D1 AFA Program Review

June 2025, Presentation to the North Pacific Fishery Management Council

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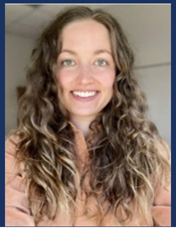
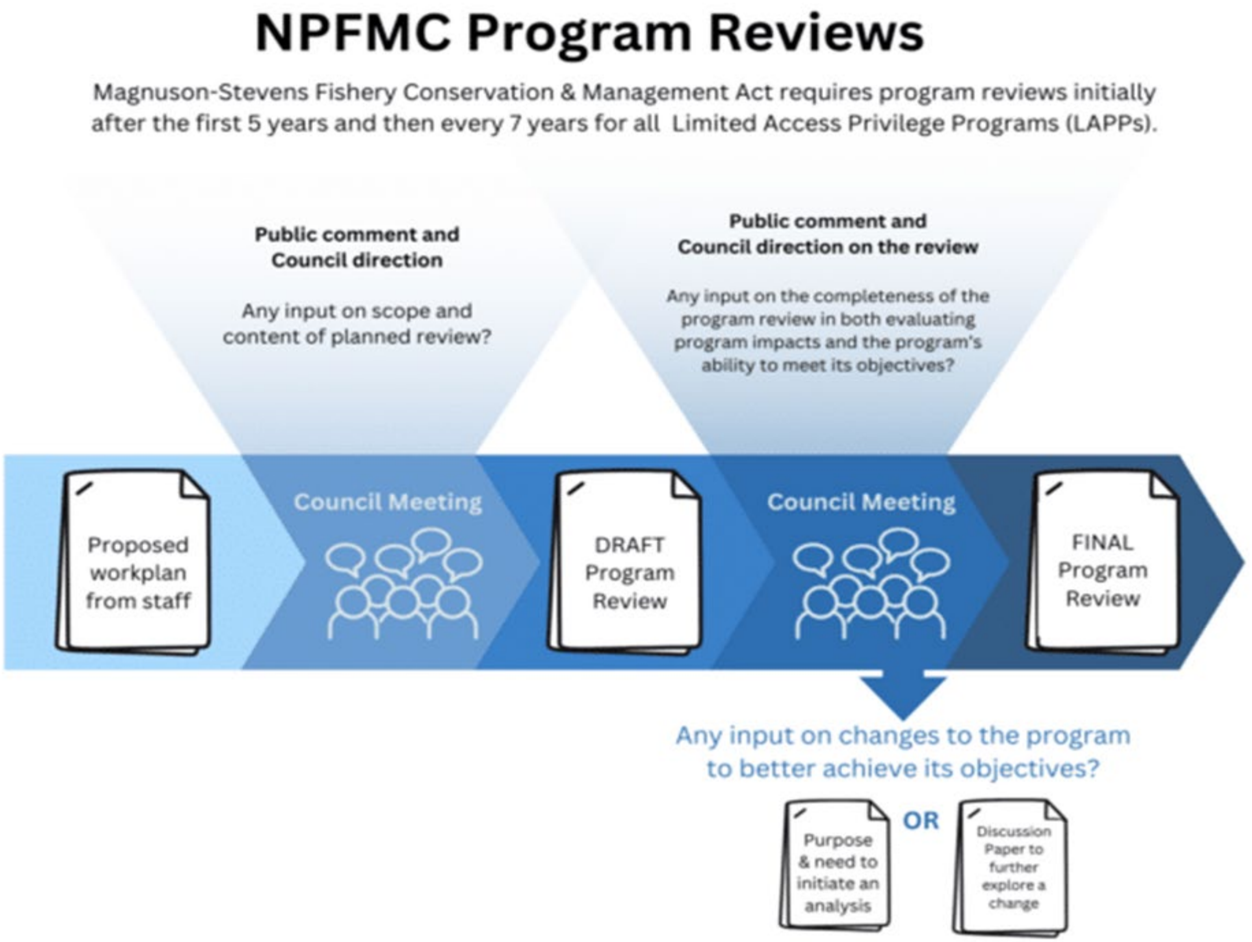


OVERVIEW OF PROGRAM REVIEWS

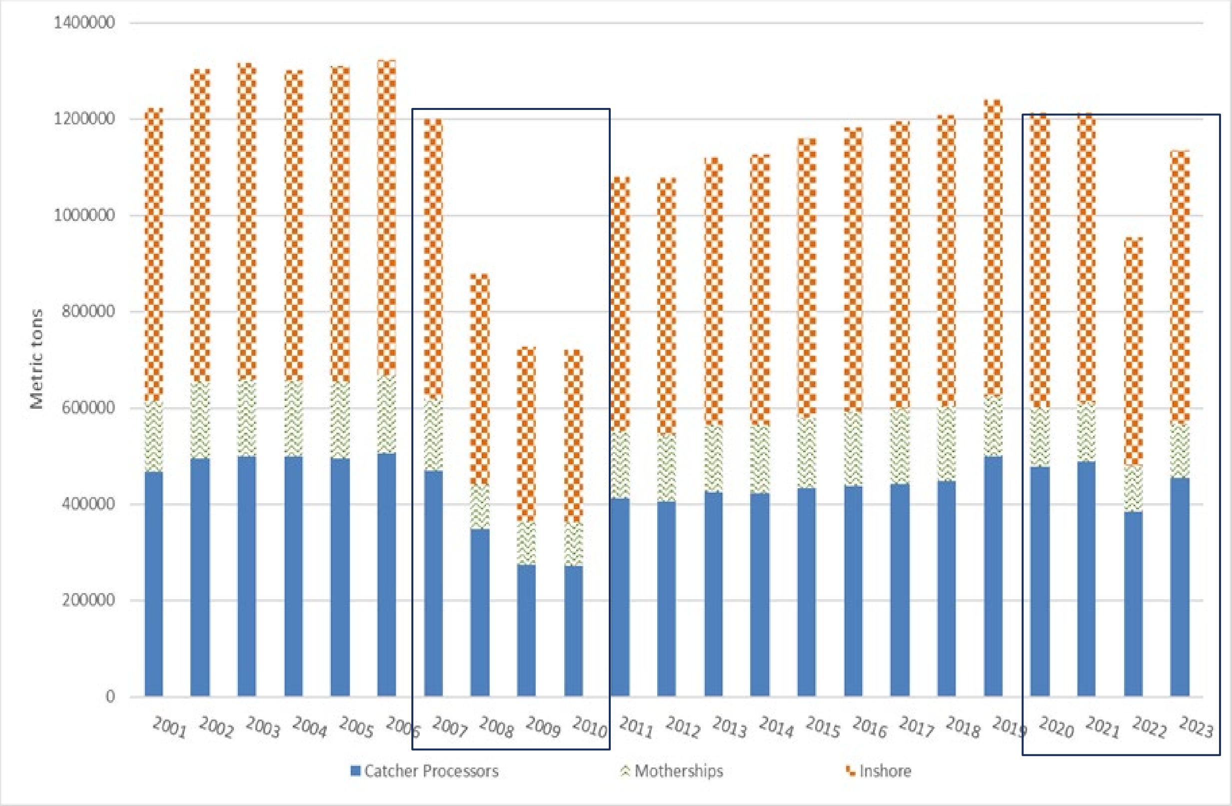


OUTLINE FOR THE REMAINDER OF THE PRESENTATION

- Provide a high-level overview of the AFA Program focused on changes from 2015-2023
  - Catch, participation, & value
  - Harvesting and processing limits
  - Prohibited Species Catch
  - CDQ Program and fishing community impacts
  - Retention & utilization
  - Pollock products
  - Sideboards
  - Safety

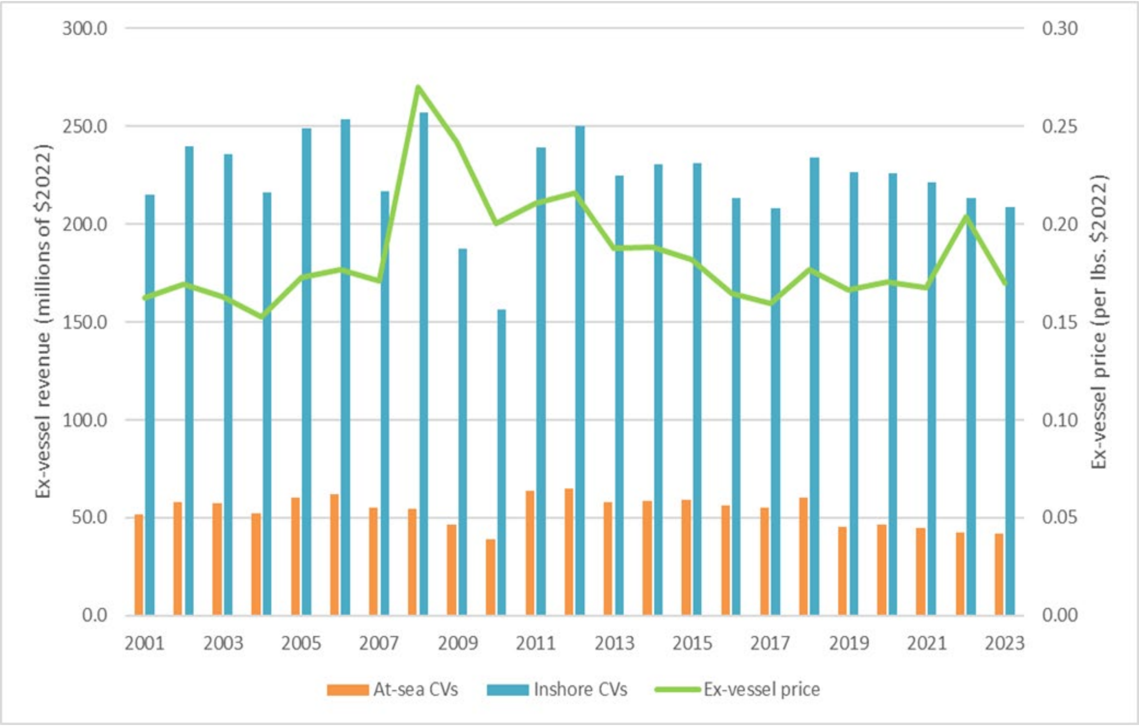
SECTION 4: **ALLOCATION, HARVEST**, REVENUE & PARTICIPATION

- Figure 4-1 (page 25) shows BS pollock harvest (mt) across AFA sectors from 2001-2023
  - 2001-2006: harvest of BS pollock remained above 1.2 million mt
  - 2007-2010: harvest declined due to a reduction in the BS pollock ABC
  - 2011-2019: pollock harvest increased annually, but then declined from 2020-2021 due to COVID-19 disruptions and in 2022 due to lower pollock abundance
  - 2015-2023: all AFA sectors harvested nearly all their allocation annually except during 2020 for C/Ps and 2021 for inshore sector due COVID-19 disruptions



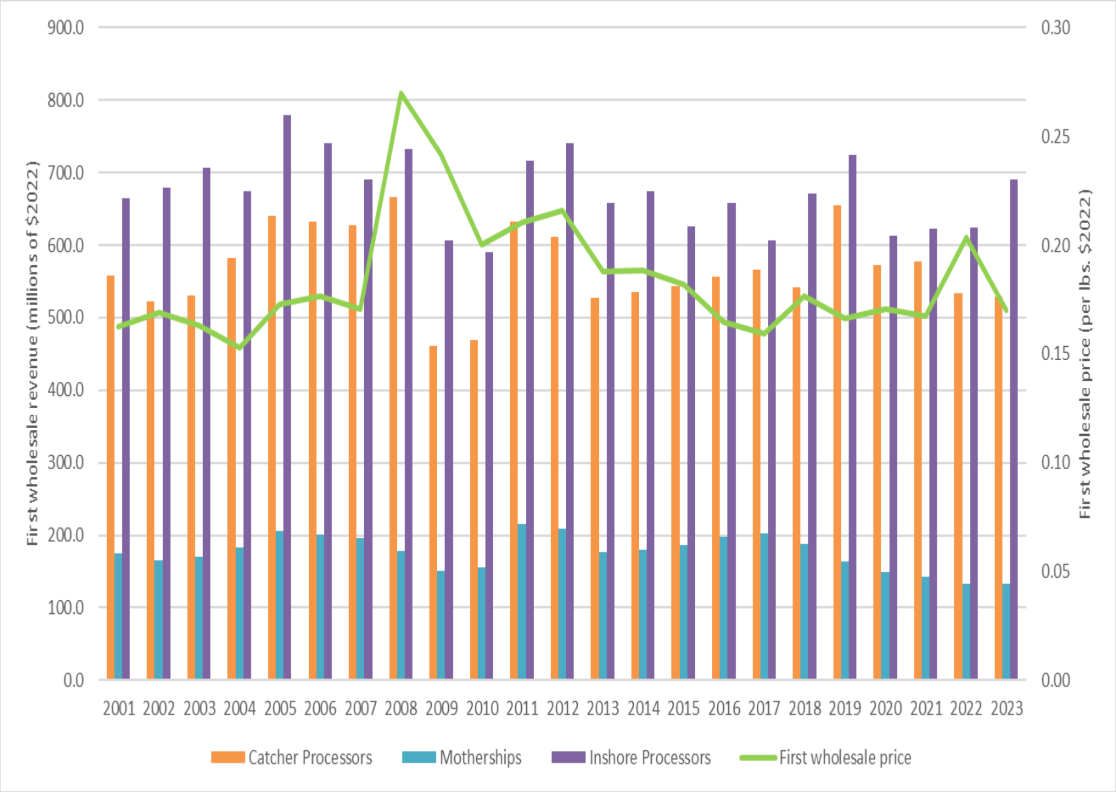
SECTION 4: ALLOCATION, HARVEST, **REVENUE** & PARTICIPATION

- Figure 4-2 (page 26) shows ex-vessel revenue for AFA CVs and the BS pollock price from 2001-2023
  - Inshore sector's BS pollock revenues has fluctuated annually, but remained above $200 million from 2001-2023
    - Exceptions include 2009 and 2010
  - At-sea CV sector, BS pollock revenue has generally remained above $50 million annually but fell below $50 million starting in 2019



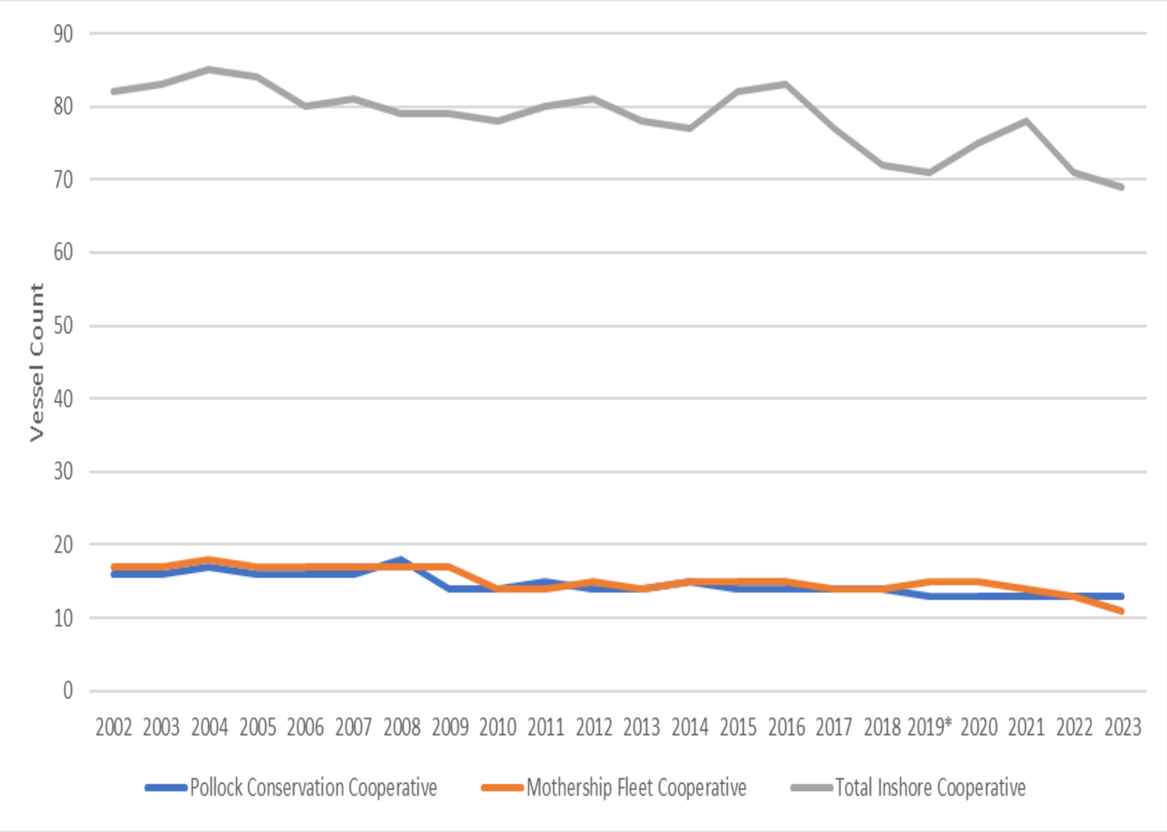
SECTION 4: ALLOCATION, HARVEST, **REVENUE** & PARTICIPATION

- Figure 4-3 (page 27) shows gross first wholesale revenue by AFA sector and gross first wholesale price for BS pollock from 2001-2023
  - During this period, gross first wholesale revenues earned from BS pollock ranged from $1.3 billion to $1.6 billion
  - Inshore processors remained above $600 million annually
  - C/P sector remained above $500 million and on occasion has reached greater than $600 million
  - Mothership sector has remained near $200 million, but first wholesale revenue has declined annually since 2018



SECTION 4: ALLOCATION, HARVEST, REVENUE & **PARTICIPATION**

- Tables 4-2, 4-5, & 4-7 (pages 29-36) provide vessel counts by cooperative
  - C/P sector – Pollock Conservation Cooperative.
    - Participation has declined since 2008 (18 vessels); 13 C/Ps participating over the last 5 years
  - Mothership sector – Mothership Fleet Cooperative
    - Participation has declined since 2004 (18 CVs); 11 C/Vs participated in 2023
    - 3 motherships (not in cooperative) were active from 2002-2018 and declined to 2 in 2019
  - Inshore sector cooperatives
    - Participation has ranged from 85 CVs in 2004 to 69 CVs in 2023

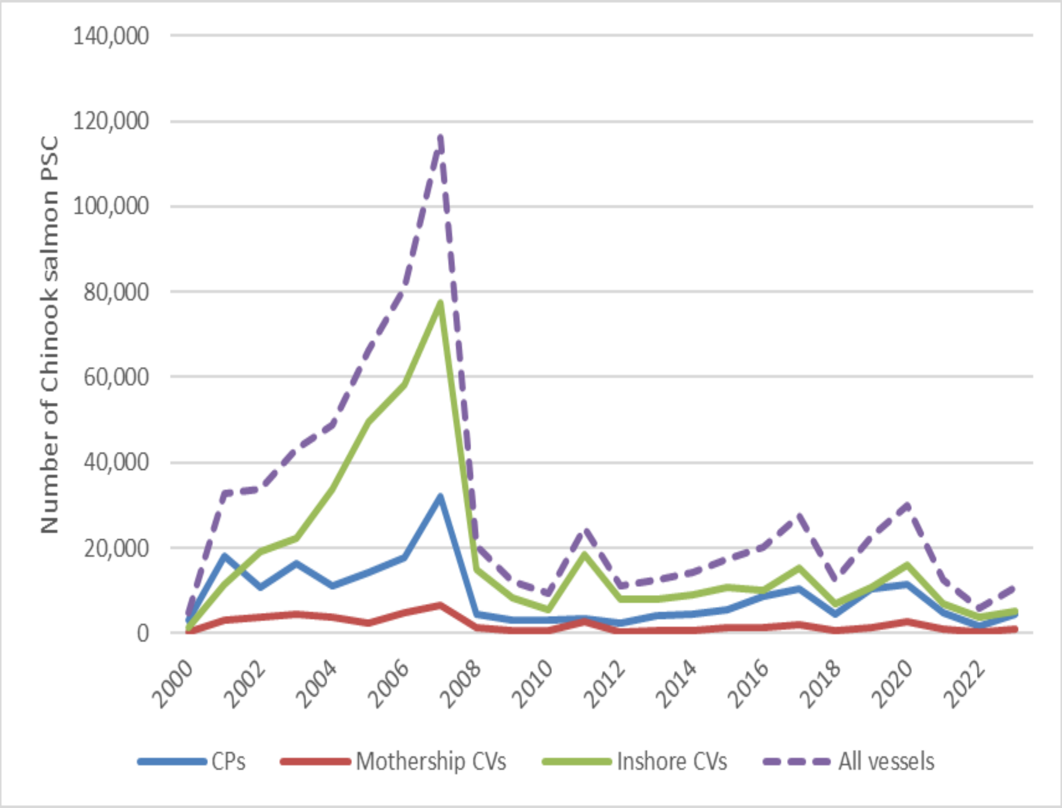


SECTION 5: EXCESSIVE SHARES

- Regulatory caps on harvesting and processing:
  - Harvesting Use Cap: No individual or entity may harvest more than 17.5% of the BS directed pollock fishery
  - Processing Cap: No individual or entity from processing no more than 30% of the BS pollock directed fishing allowance
  - Overall, some entities are close to the limits, but no entities appear to be exceeding the limits

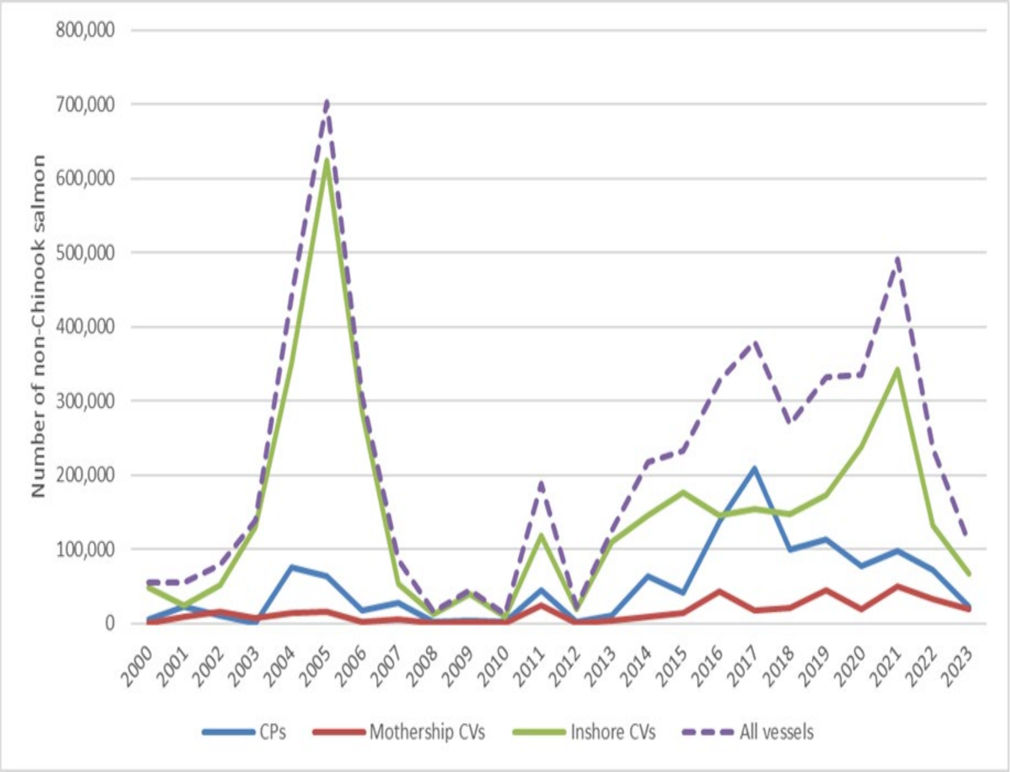
SECTION 6: PROHIBITED SPECIES CATCH

- Chinook salmon PSC
  - Figures 6-2 & 6-3 (pg. 44) show Chinook salmon PSC amounts from 2000-2023
  - Annual average Chinook salmon bycatch was 35,428 fish from 2000-2014 (prior program review period), compared to an annual average of 17,711Chinook salmon from 2015-2023
  - Reduction likely due to a combination of factors including changes in abundance, the distribution of Chinook salmon and pollock, and changes in fishing behavior to avoid Chinook salmon bycatch



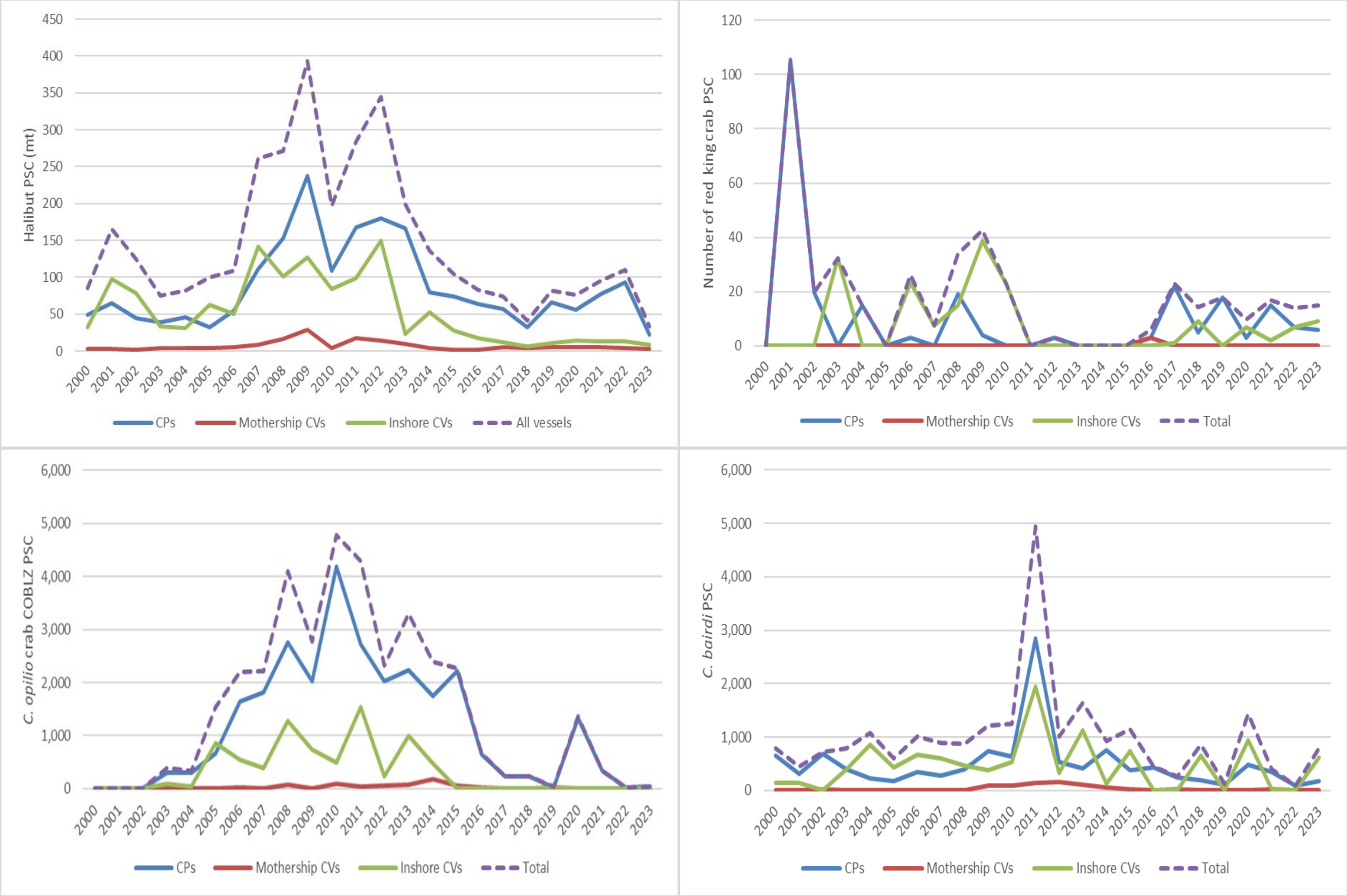
SECTION 6: PROHIBITED SPECIES CATCH

- Non-Chinook salmon PSC
  - Figures 6-5 & 6-6 (pg. 45-46) show non-Chinook salmon PSC amounts from 2000-2023
  - From 2015-2023, annual non-Chinook PSC level has fluctuated; general increasing trend from 2015-2021with reductions in bycatch in 2022 and 2023
    - Recent years' reductions coincide with the Council's request for the fleet to take immediate actions to reduce non-Chinook PSC (June 2022)
    - Council is considering new management measures to reduce chum salmon bycatch in the BS pollock fishery under a separate action

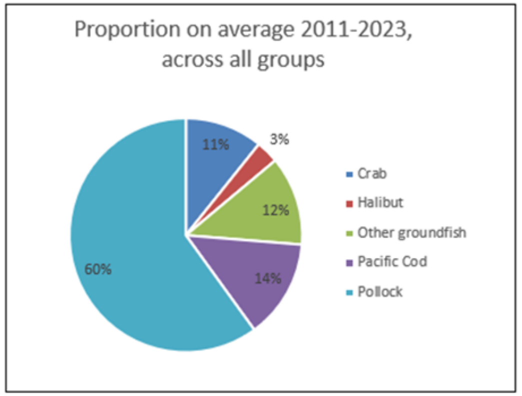


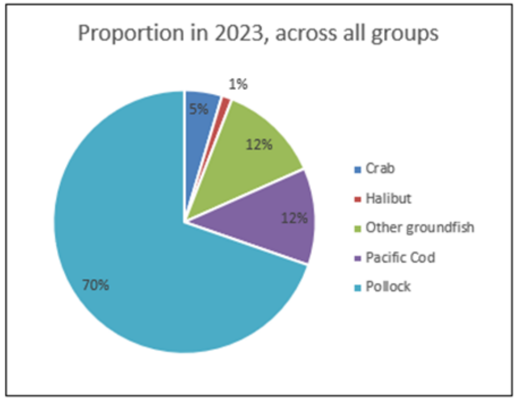
SECTION 6: PROHIBITED SPECIES CATCH

- Halibut and crab PSC
  - Figures 6-11 through 6-16 provide halibut and crab bycatch amounts
  - Halibut PSC – since the AFA fleet made voluntary changes starting in 2013 to their fishing behavior to reduce halibut PSC, the fleet has not exceeded the halibut PSC limits
  - Crab PSC – no sector exceeded the annual PSC limits for red king crab (Zone 1), *C. opilio* crab (COBLZ), or *C. bairdi* crab (Zones 1& 2) from 2000-2023



SECTION 7: AFA CDQ PROGRAM & FISHING COMMUNITY IMPACTS





- **CDQ Program – ownership interest in AFA vessels**
  - As of 2023, 5 of 6 CDQ groups had ownership interest in AFA vessels (Table 7-2 on page 64)
  - 3 CDQ groups have full or partial ownership interest in 3 AFA C/Ps
  - 5 CDQ groups have full or partial ownership interest in 30 AFA CVs
  - 2 CDQ groups have ownership interest in AFA eligible motherships
- **CDQ Program – Pollock Allocation**
  - 10% allocation of BS pollock TAC, which has played an increasingly important role for the CDQ groups
  - In 2023, CDQ pollock accounted for approximately 70% ($162 million) of the groups' total revenues from all BSAI fishery allocations (Figure 7-1 on page 62)

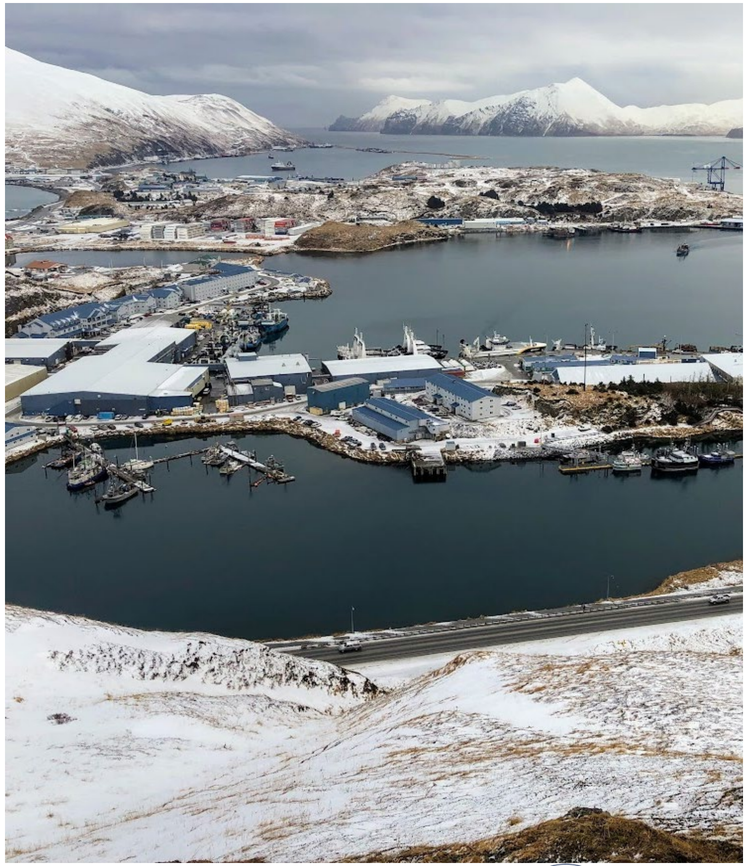
SECTION 7: AFA CDQ PROGRAM & FISHING COMMUNITY IMPACTS

- Fishing Community Impacts
  - Community engagement measured by vessel's registered ownership address, shore-based processor location, and location of support sectors
    - Across all sectors, vessel ownership was concentrated in Seattle, WA – 13 C/Ps, 3 motherships, and 71 CVs
    - CV ownership among Oregon and Other States was concentrated in Newport, OR (11 CVs or ~10% of total CVs)
    - CV ownership among Alaska communities was concentrated in Kodiak City (5 CVs or ~5% of total CVs)
    - AFA vessel port calls foster local support services for crew transfers, fuel purchases, cold storage facility use, and logistical support

Source: NPFMC

SECTION 7: AFA CDQ PROGRAM & FISHING COMMUNITY IMPACTS

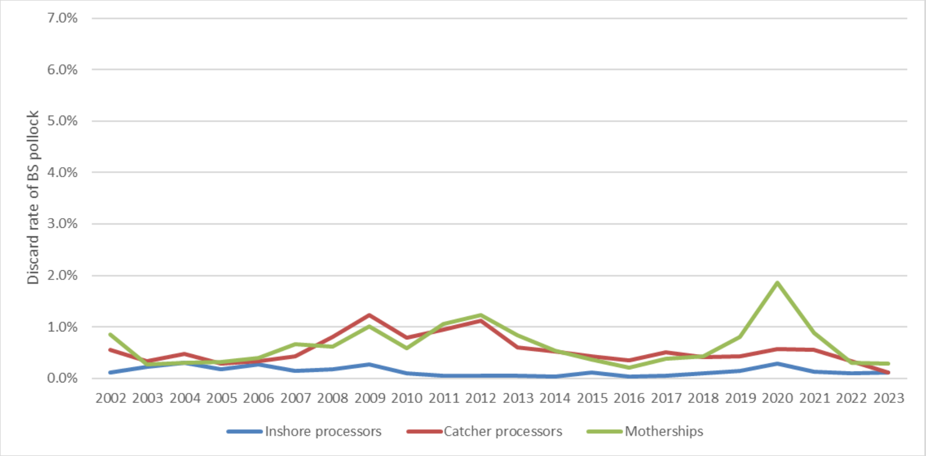
- 6 shore-based processors in Unalaska/Dutch Harbor, Akutan, Sand Point, and King Cove have participated in the BS pollock fishery since 2015
  - On average, these processors earned approximately $640 million in gross first wholesale revenue from the pollock fishery (2015-2023)
- AFA has contributed important tax revenue (approximately $20 million in 2023) for Alaska communities, boroughs, and the State of Alaska (see Figure 7-19 on page 81)

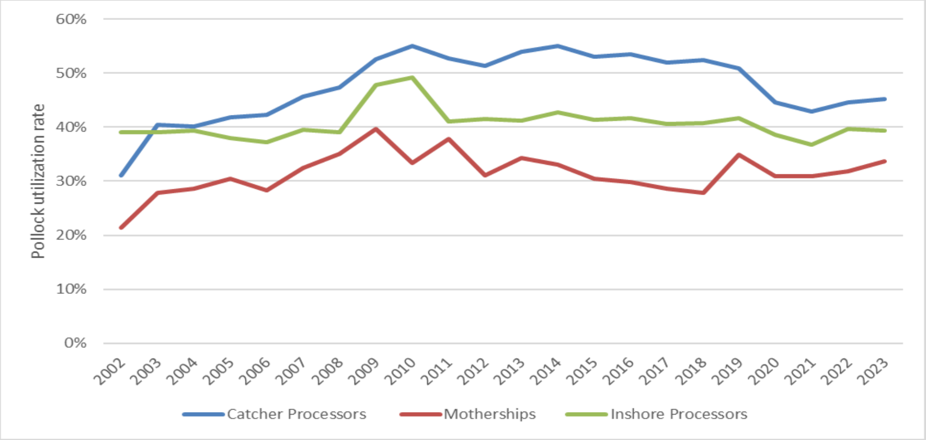


Source: NPFMC

SECTION 8: RETENTION AND UTILIZATION

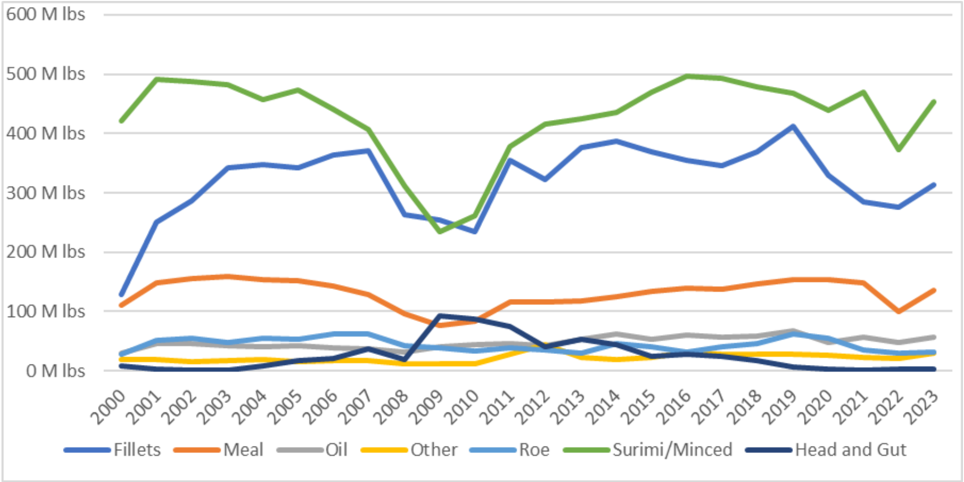
- Since rationalization of the BS pollock fishery and the implementation of Amendment 49, which requires full retention of pollock and a 15% minimum utilization rate, AFA sectors have improved retention and utilization of pollock
- Discard rate:
  - Refers to the percentage of groundfish catch that is not retained for economic reasons or regulations require catch to be discarded
    - Discard rates in the BS pollock fishery are generally less than 1% during 2002-2023 (Figure 8-1 on page 81)
- Utilization rates:
  - Refers to the percentage of retained groundfish processed into a product form
  - Amendment 49 established a 15% minimum utilization rate for offshore processors
  - AFA processors process nearly all the pollock harvested into fillets, surimi/minced, fishmeal, fish oil, roe, head and gut, and other ancillary products
  - After the production process the utilization rates have ranged from 30% to greater than 50% depending on the AFA sector during 2015-2023 (Figure 8-2 on page 82)



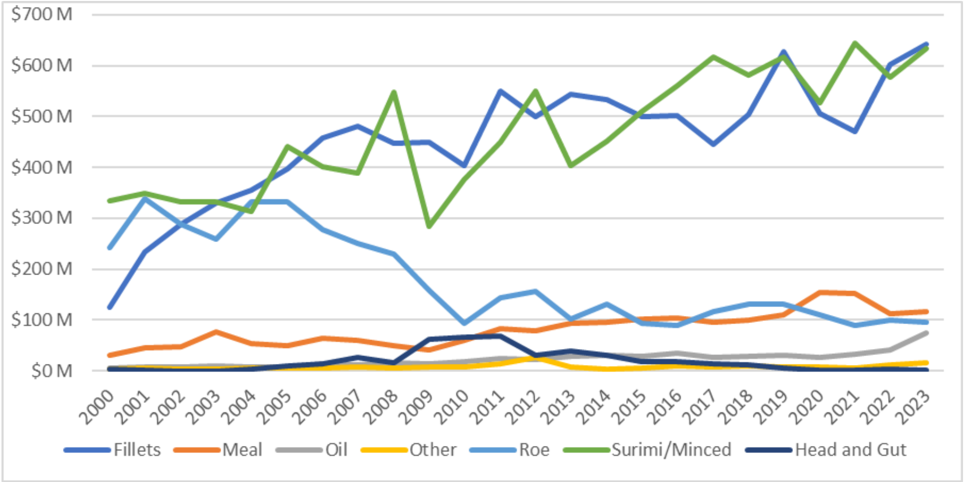


SECTION 9: POLLOCK PRODUCTS

- Table 9-1 on page 84 shows annual average wholesale production during the 2000-2015 was slight greater than 984 million pounds, while 2015-2023 average annual wholesale production was just over one billion pounds across all product forms combined
  - Fillets and surimi/minced made up the largest share of total wholesale production followed by fishmeal, fish oil, roe, and head & gut



- Table 9-2 on page 84 shows annual average total wholesale value during 2000-2015 was $1.1 billion, while the 2015-2023 average was $1.4 billion across all product forms combined
  - Fillets and surimi/minced contribute the largest portion of total wholesale value while roe has declined as a percent of total value from its peak in 2004/2005



SECTION 10: SIDEBOARD LIMITS – CV BSAI

- AFA sideboards limits mitigate adverse effects on other BSAI and GOA fisheries from AFA operational and economic efficiencies
  - AFA CV BSAI sideboard limits – AFA CVs historically only targeted Pacific cod and yellowfin sole
    - **Pacific cod** – activity of non-exempt vessels ranged from 32 in 2015 to 42 in 2018 and harvested between 51% and 71% (Table 10-4 on page 94)
      - PCTC (Amendment 122) A and B season cod is allocated as quota share but the C season is still limited access fishery therefore the AFA sideboard limit for the C season are maintained
    - **Yellowfin sole** – AM80 suspend the AFA sideboard limits when initial TAC is equal or greater than 125,000 mt
      - Since implementation of AM80, the non-exempt vessels have not had a sideboard limit for yellowfin sole
      - Number of non-exempt vessels active in the yellowfin sole fishery has ranged from 1 to 3 vessels (Table 10-4 on page 94)
    - **PSC** – Table 10-5 (page 95) provides non-exempt PSC sideboard limits and PSC; no PSC sideboard limits were exceeded from 2015-2023
  - Pacific cod Exempt Vessels – CV that are exempt from BSAI cod sideboard limits; 10 qualified under landings and vessel size criteria and 19 vessels in the Mothership Fleet Cooperative after March 1
    - Table 10-6 (page 95) shows between 5 to 8 of these exempt CVs were active in the cod fishery and harvested between 15% to 37% of total cod AFA trawl CV catch

SECTION 10: SIDEBOARD LIMITS – C/P

- AFA C/P BSAI Sideboard limits – vessels participate primarily in the yellowfin sole and Pacific cod fisheries
  - **Yellowfin sole** – since implementation of AM80 in 2008, the C/Ps have not been sideboarded and the number of AFA C/Ps has ranged from 2 to 7 C/P vessels
  - **Pacific cod** – Since implementation of AM85 in 2008, there has not been a sideboard limit for AFA C/Ps since the sector was allocated 2.3% of the BSAI Pacific cod TAC
    - The 2.3% allocation of BSAI Pacific cod TAC is managed by the Pollock Conservation Cooperative
    - Only 1 AFA C/P has consistently participated in the cod fishery
  - **PSC sideboard limits** – Table 10-7 (page 97) – In general the AFA C/Ps did not exceed their PSC sideboard limits from 2015-2023; the one exception was red king crab (zone 1) in 2016 when the sector had a PSC of 698 red king crabs (zone 1) for a limit of 606 red king crabs (zone 1)

SECTION 10: SIDEBOARD LIMITS – CV GOA

- AFA CV GOA Sideboard limits - Tables 10-8 and 10-9 (page 99) provides GOA groundfish sideboard limits, aggregate catch, percent of sideboard limit harvested, and the number of AFA CV non-exempt vessels active in the sideboard fishery and halibut PSC sideboard limits
  - No groundfish sideboard limits were exceeded during 2015 – 2023
  - Other than on two occasions, the halibut PSC sideboards were not exceeded during 2015-2023
  - Of the 82 AFA non-exempt vessels that are sideboarded in the GOA groundfish fisheries, currently 12 non-exempt vessels are endorsed in the GOA (10 for CGOA and 6 for WGOA)
- AFA CV GOA Exempt Vessels – AFA CVs that had low BS pollock fishing history and significant dependence on GOA groundfish fisheries were exempt from GOA sideboards
  - 17 CVs were exempt from GOA sideboards
  - Table 10-10 (page 100) highlights the AFA GOA exempt harvesting actives from 2015-2023

SECTION 11: FISHING VESSEL SAFETY

- Pages102-103 provide a list of fatalities and injuries involving AFA vessels since implementation of the AFA
- 5 fatalities reported prior to 2014
- 3 fatalities reported from 2015-2022
  - AFA fleet has maintained a high level of safety and noted that the fleet is the among the safest in Alaska
  - At the same time, while the AFA Program has slowed the pace of the BS pollock fishery, serious hazards still exist

NEXT STEPS

Next Steps:

- Recommend changes to the review prior to finalization
- Recommend changes to elements of the AFA Program

For Further Questions Contact:
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Source: NPFMC