

## Alaska Sablefish Economic Performance Report for 2015

Sablefish is primarily harvested by catcher vessels in the GOA which typically accounts for upwards of 90% of the annual catch. Most sablefish is caught using the hook-and-line gear type. Starting in 2017 directed fishing for sablefish using pot gear will be allowed in the GOA to mitigate whale depredation. As a valuable premium high-priced whitefish, sablefish is an important source of revenues for GOA catcher vessels and catches are at or near the TAC. Since the mid-2000s, decreasing biomass has ratcheted down the TAC and catch. This trend continued through 2015 as total catches decreased 5% to 11.7 thousand t in 2015, down from 12.3 thousand t in 2014 (Table 1).

Commensurate with this decrease in catch and corresponding production, first-wholesale value was down 8.1% to \$91 million in 2015 which was mitigated, in part, by an increase in the first wholesale price. Persistent declines in catch have been disruptive to revenues in the sablefish fishery (Table 2). Strong prices have maintained value in the fishery as catches have declined; however, the peak price levels seen were in 2010. Most sablefish is sold as headed-and-gutted at the first-wholesale level of production. Because of the minimal amount of value added by head-and-gut production and the size of the catcher vessel sector ex-vessel price is closely linked to the wholesale price. At \$94 million in 2015, ex-vessel value in the sablefish fishery decreased because of reduced catch levels, despite a \$0.14 increase in ex-vessel price (Table 1).

Alaska accounted for 75% of the US production of sablefish and 65% of global production in 2014. As the primary global producer of sablefish the significant supply reductions in Alaska have had a market impact that has resulted in high wholesale and export prices. Most sablefish caught and produced is exported, though the domestic market has grown in recent years. Japan is the primary export market, but its share of export value has decreased from 77% to 62% from 2011-2015 (Table 3). In recent years industry news and U.S. import-export figures indicate that the strong demand for sablefish in the U.S. and foreign demand outside of Japan has weakened the Japanese negotiating position. While supply reductions have put upward pressure on wholesale prices, the strength of the US dollar puts downward pressure on the price of exported goods as it further increases prices for foreign importers. In 2015 the US-Japanese exchange rate rose as the value of the Dollar increased 12.5% over the Yen between 2014 and 2015, and was 33% higher than its 2011-2014 average. Sablefish prices for Japanese consumers were sufficiently high that some industry news reports expressed concern that it would push it outside consumer's price range, resulting in severe demand reductions. Nevertheless, Japanese demand appeared stable throughout 2015 and the strengthening of the Yen in 2016 should improve Japan's purchasing power.

Table 1. Sablefish ex-vessel data from Alaska Fisheries. Total catch (thousand metric tons), ex-vessel value (million US\$), price (US\$ per pound), number of vessel, and the proportion of vessels that are catcher vessels, 2011-2015.

	2011	2012	2013	2014	2015
Total Catch	13.7	14.6	14.5	12.3	11.7
Value M US\$	\$ 152.40	\$ 127.40	\$ 90.80	\$ 95.50	\$ 93.70
Price/lb US\$	\$ 5.29	\$ 4.19	\$ 3.10	\$ 3.84	\$ 3.99
% value GOA	88%	92%	92%	93%	96%
Vessels #	340	333	303	293	286
Proportion CV	96%	97%	96%	96%	97%

Source: NMFS Alaska Region Blend and Catch-accounting System estimates; NMFS Alaska Region At-sea Production Reports; and ADF&G Commercial Operators Annual Reports (COAR). Data compiled and provided by the Alaska Fisheries Information Network (AKFIN). National Marine Fisheries Service, P.O. Box 15700, Seattle, WA 98115-0070.

Table 2. Sablefish first-wholesale data from Alaska Fisheries. Production (thousand metric tons), value (million US\$), price (US\$ per pound), and head and gut share of production, 2011-2015.

	2011	2012	2013	2014	2015
Quantity K mt	7.67	8.16	7.84	6.70	6.06
Value M US\$	\$ 147.4	\$ 116.8	\$ 96.2	\$ 99.0	\$ 91.0
Price/lb US\$	\$8.72	\$6.49	\$5.57	\$6.70	\$6.81
H&G share	89%	92%	94%	94%	96%

Source: NMFS Alaska Region At-sea and Shoreside Production Reports; and ADF&G Commercial Operators Annual Reports (COAR). Data compiled and provided by the Alaska Fisheries Information Network (AKFIN). National Marine Fisheries Service, P.O. Box 15700, Seattle, WA 98115-0070.

Table 3. Sablefish export data from WA & AK. Volume (thousand metric tons), value (million US\$), price (US\$ per pound) and the share of export value from Japan, 2011-2015.

	2011	2012	2013	2014	2015	2016 (thru June)
Quantity K mt	12.30	9.66	8.15	5.94	6.13	2.22
Value M \$	\$ 97.30	\$ 99.09	\$ 90.32	\$ 73.87	\$ 76.28	\$ 30.74
Price/lb US\$	\$ 3.59	\$ 4.65	\$ 5.03	\$ 5.64	\$ 5.64	\$ 6.28
Japan value share	77%	78%	74%	71%	62%	62%
Exchange rate, Yen/Dollar	79.81	79.79	97.60	105.94	121.04	107.32

Note: Exports include production from outside Alaska fisheries.

Source: NOAA Fisheries, Fisheries Statistics Division, Foreign Trade Division of the U.S. Census Bureau, <http://www.st.nmfs.noaa.gov/commercial-fisheries/foreign-trade/index>. U.S. Department of Agriculture <http://www.ers.usda.gov/data-products/agricultural-exchange-rate-data-set.aspx>.