

RUSSIAN POLLOCK QUOTAS RISE AS ALASKA'S FALL

As expected on Saturday, the North Pacific Fishery Management Council (the Council) voted to cut pollock quotas in the Bering Sea by 18.5% to 815,000 metric tons (MT). The Council's decision was unanimous and followed the advice of its scientists, who believe the Bering Sea pollock stock is experiencing a cyclical downturn in abundance. In other words, they do not believe the reduced abundance is a result of overfishing or poor management.

The Secretary of Commerce must approve the Council's recommendation before it becomes law, but it is rare for the Secretary to oppose the Council's will.

Seen over a longer time scale, the proposed 2009 quota of 815,000MT represents a 45% drop since the most recent peak of 1.5 million MT in 2004 and will be the lowest pollock harvest in three decades.

BERING SEA TAC, 1999-2009 <i>all figures in metric tons (MT)</i>	
Year	TAC
1999	992,000
2000	1,139,000
2001	1,400,000
2002	1,485,000
2003	1,491,760
2004	1,492,000
2005	1,478,500
2006	1,485,000
2007	1,394,000
2008	1,000,000
2009	815,000
Avg. 1999-2009	1,288,387

TAC: Total Allowable Catch (or "quota")

Despite the large quota cuts in 2008 and 2009, scientists calculate that the stock's abundance should rebound in 2010, allowing a quota of 1.2 million MT or so.

As they observed the falling abundance of pollock stocks in the Bering Sea, scientists have also observed increasing abundance in stocks further north in the Russian sectors of the Bering Sea and the Sea of Okhotsk. There are many factors in this northward shift in abundance, but warming ocean temperatures are likely one of the key ones.

Regardless of the causes, the fortunes of Russia's and Alaska's pollock fisheries have reversed once again. As recently as 2006, the Alaskan fishery produced approximately 1.5 million MT compared to Russia's 1.0 million MT or so. The industry praised the Alaskans for the pragmatic management of its pollock resource and condemned the Russians for the poaching, smuggling and poor management that ravaged theirs.

As Alaskans read about one of their lowest pollock harvests in 30 years, the Russians have announced an all-sector 2009 quota of approximately 1.5 million MT. The Russian pollock fishery has upgraded its conservation measures in the last couple of years to position itself for certification by the Marine Stewardship Council (MSC), which seems probable and would open valuable European markets for Russian pollock.

The Russian fishery has also benefited from increased attention from its federal government, which has begun to view its fisheries as strategic resources, much as it has done with oil and gas for the last decade. This has led to a crackdown on the poaching, smuggling and poor management that have bled Russia's fisheries in recent years.

Sources: Anchorage Daily News, Urner Barry, Intrafish

Implications for frozen seafood buyers:

- Another large cut to Alaskan pollock quotas will tighten availability of single-frozen pollock fillets, MSC-branded pollock and other products reliant on the Alaskan fishery.
- A pollock quota increase in Russia may provide more raw material to Chinese processors, meaning an increase in supply of twice-frozen fillets.
- But the supply chain of Russian pollock processed in China may be complicated by the Russian government, which aims not only to eliminate smuggled exports (often to China) of pollock, but to process as much of its own raw material in Russia.
- Especially for Alaskan products, supply and demand suggest upward price pressure.
- But prices have risen steadily for many species in the last three years, in many cases reaching record levels. The current global economic slowdown has already caused the floor to collapse from under the prices of many other species, so tighter pollock supplies in 2009 may not necessarily force up prices as we would normally expect.

Visit www.tradexfoods.com or contact your Tradex Foods account manager.

greg@tradexfoods.com val@tradexfoods.com jeffrey@tradexfoods.com
susan@tradexfoods.com linling@tradexfoods.com felix@tradexfoods.com alejandra@tradexfoods.com