**Flatfish (BSAI) Economic Performance Report for 2019**

BSAI FMP flatfish are predominantly caught in the Eastern Bering Sea by catcher/processors in the Amendment 80 Fleet.[[1]](#footnote-1) In 2019, total catch of FMP flatfish in the BSAI was 207 thousand t. Retained catch was 197 thousand t, which was a slight decrease (<1%) and was below the average catches between 2010-2014. The two most significant flatfish species in terms of market value and volume are yellowfin and rock sole. These two species accounted for 64% and 12%, respectively, of the retained flatfish catch. Flathead sole, arrowtooth flounder, and Kamchatka flounder are also caught in significant quantities accounting for approximately 5-10% of the retained flatfish. The remainder of the catch volume is comprised of other flatfish which includes Alaska plaice and Greenland turbot. First-wholesale value decreased 1% to $210 million with a marginal decrease in prices.[[2]](#footnote-2)

In 2008, Amendment 80 to the BSAI FMP rationalized the non-pollock groundfish fisheries by instituting a catch-share system that annually allocates quota. The group of catcher processors managed under this system is referred to as the Amendment 80 Fleet. The species targeted by the Amendment 80 fleet include flatfish. Amendment 80 also mandated improved retention and utilization of fishery resources, which lowered discard and bycatch rates. Since 2008 total FMP flatfish catch has increased to an average of 265 thousand t over 2008-2012 from 184 thousand t in 2003-2007, and retention has increased from approximately 70% to 90%. In late 2014 flatfish harvest specification flexibility was implemented through Amendment 105 that allows Amendment 80 and CDQ entities to exchange harvest allocation between yellowfin sole, rock sole, and flathead sole. The Alaska flatfish undergo relatively low fishing pressure and harvests are routinely below their TAC and TACs are below the Allowable Biological Catches (ABC) because of the 2 million metric ton cap on Bering Sea groundfish catch. While the TAC is not typically a binding constraint on the fishery, industry may react to TAC changes. Since 2012 approximately 75-80% of the aggregate flatfish TACs have been caught and TACs are approximately 43-55% of the aggregate ABCs, though these proportions vary across individual species.

First-wholesale value in the BSAI flatfish fisheries decreased 1% to $209.8 million with a 4% decrease in yellowfin sole price, a 6% decrease in the rock sole price, an 11% decrease in the flathead sole price, and an 8% decrease in the arrowtooth flounder price. Prices for most flatfish were at a decadal high in 2018 and the marginal decreases in 2019 left prices at a high level relative to prices over the last decade. Flatfish are primarily processed into the headed-and-gutted (H&G) and whole fish product forms and changes in production largely reflect changes in catch. The export volume of yellowfin sole and rock sole is approximately 75-90% of the annual volume of processed products.[[3]](#footnote-3) Exports are primarily destined for China and South Korea, with China typically accounting approximately 80-85% of total exports. In 2019 China’s share of exports dropped to 71% and South Korea’s share of value increased from approximately 15% to 20% in 2019. A significant share of this product is re-processed into fillets and re-exported to North American and European markets. Flatfish can serve as a substitute for other higher priced whitefish products, and price changes for these other species can influence flatfish demand. Some rock sole is processed as H&G with roe, which is a higher priced product which is primarily destined f or Japanese markets. The Alaska flatfish fishery became MSC certified in 2010 and received the Responsible Fishery Management (RFM) certification in 2014. Certification provides access to some markets, particularly in Europe, and may enhance value. Some media reports have attributed the price increase in 2011 to the MSC certification and Asian markets where demand is expected to increase with growth in the middle class population. Reduced fishing opportunities in 2013-2014 for higher valued Atka mackerel may have diverted additional fishing effort towards flatfish increasing catch in these years. Increased supply and inventories from the additional catch put downward pressure on prices. As Atka mackerel fishing resumed more normal levels in 2015 and later, flatfish supply and inventories were reduced, prices began to rise. Atka mackerel catches were high in 2017 and 2018 which may have contributed to the reduced catch of flatfish despite high prices. Because of China’s significance as a re-processor of flatfish products, the tariffs between the U.S. and China have put downward pressure on flatfish prices and may inhibit value growth in some flatfish markets. Industry lacks immediate alternative reprocessing options to China. Export quantities of yellowfin sole and rock sole increased in 2019 from 2018 and the share of exports to China decreased despite rising export prices (Table 2).

Table 1. BSAI flatfish catch and first-wholesale market data. Total and retained catch (thousand metric tons), number of vessels, first-wholesale production (thousand metric tons), value (million US$), price (US$ per pound), and head and gut share of production; 2010-2014 average and 2015-2019.



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).

Table 2. Flatfish U.S. trade and global market data. Global production (thousand metric tons), U.S. share of global production, BSAI share of U.S. production. U.S. yellowfin sole and rock sole export volume (thousand metric tons), U.S. export value (million US$), U.S. export price (US$ per pound), the share of U.S. export value from China, and the Euro/U.S. Dollar exchange rate; 2010-2014 average and 2015-2019.



Source: FAO Fisheries & Aquaculture Dept. Statistics <http://www.fao.org/fishery/statistics/en>. 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>.

1 - The BSAI FMP share of U.S. production is calculated as the BSAI retained catch divided by the FAO's U.S. production of flounder, halibut and sole.

1. FMP flatfish are those where management, including total catch, is carried out under a federal Fishery Management Plan. Pacific halibut is not an FMP groundfish fishery and its total catch is set by the International Pacific Halibut Commission, though allocation of the catch among users is managed by the NPFMC and NMFS. [↑](#footnote-ref-1)
2. Because BSAI flatfish are primarily targeted by catcher/processor vessels there is not a substantive ex-vessel market. [↑](#footnote-ref-2)
3. Yellowfin sole and rock sole are the only species with species specific trade data. The other primary BSAI flatfish are aggregated into a non-species specific flatfish category. [↑](#footnote-ref-3)