

PRESENTATION FOR BBEDC • 12.12.2022



**BRISTOL BAY**

Regional Seafood Development Association



# BACKGROUND

- State Labor Economist
- DCCED Fisheries Grants
- DOR Portfolio Mgmt
- McDowell Group & ASMI
- BBRDSA



# WHAT IS BBRSDA & WHAT DOES IT DO?

*The Bristol Bay Regional Seafood Development Association (BBRDSA) is a fishermen's organization funded by Bristol Bay driftnetters.*

- **Mission = maximize fishery value**
- **Marketing**
- **Quality**
- **Sustainability**
- **Fleet Outreach & Representation**



**BRISTOL BAY**  
**SOCKEYE SALMON**





Michael Jackson  
*President*



Erick Sabo  
*Vice President*



Doug Morgan  
*Secretary/Treasurer*



Mark Niver  
*Board Seat F*



Peter Andrew  
*Board Seat B*



Franz Shonberg  
*Board Seat G*



Fritz Johnson  
*Board Seat C*



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Regional Seafood Development Association

**BOARD OF DIRECTORS**



Andy Wink  
*Executive Director*  
andy@bbrsda.com  
907.677.2374



Lilani Dunn  
*Marketing Director*  
lilani@bbrsda.com



Frances Bursch  
*Program Manager*  
frances@bbrsda.com



Becky Machain  
*Financial Administrator*  
becky@bbrsda.com



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**STAFF**



# AGENDA

- On deck for 2023
- Pebble
- Nushagak Chinook
- 32' limit situation
- Frozen-Round concept
- Market Update & Outlook





Alaska sees another fiscal year of no fisherman deaths

"The 2022 fiscal year, however, marks a milestone for the Alaska Commercial

Does the Setnet Fleet want to join  
Bristol Bay Regional Seafood Development  
Association?  
**Setnetters, we want to hear from you.**  
Join us via zoom & teleconference  
Monday, December 12th at 5pm AK time



Informational Call for  
Setnetters Monday  
December 12th - join us

[Read More →](#)

Dec 12, 2022



EPA Issues Recommended  
Determination on Pebble  
Mine Project

[Read More →](#)

Dec 1, 2022



#### BBRSDA Mission Statement

Maximizing the value of the Bristol Bay  
fishery for the benefit of our members.

#### Featured Publications

**2021 BBRSDA Annual Report**  
[LINK](#)

**Explanation of Fishery Price & Options  
for Fleet Consideration**  
[Full White Paper - LINK](#)  
[Summary - LINK](#)



[SIGN UP](#)

# FY2023 BBRSDA BUDGET

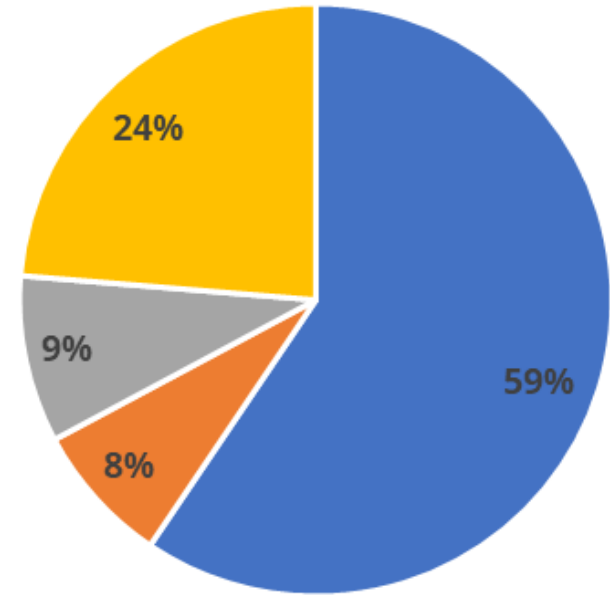
Marketing \$1,712,924

Sustainability \$222,913

Quality \$262,889

Org/etc. \$682,531

Total \$2,881,257



■ Marketing

■ Sustainability

■ Quality

■ Org., Outreach, & Admin



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# SOME FY2023 PROJECTS

- KDLG support
- Setnet inclusion/vote
- Crew/safety training
- Marketing & Promotions
- RSW Apprentices & Training
- Grad Student Research
- Run-timing Forecasting
- Port Moller & BBFC(?)



# PEBBLE MINE

Dec. 2011

Dec. 2022

NAK share price

\$13.40

\$0.24

S03T Permit Price

\$149.3 K

\$236.8 K



2011-2014  
EPA 404c  
Process



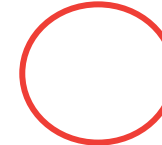
Major  
Investors  
Exit Project



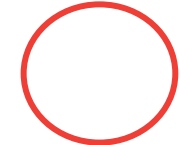
Permit  
Application  
Fails



2021  
EPA 404c  
Re-initiated



Conservation  
Easements  
Fully Funded



EPA 404c  
Final  
Determination

## Section 404(c) “Veto” Process

### Intent to Issue Notice of Proposed Determination

The EPA Regional Administrator notifies the Corps and the project proponent of his or her intention to issue a public notice of a Proposed Determination to withdraw, prohibit, deny, or restrict the specification of a defined area for discharge of dredged or fill material.

### Notice of Proposed Determination

If the Regional Administrator is not satisfied that no unacceptable adverse effects will occur, a notice of the Proposed Determination is published in the *Federal Register*. The Proposed Determination begins the process of exploring whether unacceptable adverse effects will occur.

### Public Comment Period

*(generally between 30 and 60 days)*

A public hearing is usually held during the comment period.

### Recommended Determination or Withdrawal

*(within 30 days of the public hearing or, if no public hearing is held, within 15 days of the end of the comment period)*

The Regional Administrator prepares a Recommended Determination to withdraw, prohibit, deny, or restrict the specification of a defined area for disposing of dredged or fill material and forwards it along with the administrative record to the EPA Assistant Administrator for Water. Alternatively, he or she withdraws the Proposed Determination.

### Corrective Action

*(within 30 days of receipt of the Recommended Determination)*

The EPA Assistant Administrator contacts the Corps and project proponent and provides them 15 days to take corrective action to prevent unacceptable adverse effects.

### Final Determination

*(within 60 days of receipt of the Recommended Determination)*

The EPA Assistant Administrator affirms, modifies, or rescinds the Recommended Determination and publishes notice of the Final Determination in the *Federal Register*.

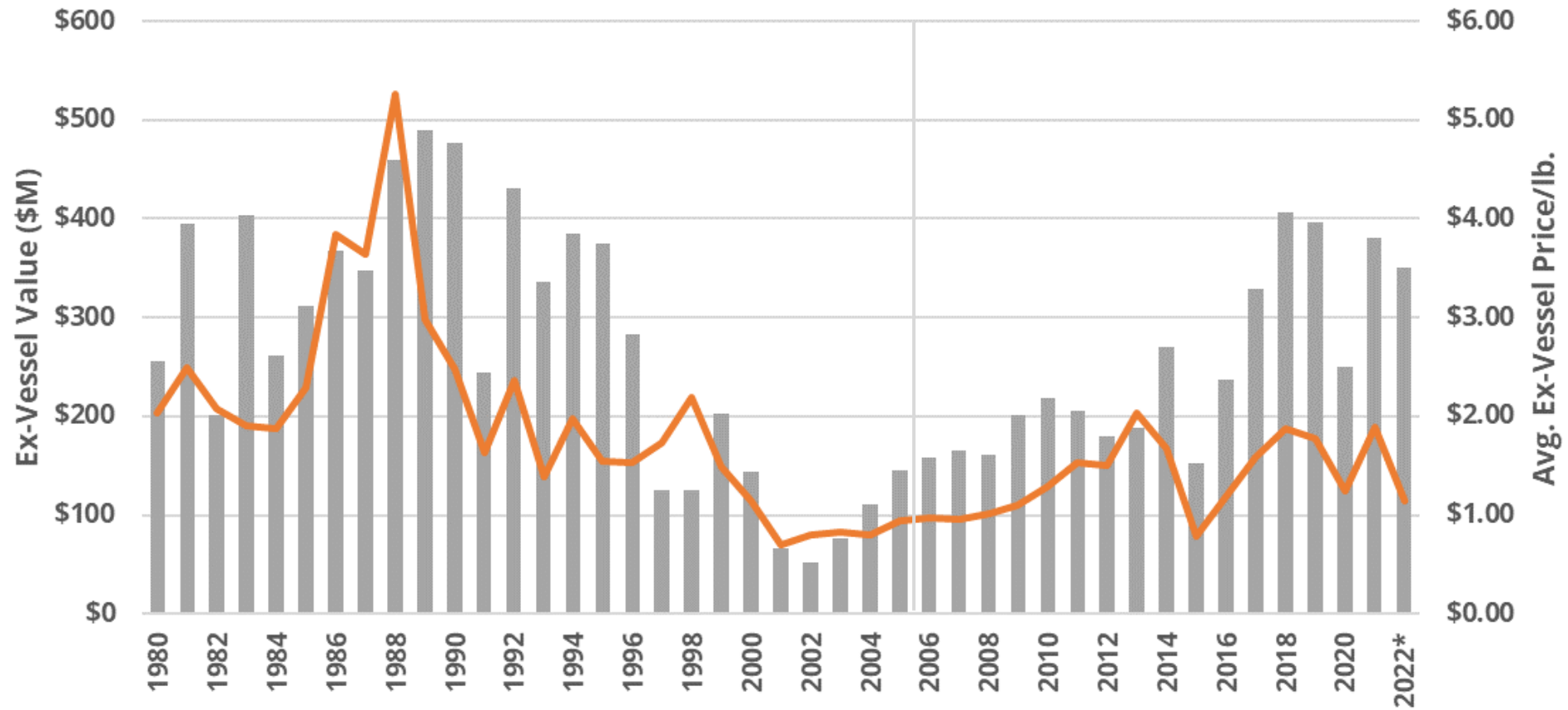




***MARKET UPDATE & OUTLOOK***

## Bristol Bay Sockeye: Ex-Vessel Price & Value

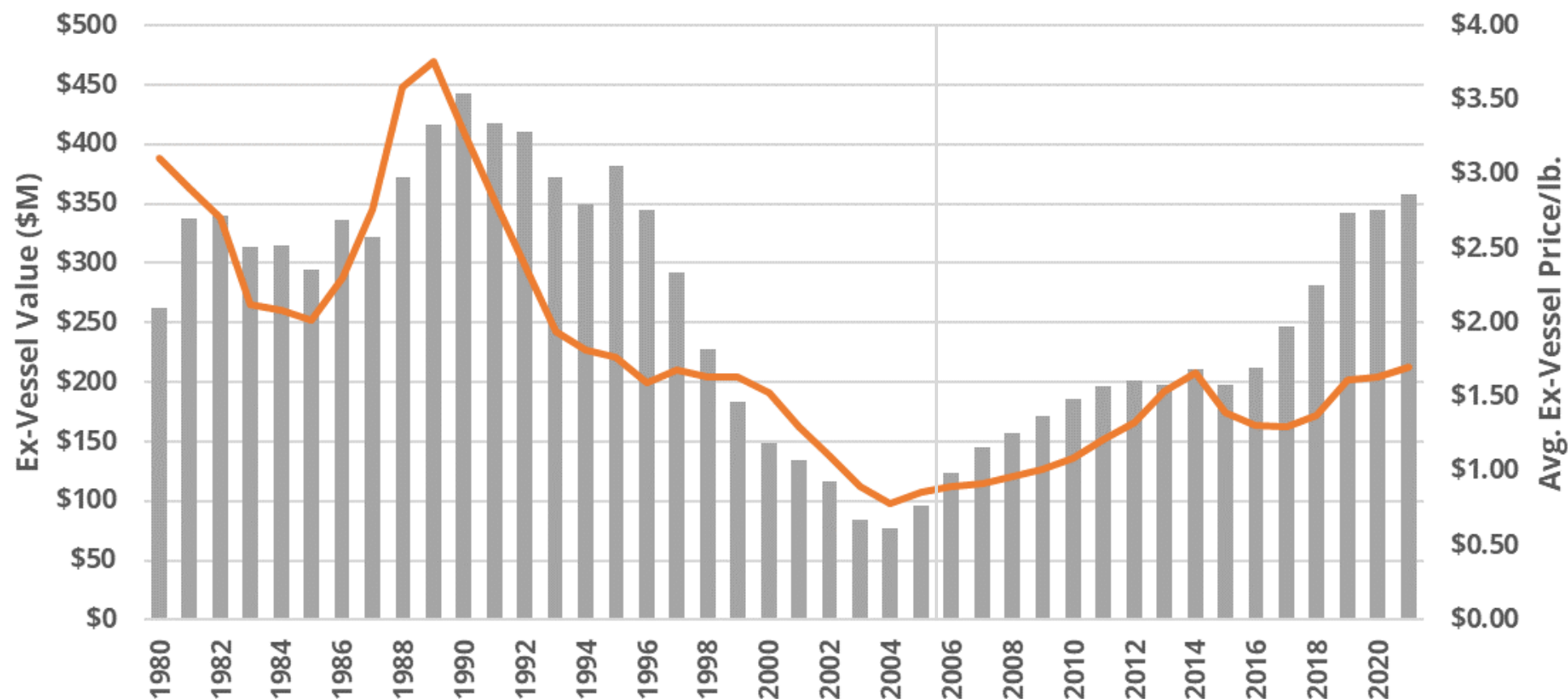
*Adjusted for Inflation (\$2022)*



Source: ADF&G, compiled and adjusted for inflation by BBRSDA.

## Bristol Bay Sockeye: Ex-Vessel Price & Value

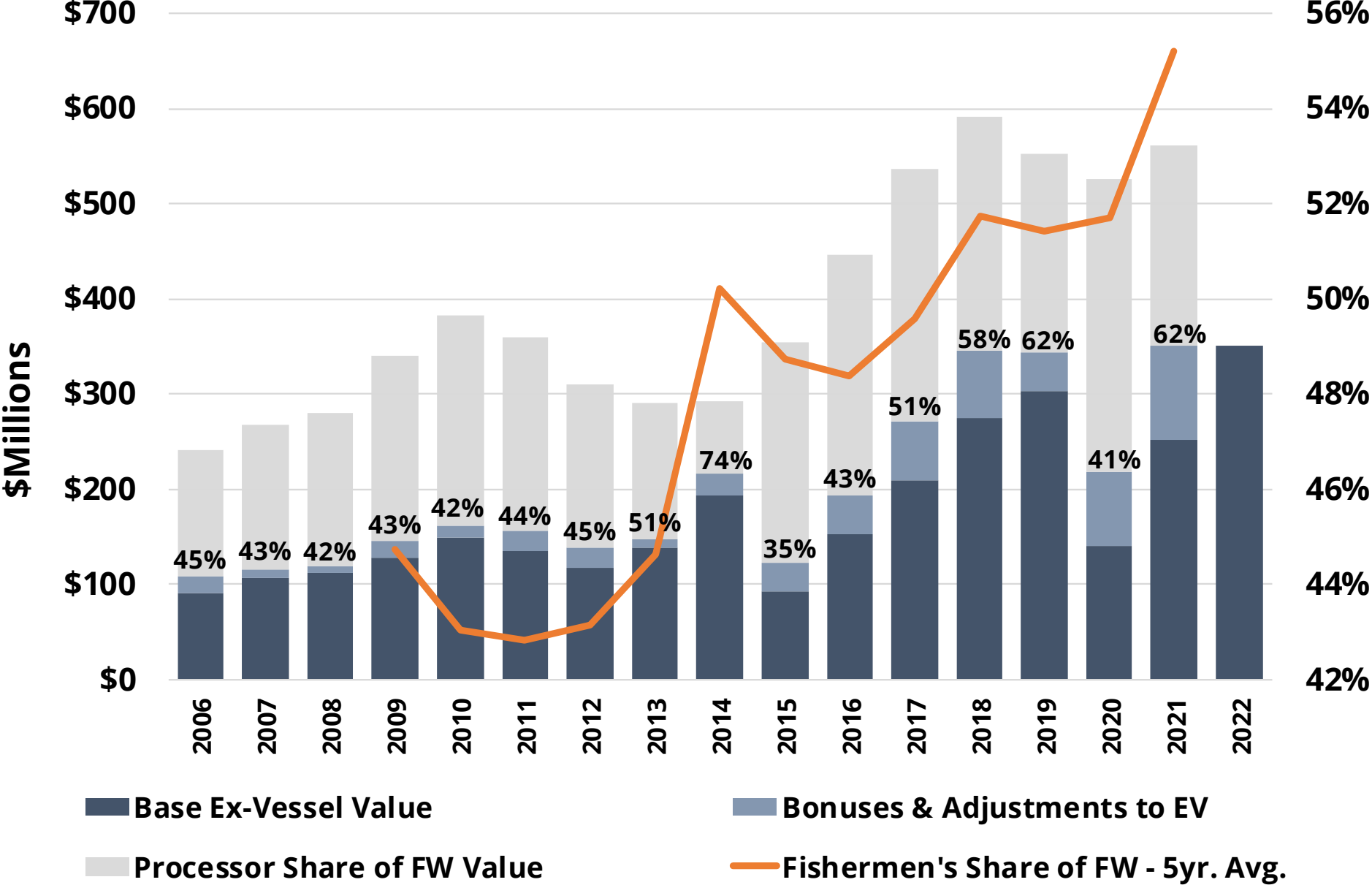
4-Year Moving Average - Adjusted for Inflation (\$2022)



Source: ADF&G, compiled and adjusted for inflation by BBRSDA.



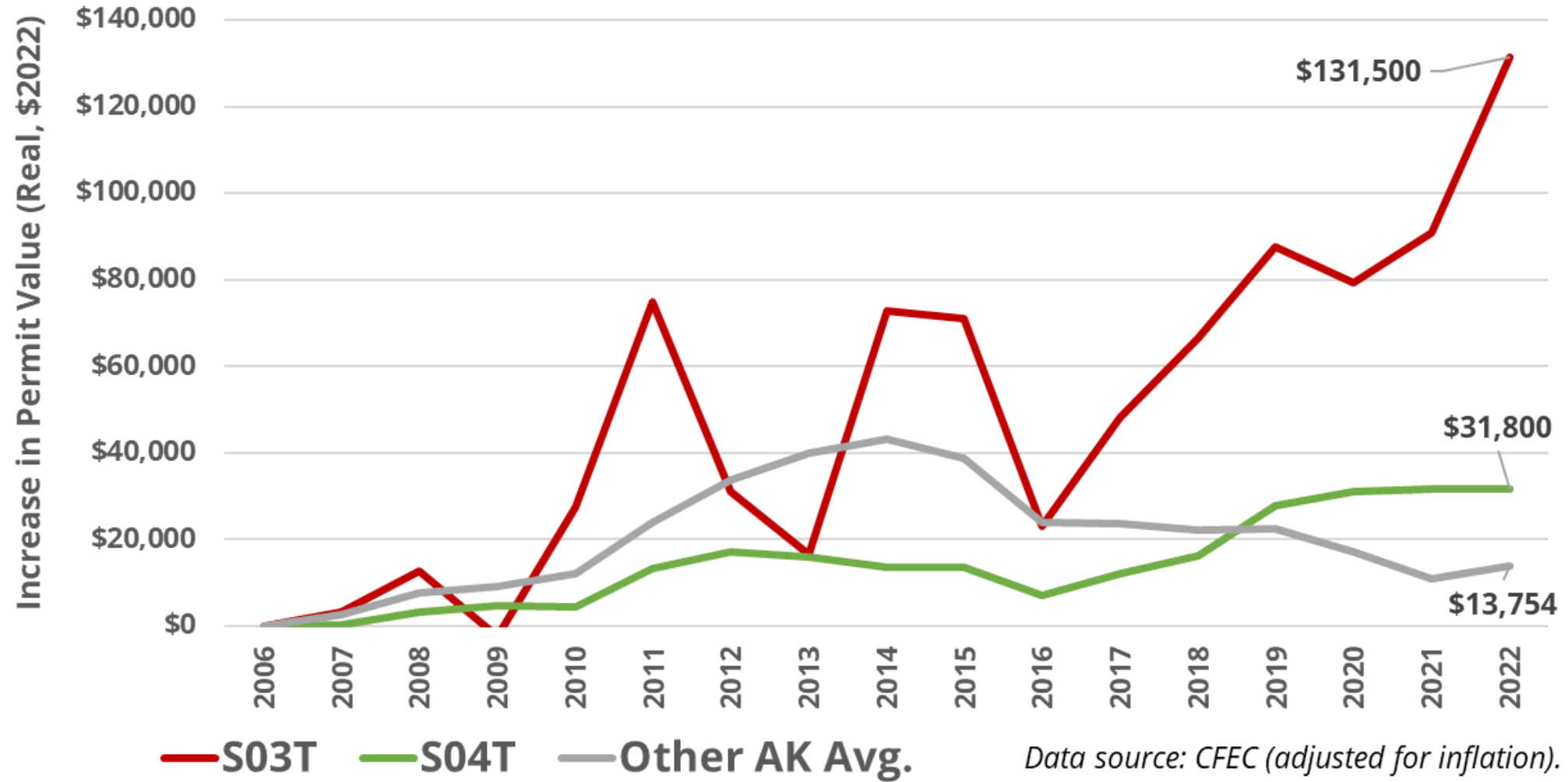
# Bristol Bay Sockeye Resource Value & Share by Sector



Notes: First Wholesale (FW) value is compiled on a harvest year basis (June of fishery year through May of following year). Final ex-vessel value (EV) includes quality/production bonuses and retro payments. Percentages show fishermen's share of FW value by year.

Sources: BBRSDA estimates based on data from Alaska Department of Fish & Game (Annual Management Report, Season Summaries, and COAR) and Alaska Department of Revenue (Alaska Salmon Price Report).

## Change in Salmon Permit Value since 2006



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# SOCKEYE MARKET SUMMARY

See more market-related data at:  
[www.bbrsda.com/market-value-info](http://www.bbrsda.com/market-value-info)

- Global Sockeye harvests up 34% in 2022 (estimated)
  - BB: +53%, Other AK: flat, Russia: +12%
- Atlantic production down 1% in 2023, Farmed Coho up 15%
  - U.S. imports of Chilean coho WAY up
- Super strong U.S. Dollar = bad for AK salmon industry
- U.S. embargos Russian salmon, but Europe/Japan did not
- Wholesale prices are down for frozen H&G sockeye
- BB sockeye wholesale sales down 16% (JUL-AUG, YoY, by value)



**FRED**



— Nominal Broad U.S. Dollar Index



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$$\text{Expected Final Avg. EV Price (y)} = (-0.0176*a) + (0.0042*b) + (0.4425*c) - 0.2357$$

a – BB Sockeye Harvest Volume (in Millions of Fish)

b – Previous Season's Net Processing Revenue (in \$Millions)

c – Jan-May Frozen H&G Sockeye Export Price/lb.

$R^2 = 0.994$     Adjusted  $R^2 = 0.981$

### Actual vs. Expected Ex-Vessel Price/lb.

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actual Final EV Price/lb.	\$1.17	\$1.18	\$1.61	\$1.35	\$0.64	\$0.96	\$1.31	\$1.60	\$1.54
Expected Final EV Price/lb.	\$1.19	\$1.15	\$1.64	\$1.29	\$0.66	\$0.98	\$1.28	\$1.59	\$1.58
Difference (\$\$/lb.)	-\$0.02	\$0.03	-\$0.03	\$0.06	-\$0.02	-\$0.02	\$0.03	\$0.01	-\$0.04

## Actual vs. Expected Final Ex-Vessel Price/lb., 2020-2021

	2020	2021
Actual Final EV Price/lb.	\$1.09	\$1.74
Expected Final EV Price/lb.	\$1.28	\$2.00
Difference (\$\$/lb.)	-\$0.19	-\$0.26
Difference (\$M)	\$39M	\$51M

## BB Sockeye Price Model Inputs, 2020-2021

	2020	2021
a – BB Harvest (MillionsSox)	39.7	40.4
b – Previous NPR (\$M)	\$209	\$308
c – Jan-May Export Price/lb.	\$3.02	\$3.72

## What Happened??

- **COVID**
- **Horrible 2020 non-BB harvest**
- **Very high NPR in 2020 & export price in 2021**



## Actual vs. Expected Final Ex-Vessel Price/lb., 2022

	2022
Actual Final EV Price/lb.	???
Expected Final EV Price/lb.	\$1.74

## BB Sockeye Price Model Inputs, 2021-2022

	2021	2022
a – BB Harvest (MillionsSox)	40.4	60.1
b – Previous NPR (\$M)	\$308	\$212
c – Jan-May Export Price/lb.	\$3.72	\$4.83

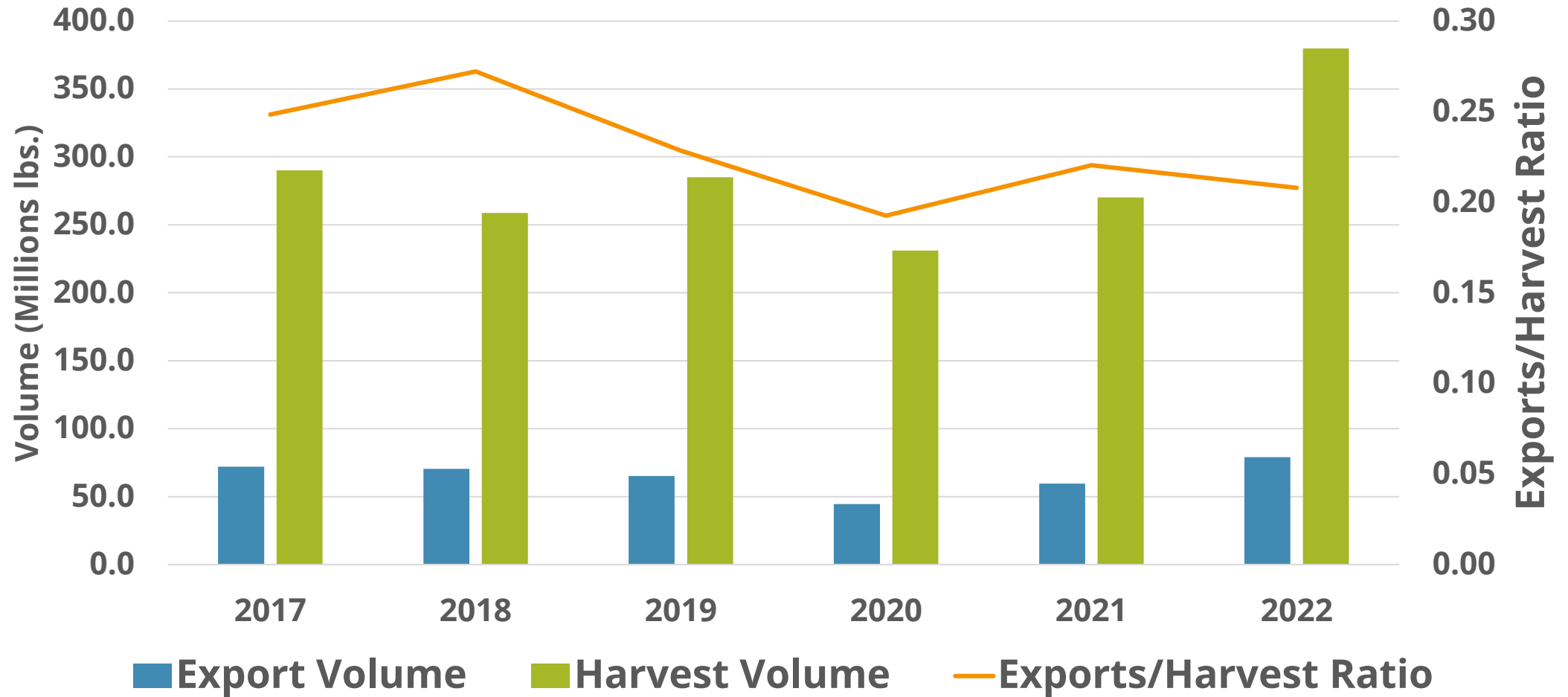
## Will this be accurate?

- **At \$1.40-\$1.50 for final price now, with quality bonuses**
- **Effect of outliers**
- **Depends on NPR this year**
- **Expected price is lower than 2021's expected price**

## Bristol Bay Sockeye Value & Sales, 2016-2022

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Harvest Volume (Millions lbs.)	201.0	207.8	215.8	222.8	200.2	201.3	305.3
Final/Avg. Ex-Vessel Price/lb.	\$0.96	\$1.31	\$1.60	\$1.54	\$1.09	\$1.74	\$1.15
Base Ex-Vessel Value	\$153	\$210	\$275	\$304	\$140	\$252	\$351
Final Ex-Vessel Value	\$193	\$272	\$345	\$343	\$218	\$350	-
Fishermen Pct. of FW Value	43%	51%	58%	62%	41%	61%	-
<u>FW Sales</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
June-Aug: Volume (Net Millions lbs.)	53.2	39.2	44.7	27.8	37.9	37.8	27.7
June-Aug: Value (\$M)	\$171	\$159	\$212	\$137	\$163	\$187	\$156
Harvest Year Value (\$M)	\$446	\$538	\$591	\$552	\$526	\$562	-
Harvest Year Value less Ex-Vessel (\$M)	\$254	\$265	\$246	\$209	\$308	\$212	-

## Alaska Sockeye: Harvests vs. JUL-OCT Frozen HG Exports



# BBRSDA MARKETING EFFORTS

- Retail promotions
- PR & Advertising
- More foodservice focus
- Symphony of Seafoods
- Kraken Marketing
- Direct Marketing & Fish Finder
- ASMI doing more too





# MARKETING BRISTOL BAY SALMON



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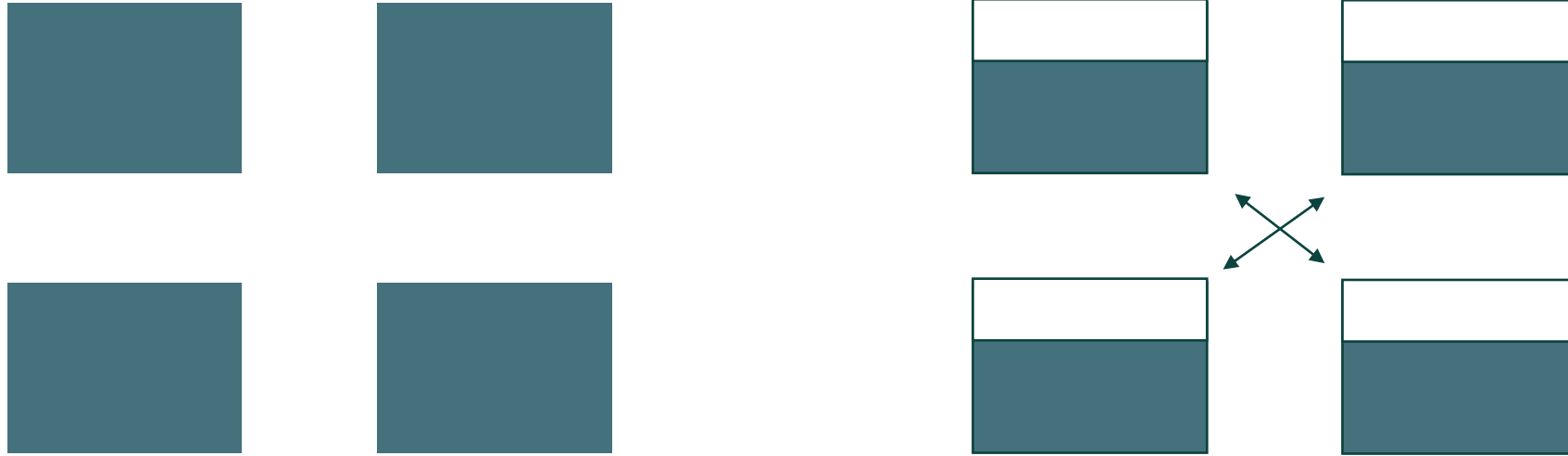
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# PRICE COMPETITION vs. EFFICIENCY



Ex-vessel pricing is more competitive when processors have excess capacity, otherwise there is no incentive to buy fish away from competitors.  
But operating well under capacity is costly & inefficient



VESSEL SIZE

**400' X 100'**