

Progress Report for January 2002 Future Russian Pollock Supply

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Objective

The objective of this project is to reduce the level of uncertainty about future Russian pollock¹ supply (and its effects on markets for Alaska pollock products) by systematically pulling together available information from a variety of sources about Russian pollock resource conditions, the setting of TAC, allocation of quota, enforcement of regulations, and the production and marketing of products produced from Russian pollock.

Background

One of the most important factors affecting the market outlook for Alaska pollock products is harvest, production and marketing of Russian pollock, both by Russian vessels as well as foreign vessels operating in Russian waters. Figure 1 (on the following page) shows FAO data for total world Alaska pollock harvests. Almost all harvests by nations other than the United States—mainly Russia, Japan, South Korea and China—are from Russian waters.

Russian pollock dominated total world catches in the early 1990s, but declined absolutely and as a share of world harvests during the 1990s. A variety of factors contributed to this decline, including changes in ocean conditions, past overfishing, and economic conditions in Russia.

Russian pollock competes directly with Alaska pollock in markets for pollock fillets and blocks, pollock roe, and pollock surimi.

It has been difficult to obtain reliable information about Russian pollock resource conditions, harvests, production and marketing, and how they are likely to change in the future. This has complicated efforts to understand how and why market conditions are changing or may change in the future.

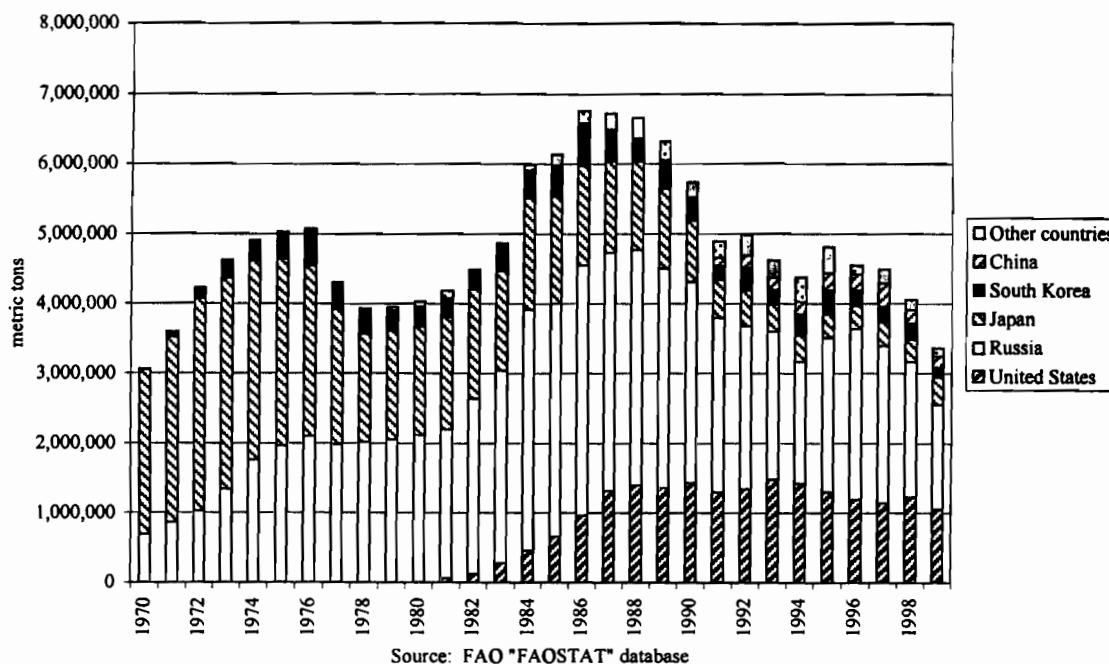
Methodology

I have used two basic approaches to develop better information about Russian pollock supply. First, I have reviewed a variety of published and online data sources in English, Russian and Japanese. Second, I traveled to Vladivostok in September 2001 to discuss Russian pollock supply with scientists, managers, and other industry members.

¹ I use the term “Russian pollock” to refer to Alaska pollock (*Theragra chalcogramma*) harvested in Russian waters, including not only harvests by Russian vessels but also vessels from other countries (mainly Japan, South Korea and China).

Figure 1

World Harvests of Alaska Pollock, by Country



The review of available data sources was more useful and provided more information than I had originally expected. There is a wide variety of information about Russian fisheries which is publicly available. This includes in particular information about resource conditions, quotas, and “official” harvest data. Less information is available about what products are produced and what markets they are sent to.

Some of this information is translated into English in sources such as *Bill Atkinson's News Report* and the Fisheries Information Service (www.fis.com) website but much is not. Much more information is available in Russian and Japanese. Russian newspapers—many of which are available online—publish numerous articles about Russian fisheries, including pollock, that include a variety of official data as well as rumors. Japanese trade newspapers collect and report a great deal of information about Russian fisheries and pollock (just as they do about Alaska fisheries). There is a lesson in this. If we want to stay informed about Russian fisheries, we should pay regular attention to these sources. This means reading in--or getting help from someone who reads in--Russian and Japanese. I read Russia (although somewhat slowly). I don't read Japanese, but a very helpful Japanese student assistant translated a number of Japanese sources for me.

I traveled to Vladivostok for one week in September 2001. This trip was less productive than I had hoped it might be in terms of actually collecting hard information from scientists and managers. However, it was useful in several ways. I was able to confirm my impressions (based on my earlier reading) about what kinds of data are collected and made public. I was able to confirm my impressions about general trends in Russian pollock resources and harvests. And I was able to make several useful contacts within TINRO, the Primorye Fisheries Committee, and the Russian fisheries press. From a long-term point of view, I think that these contacts will prove valuable in gaining information in the future.

Results

In a draft report which will be completed in January, I am summarizing the information that I collected about Russian pollock supply, and sources of information for tracking Russian pollock supply. I will prepare a final report by the end of February incorporating comments on the draft reports.

Major conclusions of the report include the following:

- Russian pollock fisheries are conducted in several different areas, the most important of which are the Sea of Okhotsk and the western Bering Sea. Trends in resource conditions, quotas and harvests vary between areas (just as they vary between the Gulf of Alaska and the eastern Bering Sea). Thus in thinking about Russian supply it is important to distinguish between different areas.
- Understanding Russian pollock fisheries is complicated by the fact that pollock fishing takes place under several different kinds of quotas which are allocated in different ways (analogous to the differences between the allocation of CDQ and other fisheries in Alaska). Russia allows a significant amount of foreign fishing under various international arrangements. Russia has recently begun highly controversial auctioning of a significant share of the total pollock quota. There is a high degree of political tension over foreign fishing and over quota allocation and auctions within the seafood industry and different levels of government. Further changes in fisheries management are possible as these political struggles are played out.
- In general, resource conditions have worsened significantly for Russian pollock, due to a variety of factors including past fishing practices as well as changing ocean conditions. In particular, conditions have worsened in the Sea of Okhotsk.
- Responding to worsening resource conditions, official quotas have been lowered in recent years and will decline sharply again in 2002.
- Catches are not the same as quotas. Officially reported catches are generally lower than quotas. The reasons for this differ. In some cases the shortfall is due to resource conditions; in other cases it is due to other factors such as ice conditions.

- It is very difficult to tell the extent of unreported catches.
- Over the coming year lower harvests of Russian pollock are likely to benefit markets for Alaska pollock by reducing total world supply. A rapid return to earlier high Russian pollock supply levels seems unlikely.