



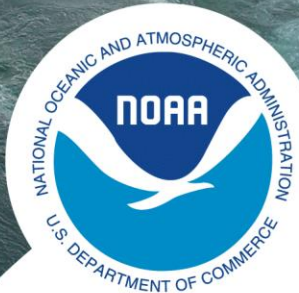
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Alaska Weathervane Scallop Fishery Economic Update of the 2017 SAFE Document

April 2, 2018

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NOAA Fisheries Alaska Region Sustainable Fisheries Division



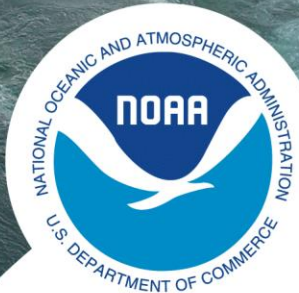
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Appendix content we will cover

- Alaska scallop history and fishery economic statistics
- Breakeven scenarios using limited data
- LLP ownership information
- LLP cumulative share ownership
- Scallop markets and implications for Alaska weathervane scallop prices

Alaska scallop fishery management history



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- 1967-76, open access, cyclical harvests
- 1977-78, no fishery participation
- 1979-89 open access “gold rush”
- 1990 influx of east coast boats
- 1993, State of Alaska determined the scallop fishery was an high impact emerging fishery, implemented interim management plan (100% observer coverage, crab bycatch limits)
- 1995 Incident, emergency closure, vessel moratorium (18)
- Council action to establish scallop LLP (9), effective in 2000,
- Scallop Association formation.

Table 1: Historic Statewide Commercial Weathervane Scallop Statistics, 1967-2017/18.

Year	Vessels	Landings ^a	Catch (lb meats) ^b	Average Price/lb	Wholesale Value
1967	2	6	778 ^c	\$0.70	\$545
1968	19	125	1,677,268	\$0.85	\$1,425,678
1969	19	157	1,849,947	\$0.85	\$1,572,455
1970	7	137	1,440,338	\$1.00	\$1,440,338
1971	5	60	931,151	\$1.05	\$977,709
1972	5	65	1,167,034	\$1.15	\$1,342,089
1973	5	45	1,109,405	\$1.20	\$1,331,286
1974	3	29	504,438	\$1.30	\$655,769
1975	4	56	435,672	\$1.40	\$609,941
1976	7	21	264,788	\$1.59	\$421,013
1977-79			No Fishery		
1980	8	56	616,717 ^c	\$3.60	\$2,220,181
1981	18	101	924,441	\$4.00	\$3,697,764
1982	13	120	913,996	\$3.25	\$2,970,487
1983	5	30	192,310	\$5.00	\$961,550
1984	6	52	383,512	\$4.00	\$1,534,048
1985	7	47	615,564	\$4.00	\$2,462,256
1986	8	74	667,258	\$4.25	\$2,835,847
1987	4	54	599,947 ^d	\$3.45	\$2,069,817
1988	4	47	341,070	\$3.68	\$1,255,138
1989	7	55	534,763	\$3.87	\$2,069,533
1990	9	144	1,481,136	\$3.43	\$5,080,296
1991	6	136	1,136,649	\$3.82	\$4,341,999
1992	8	136	1,785,673	\$3.96	\$7,071,265
1993 ^e	7	51	568,077	\$5.15	\$2,925,597
1993/94	15	111	984,583	\$5.15	\$5,070,602
1994/95	15	104	1,240,775	\$5.79	\$7,184,087
1995/96	10	29	410,743 ^d	\$6.05	\$2,484,995
1996/97	9	30	732,424	\$6.30	\$4,614,271
1997/98	9	31	818,913	\$6.50	\$5,322,935
1998/99	8	35	822,096	\$6.40	\$5,261,414
1999/00	10	22	837,971	\$6.25	\$5,237,319



Table 1: Historic Statewide Commercial Weathervane Scallop Statistics, 1967-2017/18.

Year	Vessels	Landings ^a	Catch (lb meats) ^b	Average Price/lb	Wholesale Value
2000/01	8	20	750,617	\$5.50	\$4,128,394
2001/02	6	26	572,838	\$5.25	\$3,007,400
2002/03	6	28	509,455	\$5.25	\$2,674,639
2003/04	4	32	500,379	\$5.25	\$2,626,990
2004/05	5	22	431,594	\$5.50	\$2,373,767
2005/06	3	35	532,741	\$8.02 ^g	\$4,272,583
2006/07	3	21	486,564	\$7.78 ^g	\$3,785,468
2007/08	4	21	458,313	\$5.94	\$2,722,379
2008/09	4	20	342,434	\$6.34	\$2,171,032
2009/10	3	31	488,059	\$6.48	\$3,162,622
2010/11	3	37	459,759	\$8.35	\$3,838,988
2011/12	4	26	456,058	\$10.39	\$4,738,443
2012/13	4	24	417,551	\$10.63	\$4,438,567
2013/14	4	20	399,134	\$12.25	\$4,889,392
2014/15	4	24	308,888	\$12.39	\$3,827,122
2015/16	3	20	264,316	\$12.22	\$3,229,942
2016/17	2	17	233,003	\$12.53	\$2,919,528
2017/18 ^f	2	n/a	238,710	\$11.54	\$2,754,713

Sources: ADF&G fish ticket data, and Alaska Department of Revenue annual fish prices.

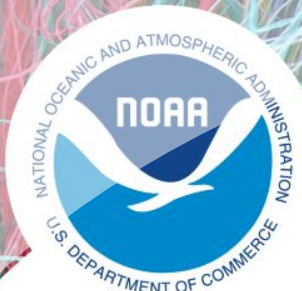
Table 5-1 Statewide Commercial Weathervane Scallop Real Wholesale Value, 1993/94—2017/18.

Year	Vessels	Catch (lb. shucked meats) ^a	Nominal Average Price/lb.	Inflation Factor ^b	Real Average Price/lb	Real Wholesale Value
1993/94	15	984,583	\$5.15	1.52	\$7.81	\$7,690,580
1994/95	15	1,240,775	\$5.79	1.50	\$8.70	\$10,800,614
1995/96	10	410,743	\$6.05	1.45	\$8.77	\$3,603,243
1996/97	9	732,424	\$6.30	1.34	\$8.44	\$6,183,123
1997/98	9	818,913	\$6.50	1.27	\$8.26	\$6,760,127
1998/99	8	822,096	\$6.40	1.09	\$6.98	\$5,734,942
1999/00	10	837,971	\$6.25	0.97	\$6.06	\$5,080,199
2000/01	8	750,617	\$5.50	1.11	\$6.11	\$4,582,517
2001/02	6	572,838	\$5.25	1.12	\$5.88	\$3,368,287
2002/03	6	509,455	\$5.25	1.10	\$5.78	\$2,942,103
2003/04	4	492,000	\$5.25	1.01	\$5.30	\$2,608,830
2004/05	5	425,477	\$5.50	1.10	\$6.05	\$2,574,136
2005/06	5	525,357	\$7.58	1.34	\$10.16	\$5,336,156
2006/07	4	487,473	\$7.86	1.24	\$9.75	\$4,751,107
2007/08	4	458,313	\$5.94	1.24	\$7.37	\$3,375,750
2008/09	4	342,434	\$6.34	1.33	\$8.43	\$2,887,472
2009/10	3	488,059	\$6.48	1.16	\$7.52	\$3,668,642
2010/11	3	459,759	\$8.35	1.05	\$8.77	\$4,030,937
2011/12	4	456,058	\$10.39	1.16	\$12.05	\$5,496,593
2012/13	4	417,551	\$10.63	0.97	\$10.31	\$4,305,410
2013/14	4	399,134	\$12.25	0.98	\$12.01	\$4,791,604
2014/15	4	308,888	\$12.39	1.02	\$12.64	\$3,903,665
2015/16	3	264,316	\$12.22	0.94	\$11.49	\$3,036,145
2016/17	2	233,003	\$12.53	1.00	\$12.53	\$2,919,528
2017/18 ^c	2	238,710	\$11.54	1.00	\$11.54	\$2,754,713
10 year av.	3	360,791	\$10.31		\$10.73	\$3,779,471

a Lb. of shucked scallop meats are reported by the State Observer Program.

b uses the Bureau of Labor Statistics, Industry Index through 2017

c preliminary

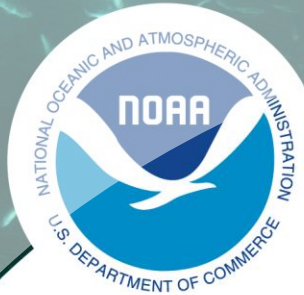


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Table 3: Number of Vessels that Could Breakeven Under Various Price and Landings Scenarios (recreated from Regulatory Impact Review for Amendment 4 to the North Pacific Scallop FMP)

Price	Landing (pounds)			
	600,000	800,000	1,000,000	1,200,000
\$5.00	3.6	4.9	6.1	7.3
\$5.50	4.0	5.3	6.7	8.0
\$6.00	4.4	5.8	7.3	8.7
\$6.50	4.7	6.3	7.9	9.5
\$7.00	5.1	6.8	8.5	10.2
\$7.50	5.5	7.3	9.1	10.9
\$8.00	5.8	7.8	9.7	11.6



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Table 6: Number of Vessels that Could Breakeven Under 2017 Price and Landings Scenarios (recreated from Regulatory Impact Review for Amendment 10 to the North Pacific Scallop FMP)

Price	Landing (pounds)			
	200,000	400,000	600,000	800,000
\$10.00	1.1	2.1	3.2	4.3
\$10.50	1.1	2.2	3.4	4.5
\$11.00	1.2	2.3	3.5	4.7
\$11.50	1.2	2.4	3.7	4.9
\$12.00	1.3	2.6	3.8	5.1
\$12.50	1.3	2.7	4.0	5.3
\$13.00	1.4	2.8	4.2	5.5



Table 3: Federal Scallop LLP Holder History and Current Activity.

LLP	Original Holder	MLO A	Current Holder	Restrictions	Alaska Corporate Ownership	Vessel Historically Used	Fished in 2015-2018
Independent Operators							
003	Hogan, Thomas C.	75	Atlantic Capes Fisheries LLC	2 dredges with 20' max. combined width	Atlantic Capes Fisheries Inc: Daniel Cohen (100%) in good standing	Kilkenny: Owned by Atlantic Cape Fisheries Inc, New Jersey	no
004	Hulse, Max G. et al.	79	Hulse, Max G. (Possibly Deceased)	2 dredges with 20' max. combined width	Alaska Dream Ventures LLC: Robert Hulse (100%) in good standing (transfer not yet applied for)	La Brisa / Wayward Wind: Vessels rebuilt (lengthened) and re-purposed	no
006	Oceanic Research Services	70	EWT LLC	none	EWT LLC: Eric Orman (66.67%) Warren Alexander (33.33%) Involuntarily Dissolved	Artic Storm: sold	no

Table 3: Federal Scallop LLP Holder History and Current Activity.

LLP	Original Holder	MLOA	Current Holder	Restrictions	Alaska Corporate Ownership	Vessel Historically Used	Fished in 2015-2018
Alaska Scallop Association Members							
002	Forum Star Inc.	97	American Seafoods Co., LLC	State Imposed AFA Sideboard	American Seafoods Group, LLC (100%), in turn owned by ASG Parent LLC (100%) home state Delaware	Forum Star (owned by Forum Star LLC, which is 100% owned by American Seafoods Company LLC)	No
005	Ocean Fisheries LLC	102	Arctic Hunter LLC	none	Egil Mikkelsen, Glenn Mikkelsen, James Stone, John Lemar, Stein Nyhammer (20% each)	Artic Hunter, Replaced by Polar Sea (owned by Arctic Hunter LLC)	Yes
007	Pursuit, Inc.	101	Ocean Fisheries LLC	none	Festus Fisheries Inc (WA). (20%) Mikkelsen Fisheries Inc (WA). (40%) Stein Enterprises Inc. (WA) (20%), Stone Maritime Inc (WA). (20%)	Pursuit (no longer documented)	No
008	Provider, Inc.	124	Provider Fisheries LLC	none	Egil Mikkelsen (20%), Glenn Mikkelsen (20%), James Stone (25%), John Lemar (25%), Tom Minio (10%)	Provider (owned by Provider Fisheries LLC)	yes
009	Carolina Boy, Inc.	95	Ocean Fisheries, LLC	none	Festus Fisheries Inc(WA). (20%) Mikkelsen Fisheries Inc(WA). (40%) Stein Enterprises inc. (WA) (20%), Stone Maritime Inc(WA) (20%)	Ocean Hunter (owned by Ocean Fisheries LLC)	yes
010	Carolina Girl, Inc.	96	Alaska Scallop Fisheries , LLC	none	Egil Mikkelsen (20%), Glenn Mikkelsen (20%), James Stone (25%), John Lemar (25%), Tom Minio (10% each)	Carolina Girl (no longer documented)	no

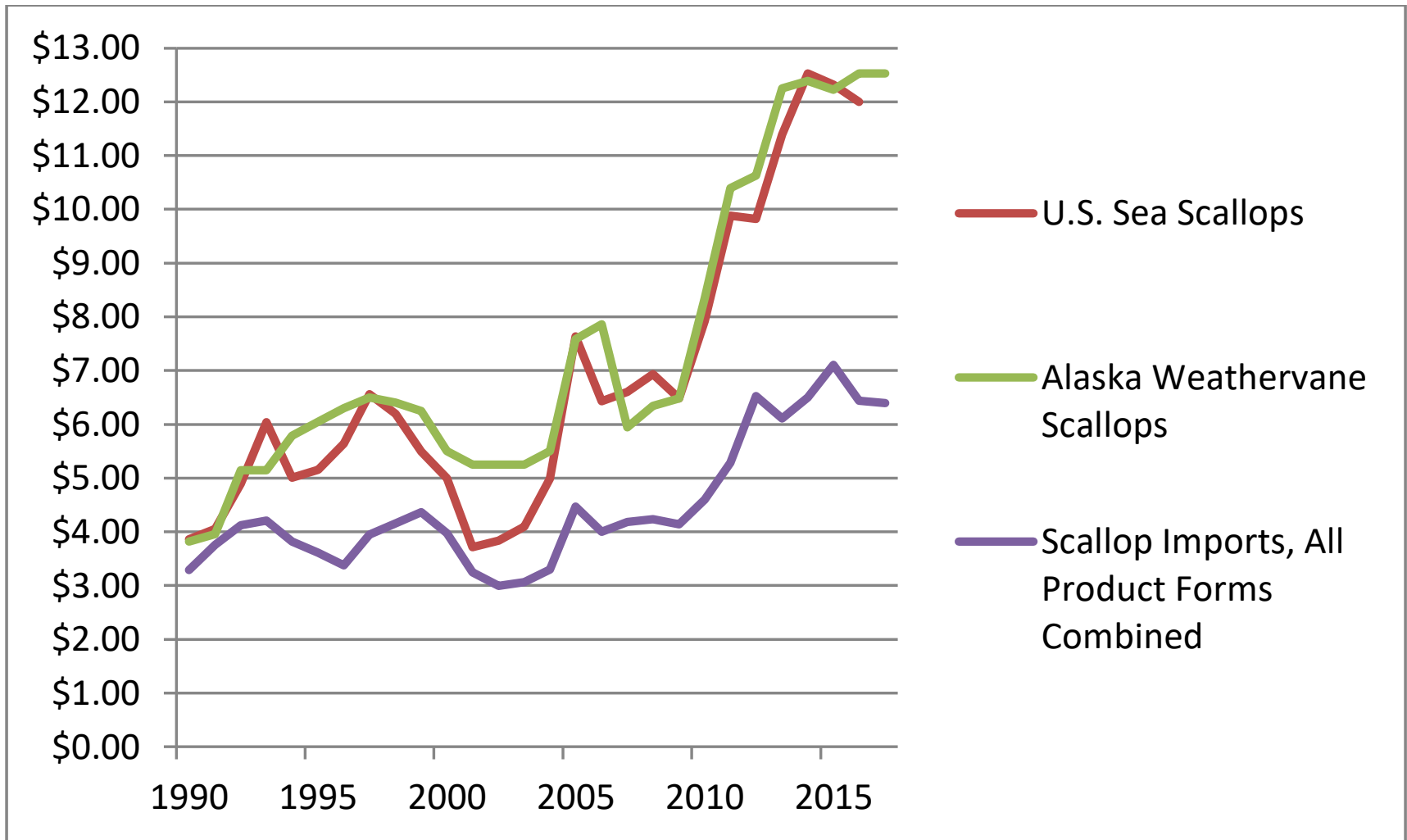
Table 5: Cooperative Member LLP Ownership Attribution

Owner	LLP Number						Cumulative Ownership
	002	005	007	008	009	010	
American Seafoods	100%						100%
John Lemar	20%	10%	25%	10%	25%		90%
Curtis Lemar		10%			10%		20%
Egil Mikkelsen	20%	20%	20%	20%	20%		100%
Glenn Mikkelsen	20%	20%	20%	20%	20%		100%
Tom Minio			10%			10%	20%
Stein Nyhammer	20%	20%			20%		60%
James Stone	20%	20%	25%	20%	25%		110%

Table 7: US Scallop Landings and Value versus Scallop Imports and Value, 1990-2017

Year	U.S. Sea Scallops			Alaska Weathervane Scallops*			Scallop Imports, All Product Forms Combined		
	Millions of Pounds	Value (\$ millions)	Av. \$/lb	Millions of Pounds	Value (\$ millions)	Av. \$/lb	Millions of Pounds	Value (\$ millions)	Av. \$/lb
1990	38.6	\$149.1	\$3.87	1.1	\$4.3	\$3.82	40.0	\$131.6	\$3.29
1991	37.9	\$153.7	\$4.05	1.8	\$7.1	\$3.96	29.7	\$111.4	\$3.76
1992	31.3	\$153.4	\$4.90	0.6	\$2.9	\$5.15	38.8	\$160.2	\$4.13
1993	16.1	\$97.1	\$6.04	1.0	\$5.1	\$5.15	52.1	\$219.2	\$4.21
1994	16.8	\$84.1	\$5.01	1.2	\$7.2	\$5.79	56.8	\$216.9	\$3.82
1995	17.4	\$89.8	\$5.16	0.4	\$2.5	\$6.05	48.4	\$174.8	\$3.61
1996	17.5	\$98.8	\$5.64	0.7	\$4.6	\$6.30	58.8	\$198.8	\$3.38
1997	13.6	\$89.5	\$6.56	0.8	\$5.3	\$6.50	60.3	\$238.1	\$3.95
1998	12.1	\$75.1	\$6.19	0.8	\$5.3	\$6.40	53.2	\$221.1	\$4.16
1999	22.0	\$121.0	\$5.49	0.8	\$5.2	\$6.25	44.6	\$194.7	\$4.37
2000	32.2	\$160.9	\$5.00	0.8	\$4.1	\$5.50	54.1	\$214.8	\$3.97
2001	46.4	\$172.6	\$3.72	0.6	\$3.0	\$5.25	40.0	\$130.0	\$3.25
2002	52.7	\$202.1	\$3.84	0.5	\$2.7	\$5.25	49.0	\$146.7	\$3.00
2003	56.0	\$229.1	\$4.09	0.5	\$2.6	\$5.25	52.9	\$161.9	\$3.06
2004	64.1	\$320.0	\$4.99	0.4	\$2.3	\$5.50	45.3	\$149.4	\$3.29
2005	56.6	\$432.5	\$7.64	0.5	\$4.0	\$7.58	51.4	\$229.8	\$4.47
2006	60.1	\$386.3	\$6.43	0.5	\$3.8	\$7.86	60.8	\$243.3	\$4.00
2007	58.5	\$386.0	\$6.60	0.5	\$2.7	\$5.94	56.6	\$236.8	\$4.18
2008	53.4	\$370.1	\$6.93	0.3	\$2.2	\$6.34	57.8	\$244.8	\$4.24
2009	57.9	\$375.6	\$6.48	0.5	\$3.2	\$6.48	56.3	\$233.0	\$4.14
2010	57.5	\$455.7	\$7.92	0.5	\$3.8	\$8.35	51.9	\$238.5	\$4.60
2011	59.2	\$585.1	\$9.89	0.5	\$4.7	\$10.39	56.8	\$300.4	\$5.29
2012	56.9	\$559.0	\$9.82	0.4	\$4.4	\$10.63	34.5	\$224.7	\$6.52
2013	41.0	\$466.8	\$11.39	0.4	\$4.9	\$12.25	60.9	\$371.9	\$6.11
2014	33.8	\$423.7	\$12.52	0.3	\$3.8	\$12.39	60.7	\$394.4	\$6.50
2015	35.7	\$439.7	\$12.32	0.3	\$3.2	\$12.22	49.3	\$350.2	\$7.11
2016	40.5	\$486.0	\$12.00	0.2	\$2.9	\$12.53	51.0	\$328.5	\$6.43
2017	n/a	n/a	n/a	0.2	\$2.7	\$11.54	41.3	\$264.5	\$6.40

Figure 1: Scallop Price Comparisons, 1990-2017



Questions