

# Alaska Whitefish Market Summary & Outlook

---

— December 2016 —

## Herring

**Season Summary:** Most of Alaska's herring are caught in the Sitka Sound and Togiak sac roe fisheries. These fisheries produced 24,929 short tons of herring in 2016 (in round weight terms), down from 30,350 tons in 2015 and 42,517 tons in 2014. Both fisheries failed to reach their guideline harvest levels in 2016. Ex-vessel value of Alaska's key sac roe fisheries increased 14 percent to \$3.7 million in 2016 and the average value per ton was up 38 percent, from \$108/ton in 2015 to \$149/ton in 2016 – driven by a 100 percent increase in prices for Togiak herring. While increasing values and higher average prices are encouraging, the value of sac roe fisheries has declined substantially from the 2008-2013 period when total values for the Sitka and Togiak fisheries averaged \$11.7 million per year.

**Market Summary and Outlook:** Harvests of sac roe herring in the U.S. and Canada were down 6 percent in 2016; however, inventory data from September shows an increase in cold storage holdings versus last year, and some traders note a feeling of over-supply in the marketplace. Demand for herring roe, called kazunoko in Japan, has been trending downward for years. Kazunoko is sold in larger quantities during the year-end holiday season and will have a significant impact on inventories heading into next year. Kazunoko pricing trends in Japan have been flat for Alaskan roe. Supply from the Togiak fishery will likely decline next year, as the 2017 quota is 20 percent less than 2016. Budget cuts are impacting Alaska's ability to manage herring fisheries, as the 2017 Togiak quota had to be estimated based on historical data rather than a more costly stock assessment approach. A stronger yen and decreased supply could support prices, but given the downward trend in demand, the ability to increase retail/wholesale prices in Japan appears limited. These factors suggest the total value of Alaska's herring will likely remain low in 2017.

## Pacific Cod

**Season Summary:** Alaska cod TACs for federally managed fisheries were generally flat in 2016, declining 0.4 percent to 323,445 metric tons. Federal TACs in the BSAI region, by far the largest production region, increased 0.8 percent to 251,520 metric tons. Gulf of Alaska federal fishery TACs fell 4.4 percent to 71,925 metric tons. Cod harvests from state managed fisheries declined 10 percent to 18,802 metric tons. Cod fishing is still underway in some areas, but it appears Alaska cod harvests will likely end up declining slightly in 2016 from last year's harvest of 310,000 metric tons. Through late November, harvests stood at 290,000 metric tons. Last year fishermen caught approximately 13,000 metric tons in December.

**Market Summary and Outlook:** Wholesale fillet prices are trending up this year, and raw material costs of Russian Pacific cod are up. However, the average price of U.S. Pacific cod exports are flat to down slightly, and overall export value is down year to date. Globefish reports ample demand in the U.S. market with consumers asking for domestically-sourced products. There have been reports of fewer larger fish caught this year. Smaller fish fetch lower prices in the frozen H&G market, which could partly explain the differences in pricing/value trends. Lower supplies of haddock are also supportive for cod prices. Atlantic cod prices have also trended up



and were lifted somewhat by an expectation of lower supply next year. However, it now appears as though Atlantic cod supply will be stable in 2017 after TACs in the Barents Sea fishery were only marginally reduced. Alaska cod TACs are down 6 percent overall in 2017, due to a 5 percent decline in BSAI TACs and a 10 percent decline in GOA TACs.

## Pollock

**Season Summary:** Harvests of Alaska Bering Sea and Aleutian Islands (BSAI) pollock are up 29,453 metric tons in 2016 (+2.3 percent), on a year-to-date basis through December 2. After reallocations, the 2016 BSAI pollock TAC is 1,354,900 metric tons. BSAI fishermen have harvested 1,305,238 MT of Alaska pollock in 2016 through December 2. Directed fishing for pollock in the Gulf of Alaska (GOA) is closed. The 2016 Gulf of Alaska harvest is up 10,256 metric tons (+6.3 percent). Anecdotal reports suggest fish sizes are down.

**Market Summary and Outlook:** Wholesale prices for Alaska pollock products have generally trended down in recent years due to a stronger U.S. dollar and increasing harvest volumes in both Alaska and Russia. Fillet blocks, surimi, and roe account for most of the fishery's value. The average export price of frozen pollock fillets is down 5.1 percent through October 2016, versus the same period in 2015, and total export value of the product is down 4.7 percent. The export value of surimi is up 4.1 percent on increased volume, but average prices are down 0.5 percent. The value of pollock roe exports is down 28.7 percent on lower volumes, but the average price is up 5.3 percent. The wholesale value of Alaska pollock is expected to decline in 2016, due to lower prices for fillet blocks and lower roe values.

After years of steady harvest growth, the supply of Alaska-origin pollock is expected to decline next year due to the BSAI cap and lower stocks in the Gulf of Alaska. Overall, TACs in federal fisheries are down 2.4 percent (39,200 MT). Pollock stocks in the eastern Bering Sea are growing, but groundfish harvests in Alaska's BSAI region are capped at two million metric tons. BSAI groundfish fisheries are already at the harvest cap. Any increase in TACs must be offset by subtracting the TAC from other species. The TAC allocation process resulted in a minimal increase in BSAI pollock TACs in 2017 of 5,000 MT. BSAI groundfish resources appear to be robust overall, as the acceptable biological catch of BSAI groundfish is estimated to be nearly four million metric tons in 2017. Meanwhile, pollock stocks in the Gulf of Alaska are trending the opposite direction. GOA pollock TACs are down 17.8 percent (44,200 MT, not including Southeast and Eastern Yakutat TACs which see minimal harvest). GOA pollock TACs are less than a fifth of the larger BSAI pollock fishery, but the BSAI cap structure, low pollock prices, and the decline in GOA pollock biomass are expected to result in lower statewide pollock harvests in 2017.

## Amendment 80 Species (Flatfish, POP, and Atka Mackerel)

**Season Summary:** Atka mackerel, Pacific Ocean perch (POP), rockfish, soles, flounders, and other flatfish (aside from halibut) are targeted by Alaska's "Amendment 80" fleet. In 2015, these species accounted for 15 percent of Alaska's total harvest volume and 8 percent of total ex-vessel value. These species are primarily harvested in the BSAI region, although the Gulf of Alaska also produces significant quantities of Arrowtooth flounder, POP, and other rockfish species. BSAI flatfish TACs were down in 2016, but fishermen have harvested a higher percentage of the TAC resulting in an increase in harvest volume versus last year. Through December 2, BSAI



flatfish harvests are up 2.6 percent (5,753 MT). The increase is being driven by larger yellowfin sole harvests but catches of other flatfish species are down. BSAI POP harvests are down slightly while Atka mackerel catches are essentially flat. Harvests of flatfish and POP from fisheries in the Gulf of Alaska have also increased in 2017. Alaska fisheries produced approximately 542,000 metric tons of flatfish species (not including halibut) in 2015. Despite better retention by the fleet and a slight increase in 2016 harvest volume, flatfish production is still down over 150,000 metric tons from the 2011-2013 period when harvests exceeded 700,000 metric tons.

**YTD BSAI Harvest of Amendment 80 Species, in Metric Tons, 2015-2016**

Species	2015	2016	Pct. Change	MT Change
Alaska Plaice	14,538	13,216	-9.1%	-1,322
Arrowtooth Flounder	11,142	10,934	-1.9%	-208
Flathead Sole	11,142	10,088	-9.5%	-1,054
Greenland Turbot	2,203	2,229	1.2%	26
Kamchatka Flounder	4,988	4,827	-3.2%	-161
Rock Sole	45,443	45,059	-0.8%	-384
Yellowfin Sole	126,120	134,570	6.7%	8,450
Other Flatfish	2,415	2,821	16.8%	406
<b>Total BSAI Flatfish</b>	<b>217,991</b>	<b>223,744</b>	<b>2.6%</b>	<b>5,753</b>
Pacific Ocean Perch (POP)	53,268	54,320	2.0%	1,052
Atka Mackerel	31,424	31,360	-0.2%	-64

Note: Harvest figures are shown on a year-to-date basis through December 2.  
Source: NMFS.

**Market Summary and Outlook:** After several years of declining prices and lower harvests the wholesale market for flatfish appears to be rebounding. The average export price of yellowfin sole was up 6.7 percent through October, versus the prior year. The average rock sole price was up 3.1 percent. The average price of POP was down 3.5 percent and Atka mackerel was up 2.6 percent. Frozen sole/flounder markets are driven by exchange rates and global flatfish supply, but are also influenced by supply and prices of other whitefish species such as pollock and hake. Industry reports growing demand for whole/round sole in China and flounder frills for sushi restaurants/bars in Japan. BSAI flatfish TACs are down slightly in 2017.

*The Seafood Market Information Service (SMIS) is funded by a portion of the seafood marketing assessment paid by Alaska seafood producers. McDowell Group provides the service as a research contractor for the Alaska Seafood Marketing Institute (ASMI). Seafood Market Bulletins are typically published twice a year and are available to permit holders, processors, other industry participants, and the public free of charge. Email [info@alaskaseafood.org](mailto:info@alaskaseafood.org) if you would like to receive new bulletins via email.*

