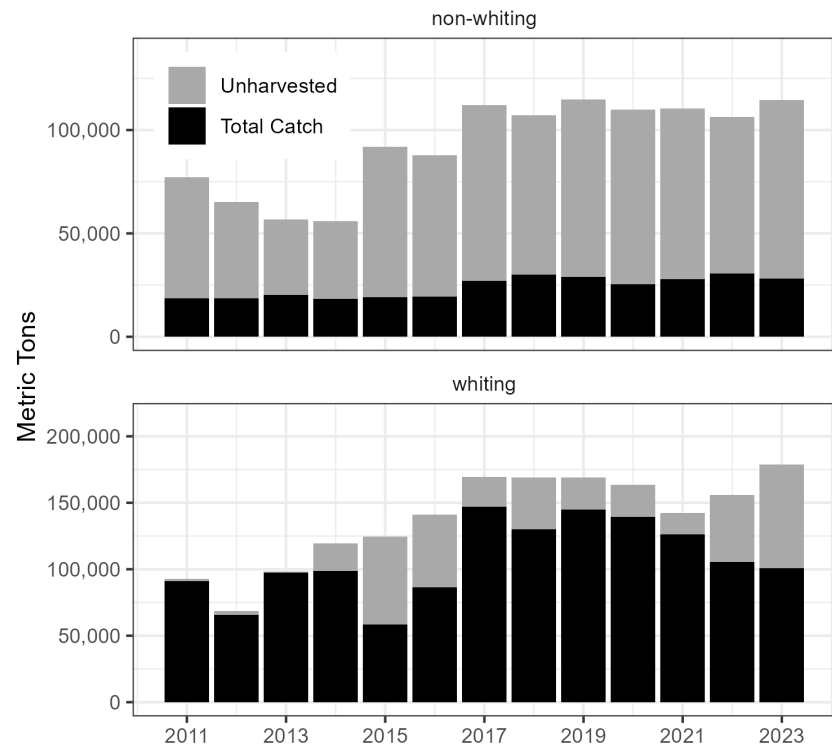
OVERVIEW

- Focused on period since the last catch share review
- Includes data through 2023
- Overall participation, attainment, and economic trends

SHOREBASED IFQ UTILIZATION

- Non-whiting species
 - Catch and allocation levels increased
 - Utilization percentage declined
- Whiting utilization has decreased,
 - Increasing allocation (2016-2020),
 - Decreasing catch (2021-2023)

IFQ Sector Utilization by Species Group

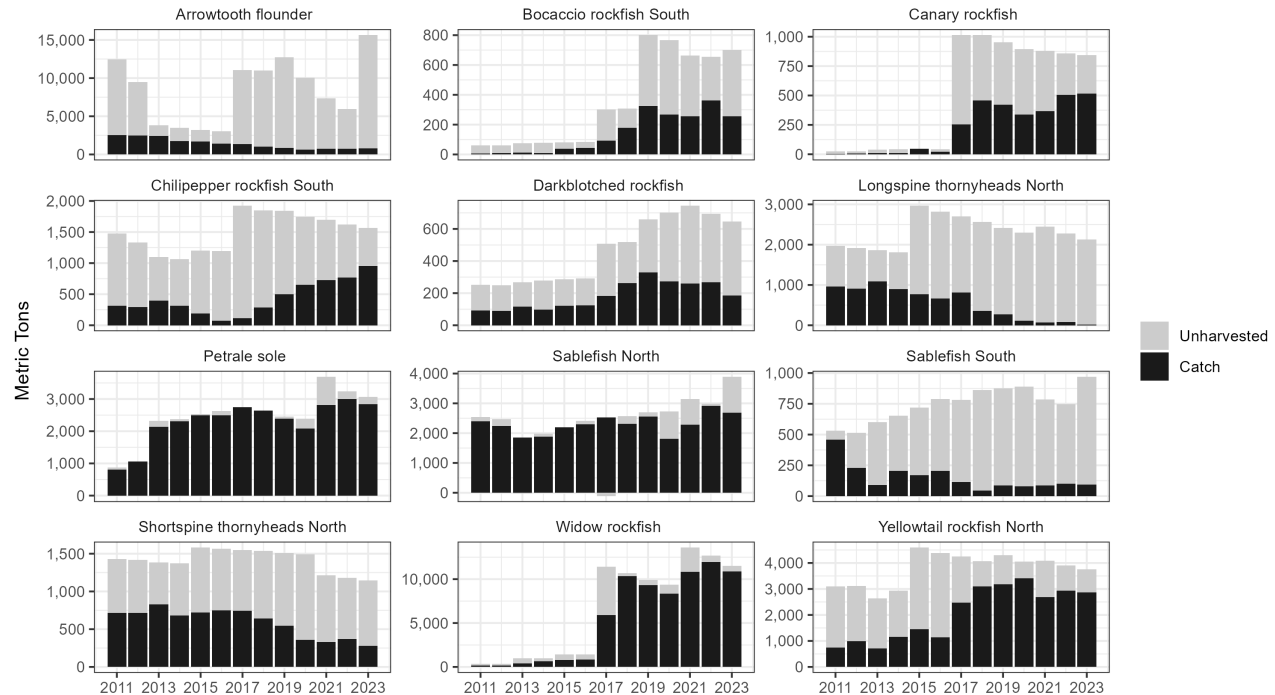


Source: NOAA Fisheries IFQ Sector Balances website

SHOREBASED IFQ UTILIZATION

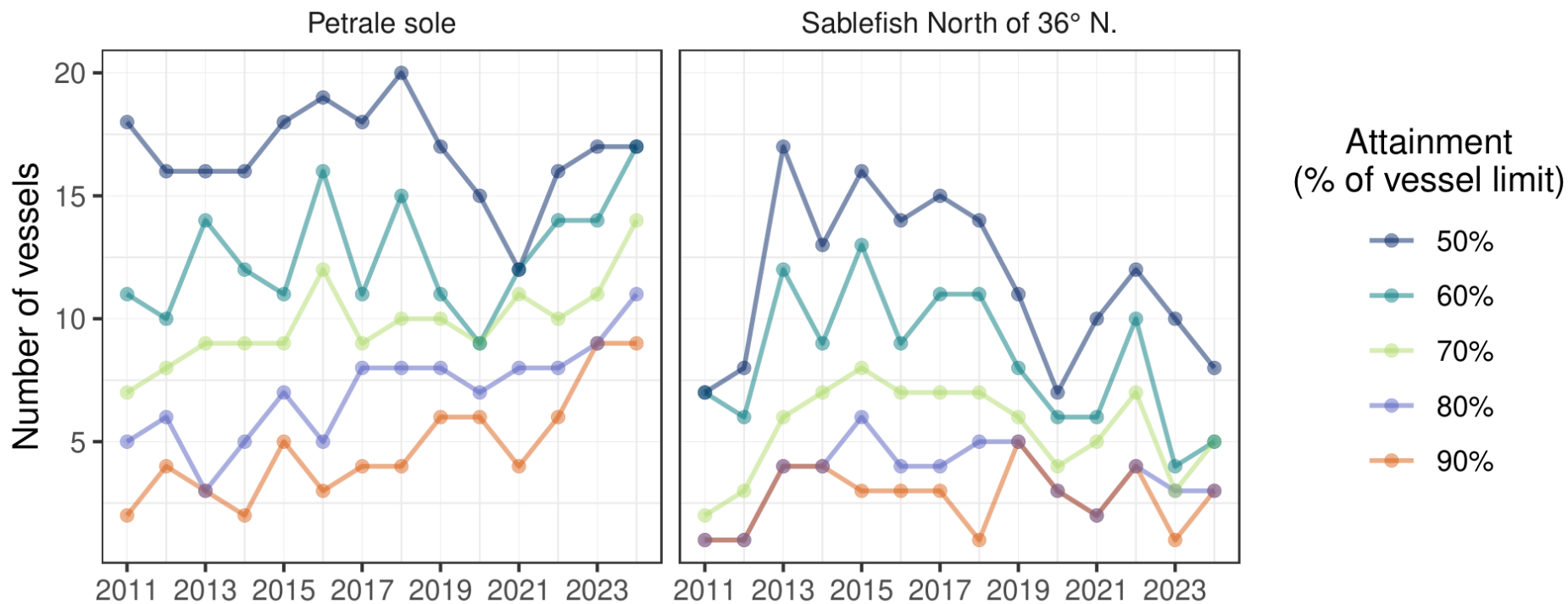
- Sablefish North & Petrale: reduced utilization
- Widow rockfish: high utilization despite increased allocation

Stocks with Over 50% Utilization



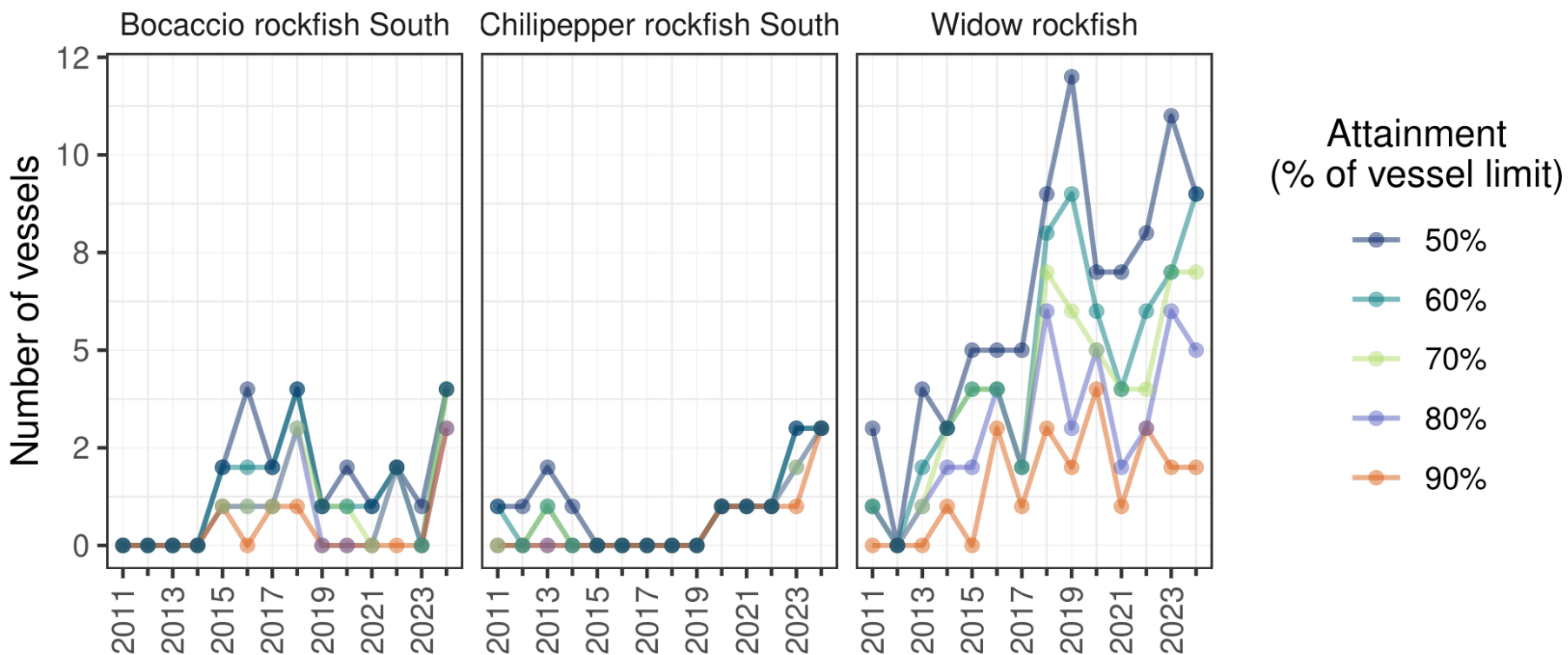
Source: NOAA Fisheries IFQ Sector Balances website

VESSEL CAP ATTAINMENT RATES



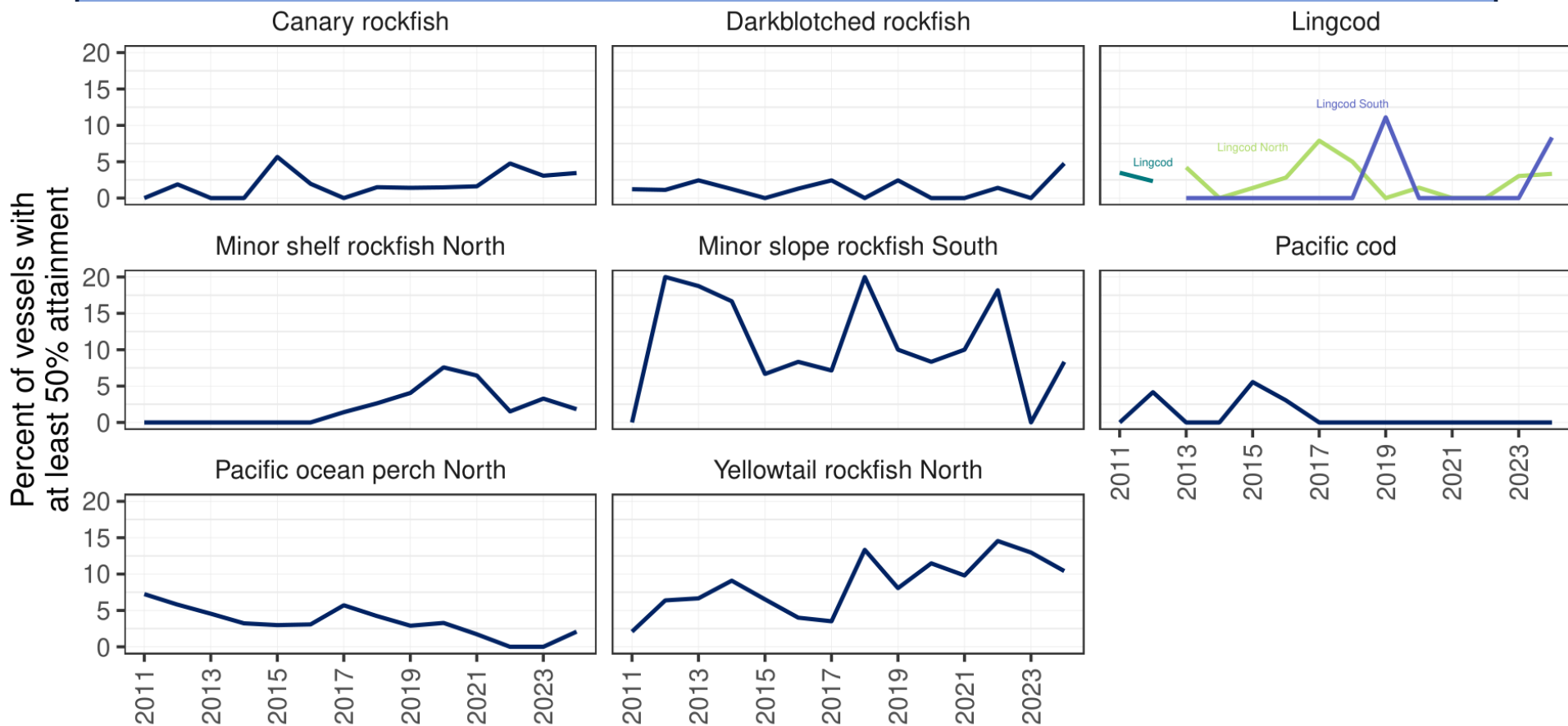
Quota categories where there was at least one year where at least **five** vessels were at least 90% of vessel cap

VESSEL CAP ATTAINMENT RATES



Quota categories where there was at least one year where at least **three** vessels were at least 90% of vessel cap (sablefish N and petrale excluded)

VESSEL CAP ATTAINMENT RATES

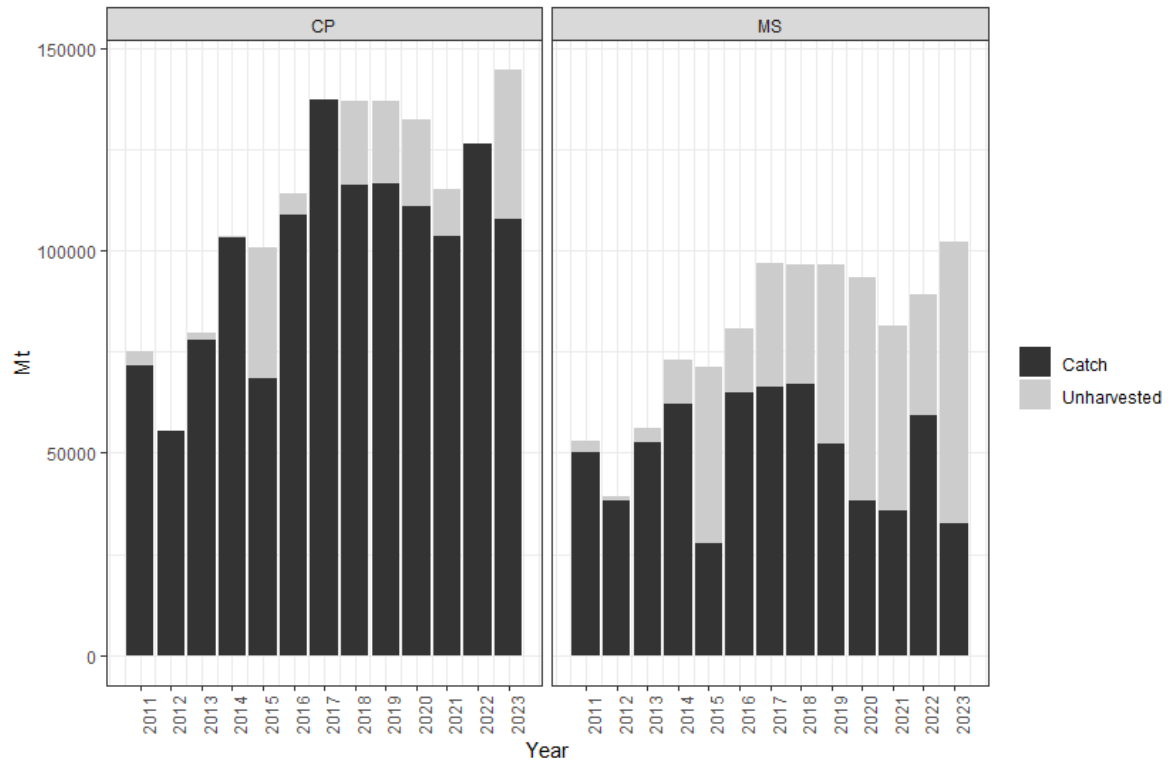


Quota categories where there was at least one year where at least **one** vessel caught at least 90% of vessel cap

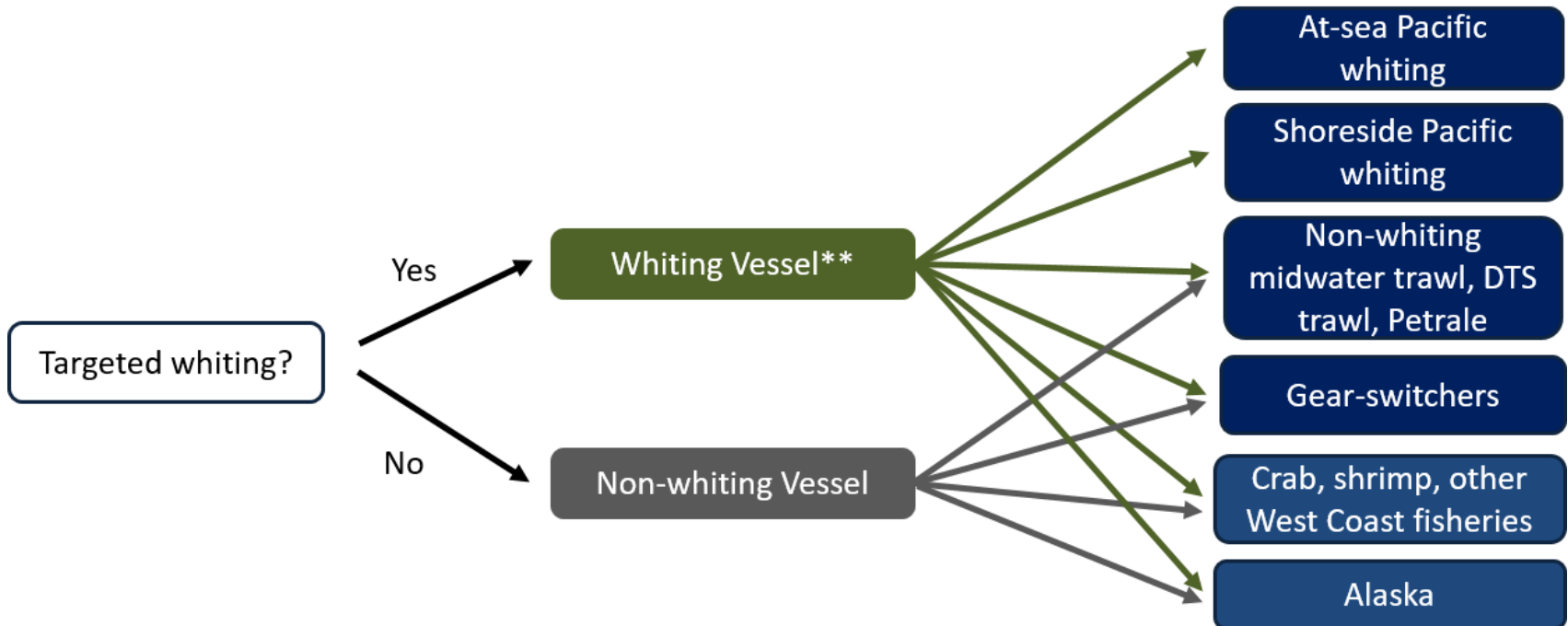
Line represents % of vessels with at least 50% attainment

AT-SEA SECTOR UTILIZATION

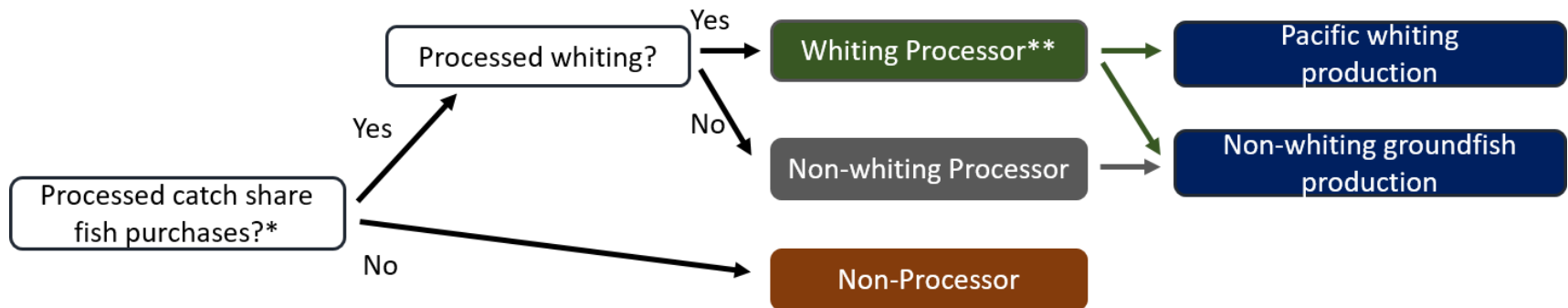
- CP Sector
 - High attainment overall
 - Lowest attainment in 2023 since 2015
- MS Sector
 - Decline in attainment since last review
 - 2023 lowest across time series



VESSEL- SECTOR DEFINITIONS (EDC)



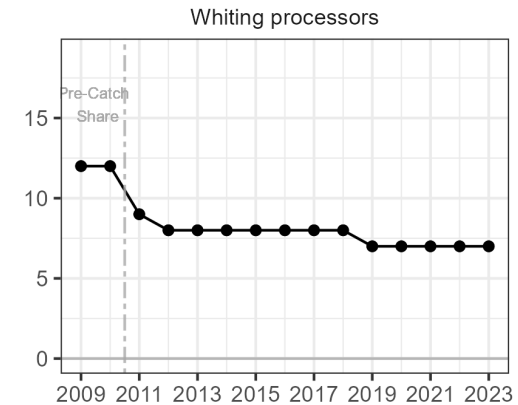
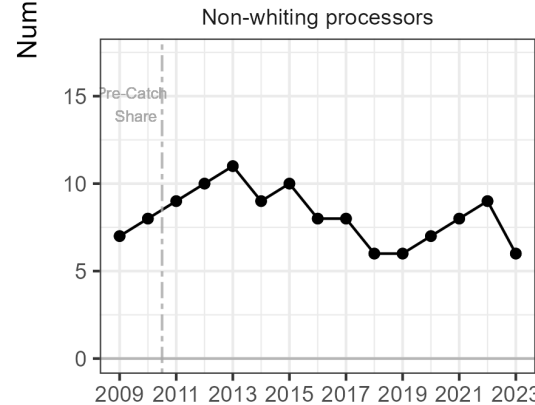
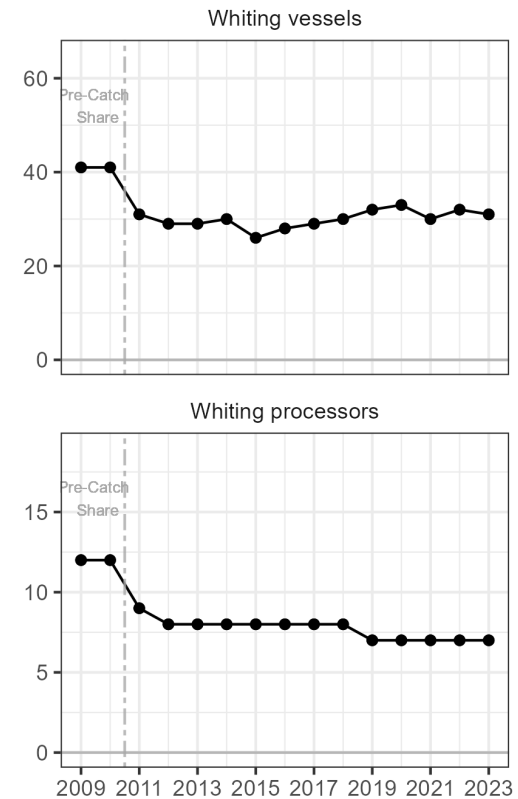
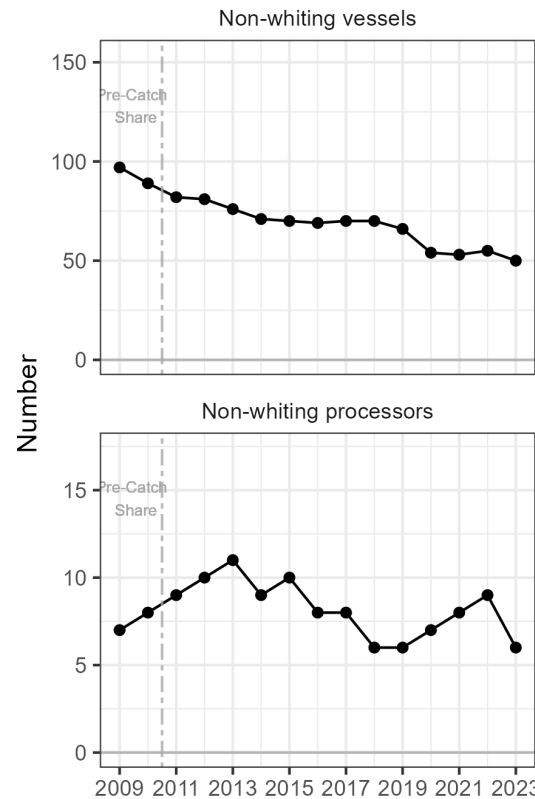
PROCESSOR SECTOR DEFINITIONS (EDC)



PARTICIPATION TRENDS- CV AND SHOREBASED PROCESSORS

Since the last review (2015):

- Non-whiting vessels have decreased (from 70 in 2015 to 50 in 2023)
- Whiting vessels have increased (from 26 in 2015 to 31 in 2023)
- Non-whiting (10 in 2015 to 6 in 2023) and whiting (8 in 2015 to 7 in 2023) processors have decreased



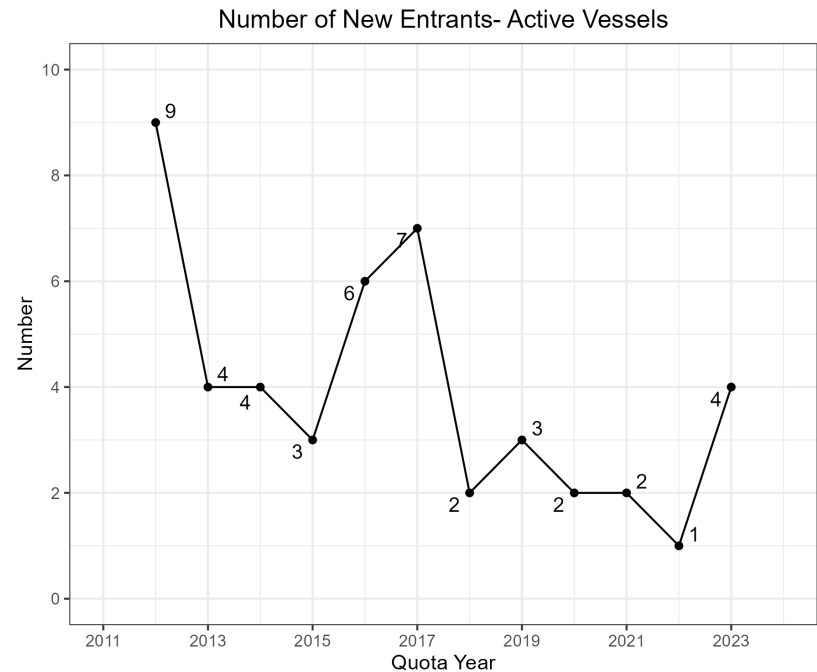
Source: EDC data, FishEyE

PARTICIPATION TRENDS- CVS AND SHOREBASED PROCESSORS

- Table 1 of Attachment
- Whiting CVs (SS and At-Sea): Similar to last review
- Midwater trawl: only sector to increase
- Gear Switchers: Declined in recent years
- DTS: Declined since last review
- Non-DTS Bottom trawl: Similar to last review
- Processors: Slight decline in both whiting and non-whiting

IFQ NEW ENTRY PATTERNS

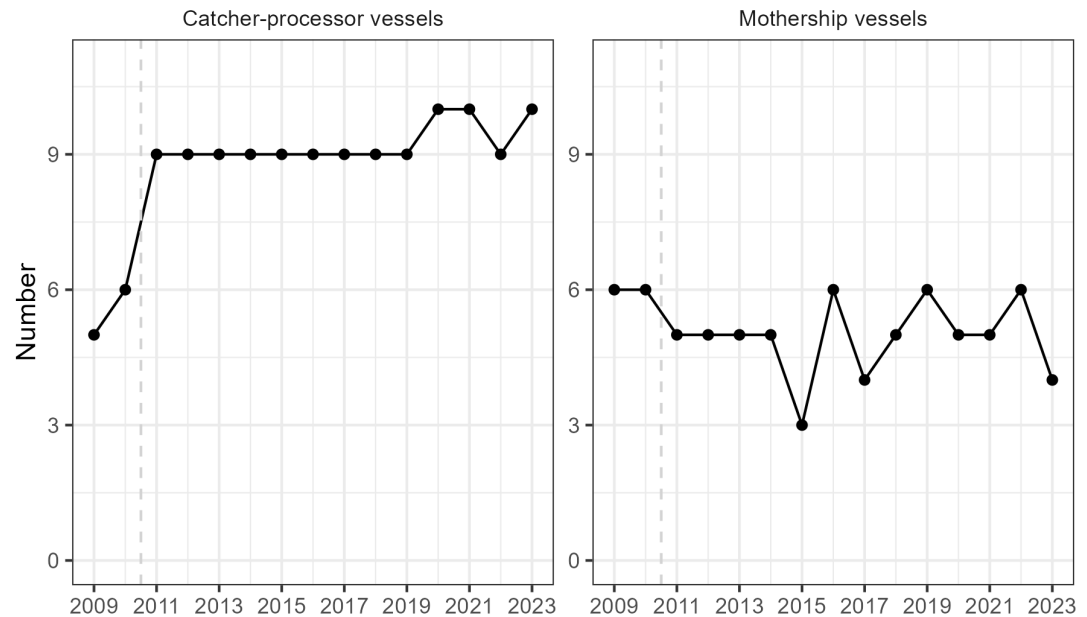
- The number of new entrants in the IFQ program has generally declined over time
- New entrants defined as:
 - Active IFQ vessels that had not participated in previous years
 - Not owned by an owner of another active vessel in the program



Source: NOAA Fisheries IFQ Vessel Account Data

PARTICIPATION- MS AND CP

- Number of CPs increased from 9 to 10 in 2020
- Number of MS has fluctuated between 3 and 6



Source: EDC data, FishEyE

EX-VESSEL PRICES

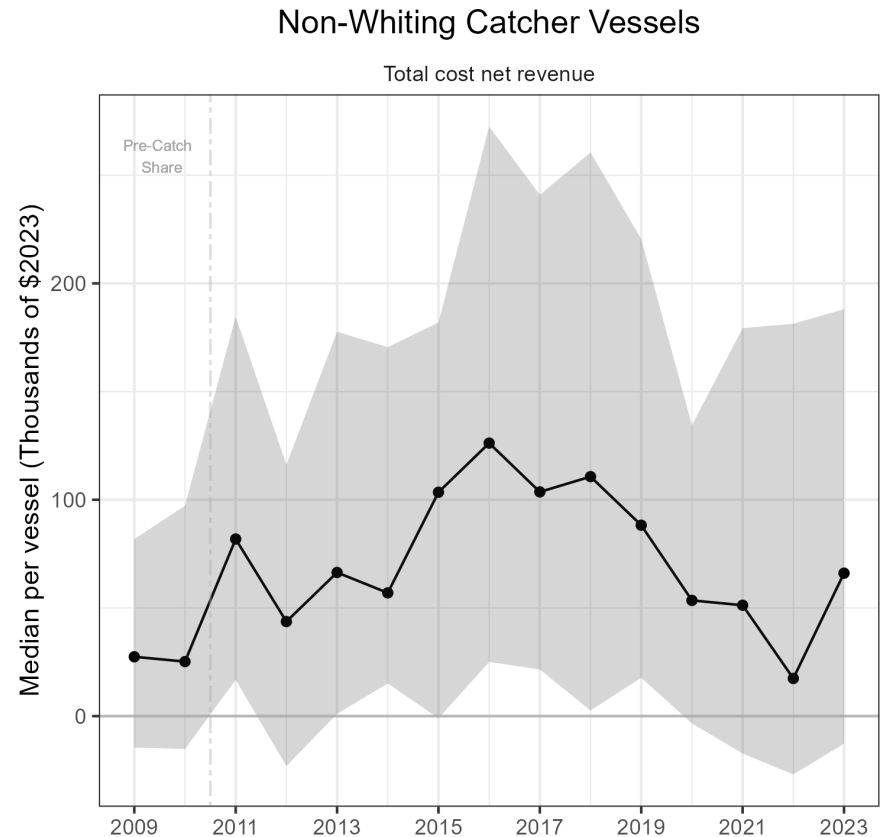
- Table 2 of Attachment shows the average ex-vessel price per species per year
- Overall, prices (2023\$ adjusted) have fallen below the average for most species since last review
- Possible Reasons?
 - Tariffs on China started in 2018 and impacted markets for secondary processing
 - Exports reduced during COVID
 - Most factors external to CS program
 - Some detailed in the [NMFS AFSC Alaska Snapshot Report](#)

TOTAL COST NET REVENUE

- Table 3 and 4 of Attachment
- $TCNR = \text{revenue} - \text{variable and fixed costs}$.
- An indicator of long term profitability but does not include all costs so may be considered an upper bound.
- Each of these slides shows the median in the black line with the 25th and 75th interval around it.
- Changes in TCNR over time may occur from changes in revenue or costs, but also due to shifts in accounting practices
- In looking at this TCNR as percentage of revenue (Table 4 of Attach), it shows how much of the gross revenue was retained as "profits".

CATCHER VESSEL ECONOMIC OUTCOMES- NON-WHITING

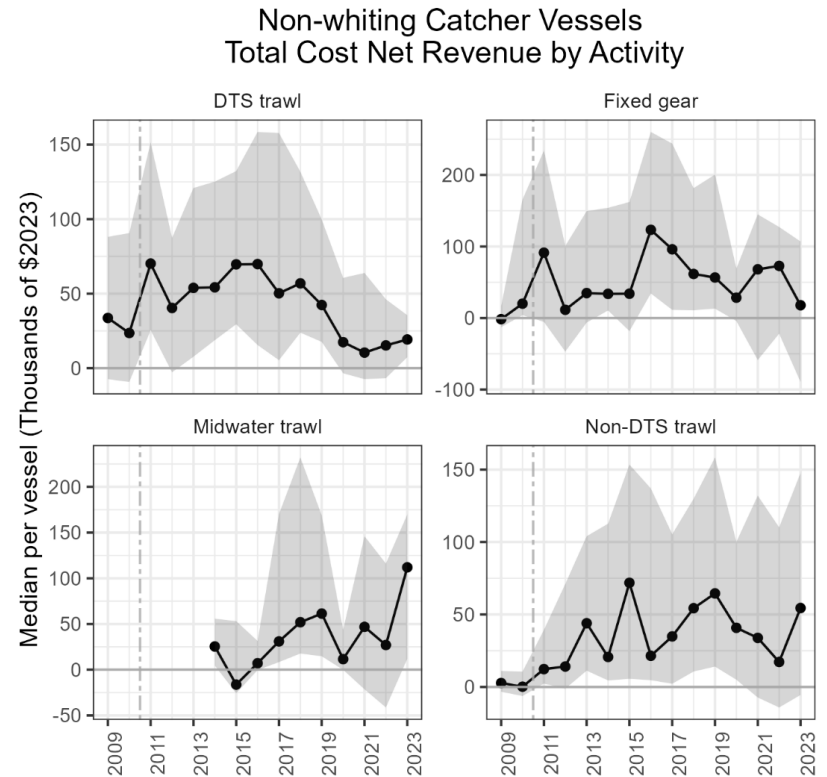
- Non-whiting CV TCNR highest 2015-2019
- TCNR declining 2020-2022
- 2023 shows some recovery- but 25+% vessels are still losing money



Source: EDC data, FishEyE

CATCHER VESSEL ECONOMIC OUTCOMES- NON-WHITING ACTIVITIES

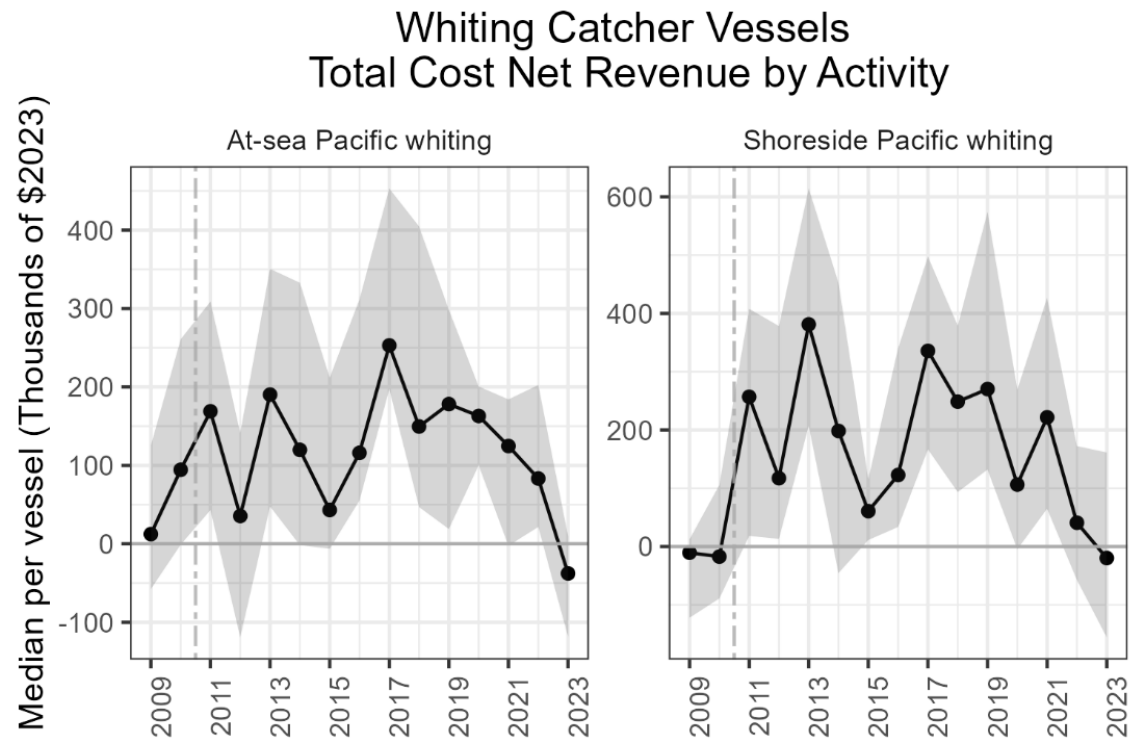
- DTS trawl has declined in profitability overall since 2015
- Midwater trawl and non-DTS trawl show greatest increases in profitability between 2022 and 2023



Source: EDC data, FishEye

CATCHER VESSEL ECONOMIC OUTCOMES- WHITING ACTIVITIES

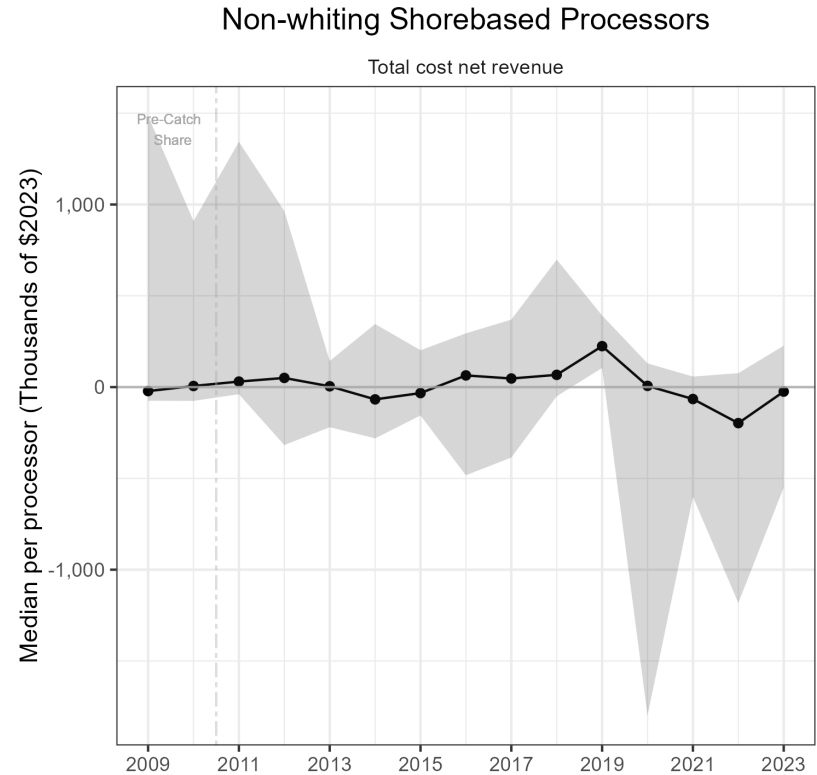
- Whiting vessel outcomes by activity generally similar
- Shoreside whiting shows more variability year to year 2019-2023 than at-sea whiting



Source: EDC data, FishEyE

SHOREBASED PROCESSOR OUTCOMES- NON-WHITING

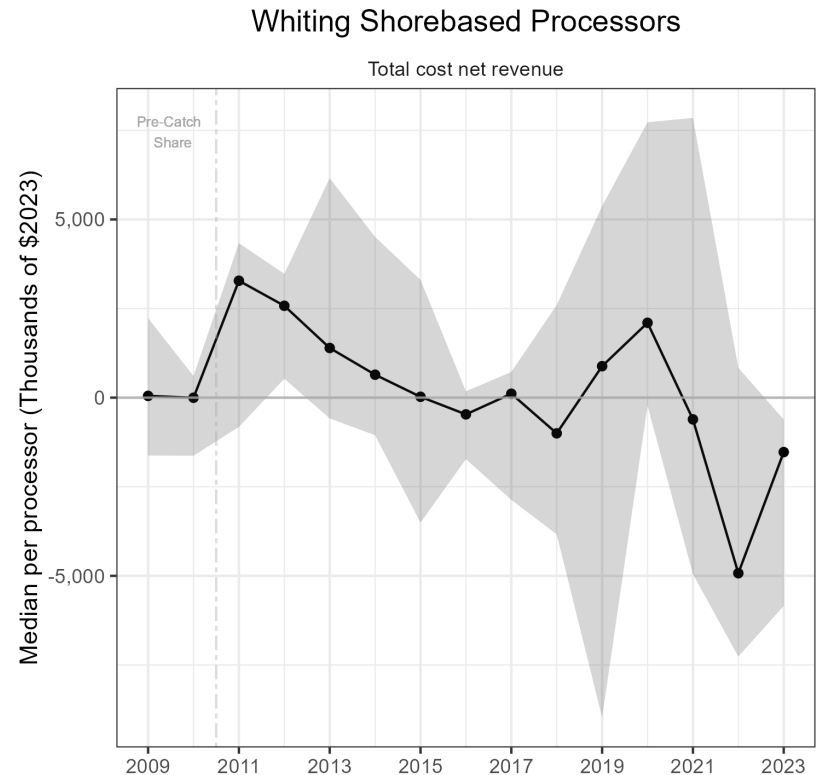
- Median non-whiting processor outcomes have not changed as much as 25th and 75th percentiles
- 2019 only year with range all above zero.
- Median processor shows lowest recorded profits in 2022, negative TCNR



Source: EDC data, FishEyE

SHOREBASED PROCESSOR OUTCOMES- WHITING

- Variation in profits across whiting shorebased processors (gray band) has widened
- 2021-2023 show lowest recorded profits, negative TCNR

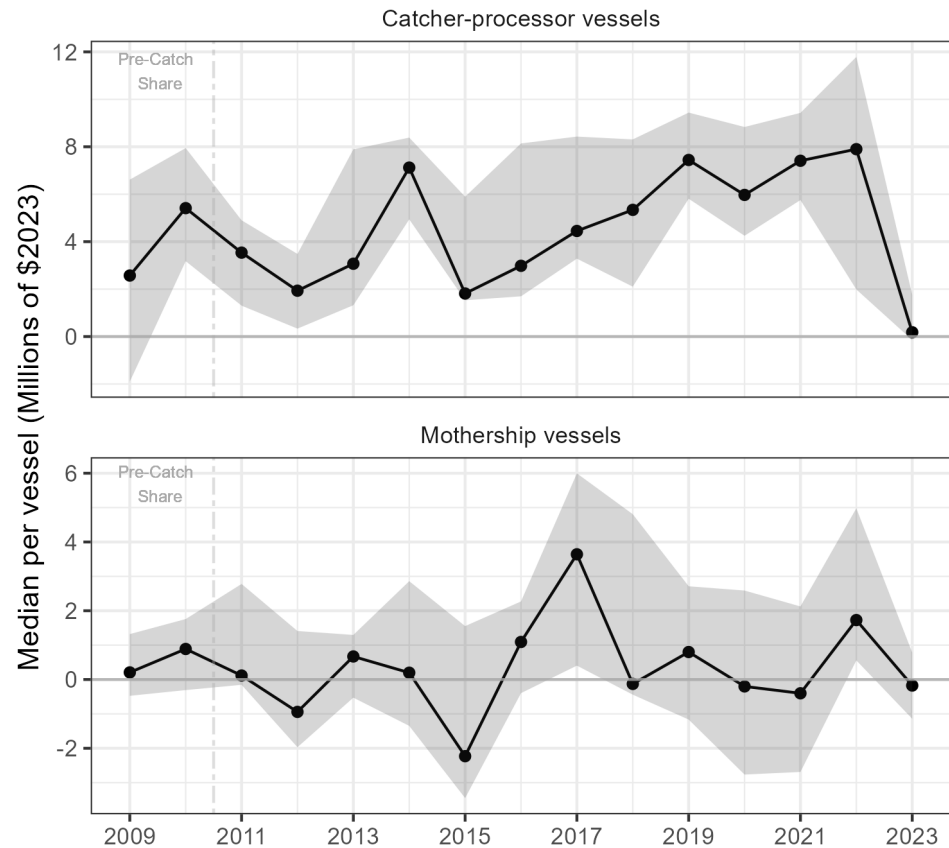


Source: EDC data, FishEyE

AT-SEA SECTOR ECONOMIC OUTCOMES

- Catcher-processor profits increased from 2015 to 2022
 - 2023 showed decrease to record low
- Motherships had a low in 2015 and high in 2017

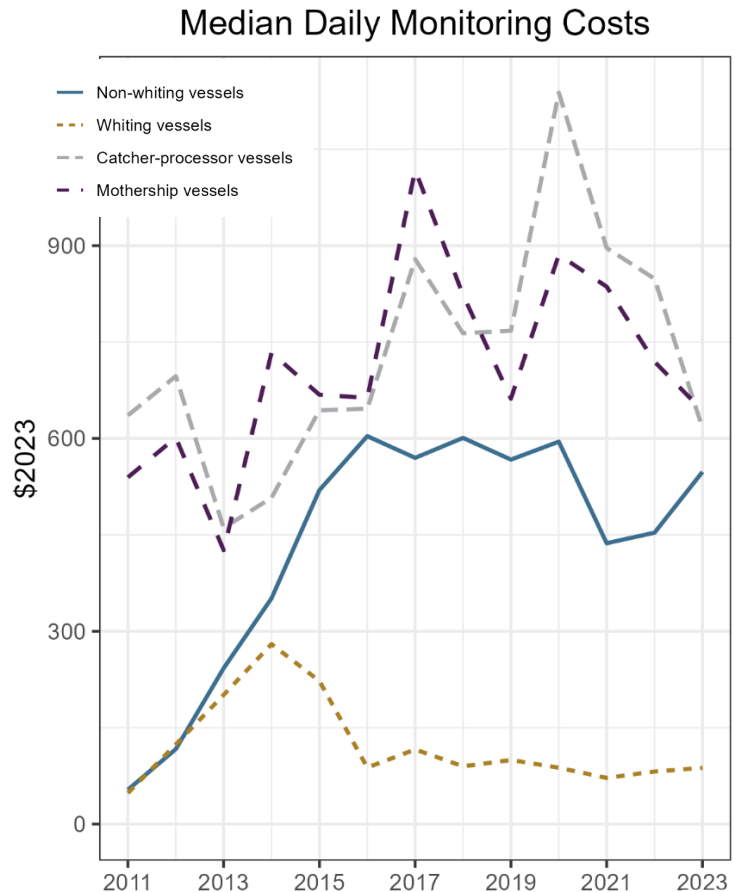
Total Cost Net Revenue



Source: EDC data, FishEye

DAILY MONITORING COSTS

- Use of EM has reduced monitoring costs for whiting catcher vessels
- Declining subsidy for CV monitoring increased costs between 2011-2016
- Non-whiting daily monitoring costs decreased in 2021 but increased between 2022 and 2023.
- As of August 2024, seaday rate was \$700/day

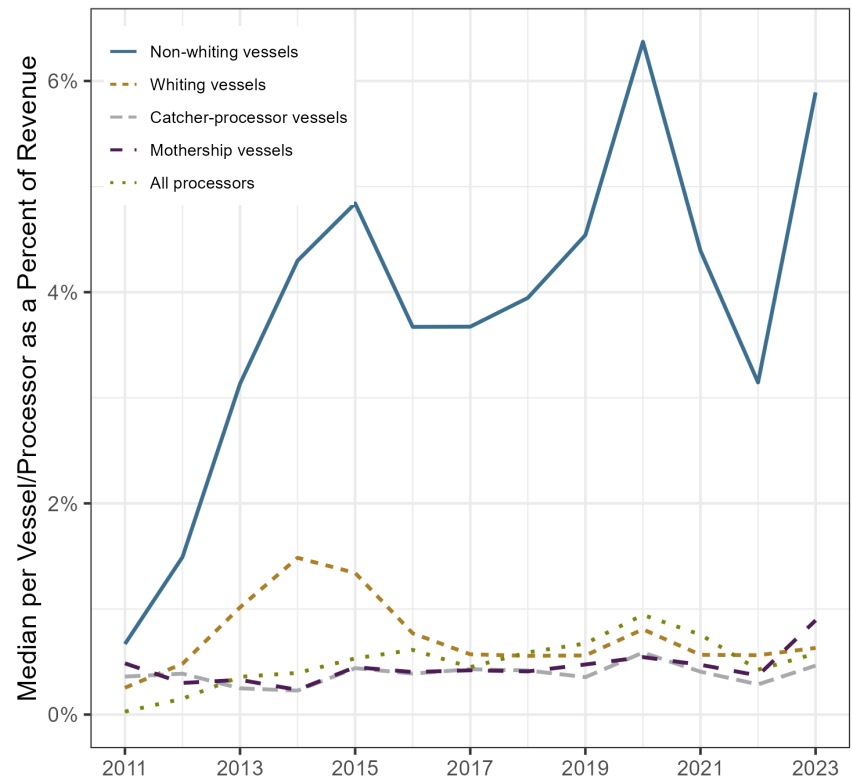


Source: EDC data, FishEyE

MONITORING COSTS AS A PERCENT OF REVENUE

- Non-whiting CVs have paid an increasing percent of their revenue on monitoring expenses (4%-6%)
- Other vessel types and sectors have paid less than 1% of revenue

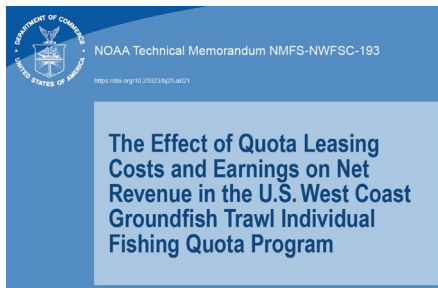
Median Monitoring Costs as a Percent of Revenue



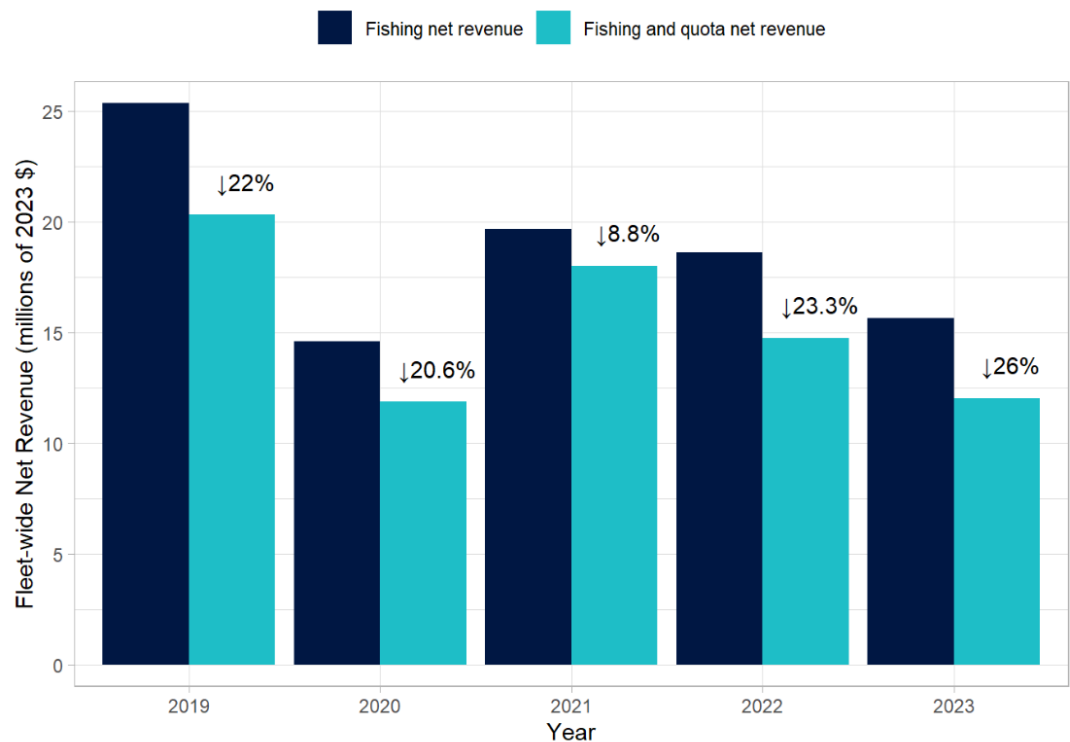
Source: EDC data, FishEye

QUOTA SHARE SURVEY RESULTS: IMPACTS OF LEASING ON NET REVENUE

Fleet-wide net revenue is between 8.8% and 26% lower than without taking into account leasing

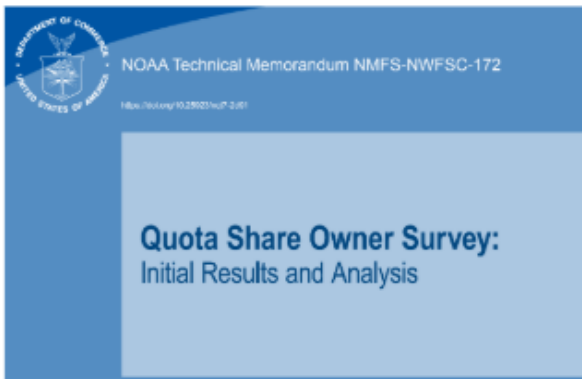


https://repository.library.noaa.gov/view/noaa/61803/noaa_61803_DS1.pdf



Source: EDC data

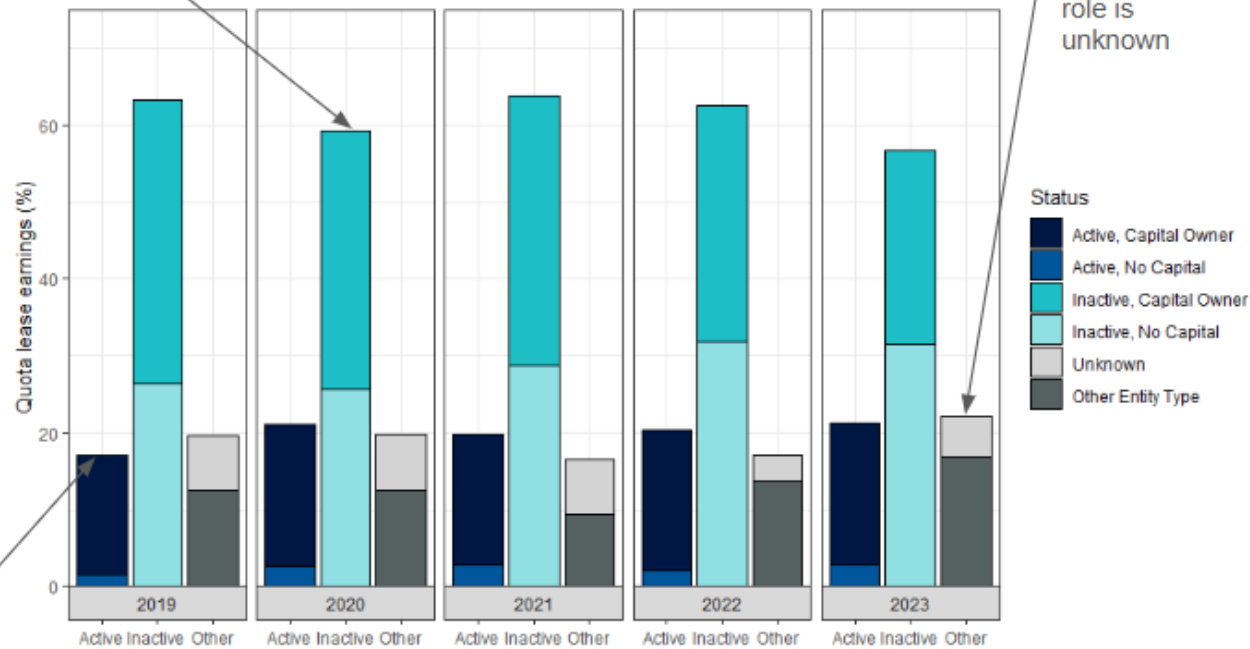
QUOTA SHARE SURVEY RESULTS: QUOTA LEASE EARNINGS DISTRIBUTION



Earnings by people who are **not** on vessels or in processing plants

Earnings by **other** types of entities or ownership role is unknown

Earnings by people **on** vessels or in processing plants



Source: EDC data

QUESTIONS FOR PUBLIC COMMENT

- 2023 decline in whiting TCNR- why?
 - Whiting shorebased processors showed some improvement in 2023- why?
- Non-whiting vessels show improved TCNR in 2023- were conditions improving?
- How have markets changed since the CS program was implemented and since the last program review and why?
 - Rockfish
 - Flatfish/sole
 - Whiting
- Would you be better or worse off without the CS Program and why?



PUBLIC COMMENT PERIOD



NEXT STEPS

IMPORTANT DATES

- Monday, April 28th- Lloyd Bayfront Astoria
 - Details can be found on [event page](#)
- June/July 2025- one online hearing and 2 in person hearings (Newport, San Fransico area)
- September 2025 Council meeting- Preliminary Review of Catch Share Review Document
 - Include hearing reports
- November 2025 Council meeting- Final Adoption, including research and data needs and program recommendations

CONTACT INFORMATION

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