



COVID-19 Impacts to Hawaii Longline Fishery and Associated Seafood Industry

Situation Summary: January 2021

Background Info

The Hawaii longline fishery, which started in Hawaii in 1917 and is now comprised of 140 locally owned active vessels, is the largest food producer in the State of Hawaii (32 million pounds landed in 2019).

The dockside landed value of the fishery is around \$100 million annually, ranking Honolulu Harbor in the Nation's top ten ports in terms of fisheries economic value (6th in 2018). The longline fishery represents approximately 85% of commercial fishing landings and revenue in Hawaii.

The Hawaii longline fishery supplies ice-chilled, high quality fish (ahi, swordfish, mahimahi, opah, etc.) to Hawaii and US mainland foodservice and retail seafood markets; products are principally marketed as fresh fish and not sold frozen. The United Fishing Agency (Honolulu Auction; Est. 1952) and several local seafood distribution companies are critical to the Hawaii fishing industry and seafood supply chain. Hawaii's commercial fishing and seafood industry has been estimated by the US Department of Commerce to annually generate around \$867 million in sales impacts, \$269 million in income impacts, \$392 million in value-added impacts, and 9,900 full-and part-time jobs.¹

COVID-19 Impacts

Fish prices at the Honolulu auction suffered extreme reductions on March 14, 2020. During the following two weeks, there was an 80% decline in the value of dockside landings. From March through July 2020, Hawaii longline fishery incurred losses of 45 % less revenue compared to the 5-year average for the same period, placing the Hawaii longline fleet at the top of Nation's most effected fisheries result of COVID market impacts.²

The primary reason for the decline was the rapid elimination of foodservice (restaurant, hotel, catering) orders both locally and in US markets. Several Hawaii wholesale distribution companies each laid off large percentages of their employees.

Weak and sometime volatile market conditions persisted through the end of the year, leading the Hawaii longline fleet to lose approximately \$35 million in revenue as compared to recent 5-year average for the same period, and \$45 million in revenue in factoring opportunity costs of extended tie-ups.

From March to August, the Hawaii Longline Association (HLA) instituted trip limits of 15,000 lbs per vessel and then 20,000 lbs per vessel and the United Fishing Agency held the daily auction volume to a cap of 60,000 lbs, which is around 70% of the historical daily average. Even with these measures, ahi (yellowfin and bigeye tuna) prices remained lower than average and auction level prices for species like opah, monchong, billfish, ono remained low. These normally valuable fish which principally go to tourism associated markets, comprise about 30% of total landings and play an important role in vessel

¹ National Marine Fisheries Service. 2018. Fisheries Economics of the United States, 2016. U.S. Dept. of Commerce, NOAA Tech. Memo. NMFS-F/SPO-187a, 243 p

² <https://media.fisheries.noaa.gov/2021-01/Updated-COVID-19-Impact-Assessment.pdf>

profitability. Prices did increase for these species from October to December as tourism began to increase in Hawaii, but overall Hawaii visitor arrivals remain at 25% of normal vessels.

Recovery from COVID-19 Impacts and Government Support

Like most other commercial fishing vessels nationally, the SBA loan programs funded by the CARES Act were not accessed by Hawaii longline vessels as their operational and employment structure do not readily fit the SBA program criteria (e.g. captains and crew are 1099 independent contractors with large percentage of crew foreign workers; little to no loans, rent, or standard utilities).

On July 7, 2020, Mayor Caldwell announced the City and County of Honolulu's (CCH) Fish to Dish program (appx. \$2.6 million). The program objectives were: 1) Support to Hawaii longline vessels to offset operating costs during COVID pandemic to ensure continued fish supply and support local food security, 2) Support the Honolulu Fish Auction (critical infrastructure) for COVID response, planning, innovation and automation, and 3) Develop a Pilot Community Fish Distribution Program to deliver fish fillets to the Hawaii FoodBank and partner agencies to provide 350,000 servings to kupuna, families, and others in need. The program met its objectives including the production and delivery of over 110,000 pounds of fillet equating to over 350,000 servings to those in need. Click [here](#) for video on Fish to Dish.

Pursuant to the legislature's allocation, the State Department of Economic Development and Tourism continued the CCH's Hawaii longline fishing vessel support program (\$2 million), including support to Hawaii small vessel fishermen (\$875,000), from October 1 to December 15, 2020. This program funded reduced the operating costs for Hawaii longline vessels and supported 303 longline fishing trips during the period.

NOAA Fisheries announced that \$4.3 million out of the \$300 million CARES Act fishery disaster relief provision was to go to Hawaii. Pursuant to the CARES Act, funds were allocated among commercial fisheries, charter for hire fisheries, wholesale distribution companies, marine aquaculture, cultural and subsistence fisheries. Under the State's spending plan approved by NOAA, the Hawaii longline fleet was provided nearly \$2.6 million of the \$4.3 million. The funds were awarded in December via an application process administered by the Pacific States Marine Fisheries Commission based in Portland, OR. Disappointingly, the State Department of Land and Natural Resources took 6 months to develop the spend plan, but provided vessel owners only 21 days to submit applications (by mail only). Hawaii longline vessel trips typically last 23-days which left many vessels scrambling. Some eligible vessels also lost out on the funding do to not fully understanding the eligibility criteria and application process.

Hawaii Food Security Issues

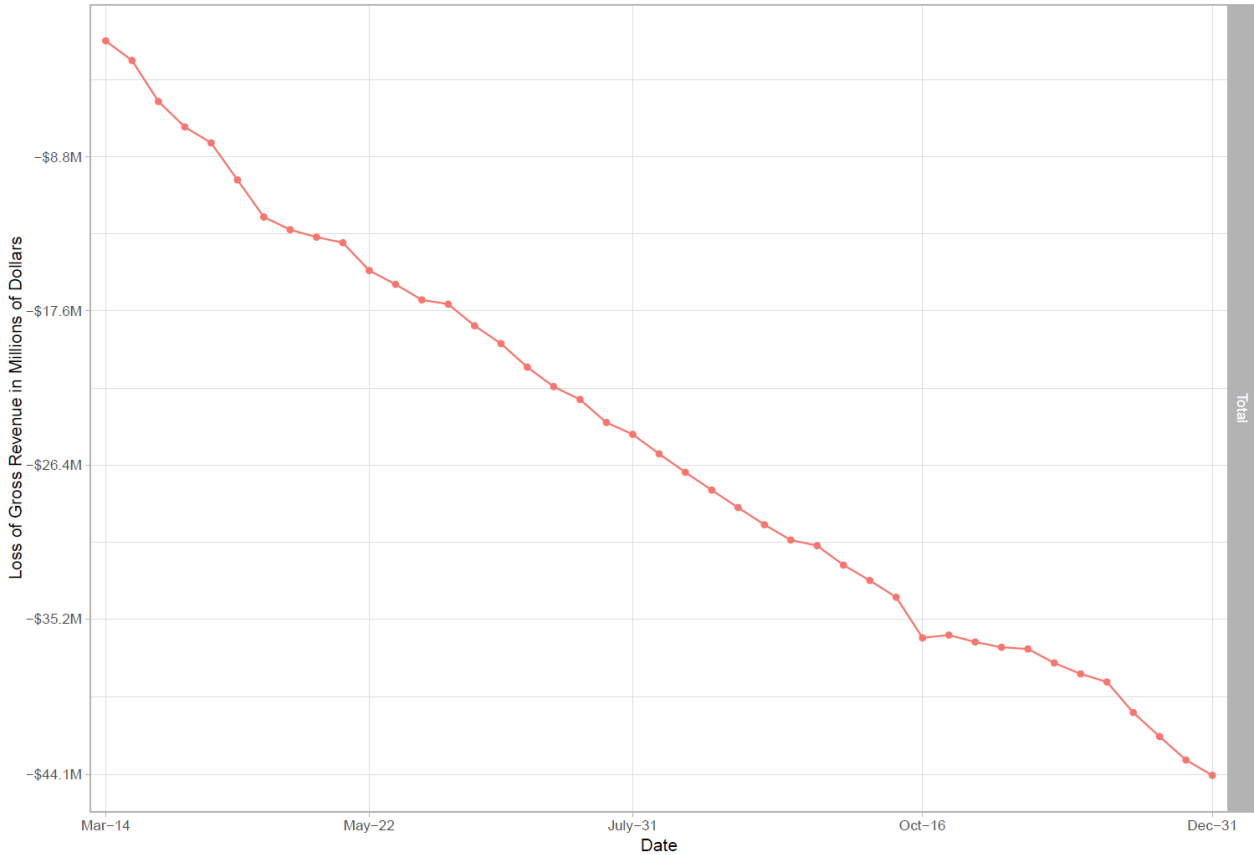
Hawaii residents consume seafood at twice the national average and is important culturally for Hawaii's diverse communities. The Hawaii longline fishery as a major food producer in the State, continues to produce high quality, sustainable, healthy seafood for Hawaii and US consumers, important for local food security, and reducing the national seafood trade deficit. However, as severe COVID-19 economic impacts persist, the Hawaii longline fishery and associated seafood industry face a highly uncertain future. Continued government support to the fleet and fish purchasing and community distribution programs to those in need should be prioritized.

Points of Contact:

<p><u>Hawaii Longline Association</u> Eric K. Kingma, PhD Executive Director (808) 389-2653; eric.k.kingma@gmail.com www.hawaiilongline.org</p>	<p><u>United Fishing Agency (Honolulu Auction)</u> Brooks Takenaka General Manager (808) 255-7390; brooks@unitedfishingagency.com</p>
<p><u>Hawaii Seafood Council</u> John Kaneko, DVM Program Manager (808) 428-6253; john@hawaii-seafood.org</p>	<p>Michael K. Goto Assistant Vice President and Auction Manager (808) 927-4477; mgoto@unitedfishingagency.com</p>

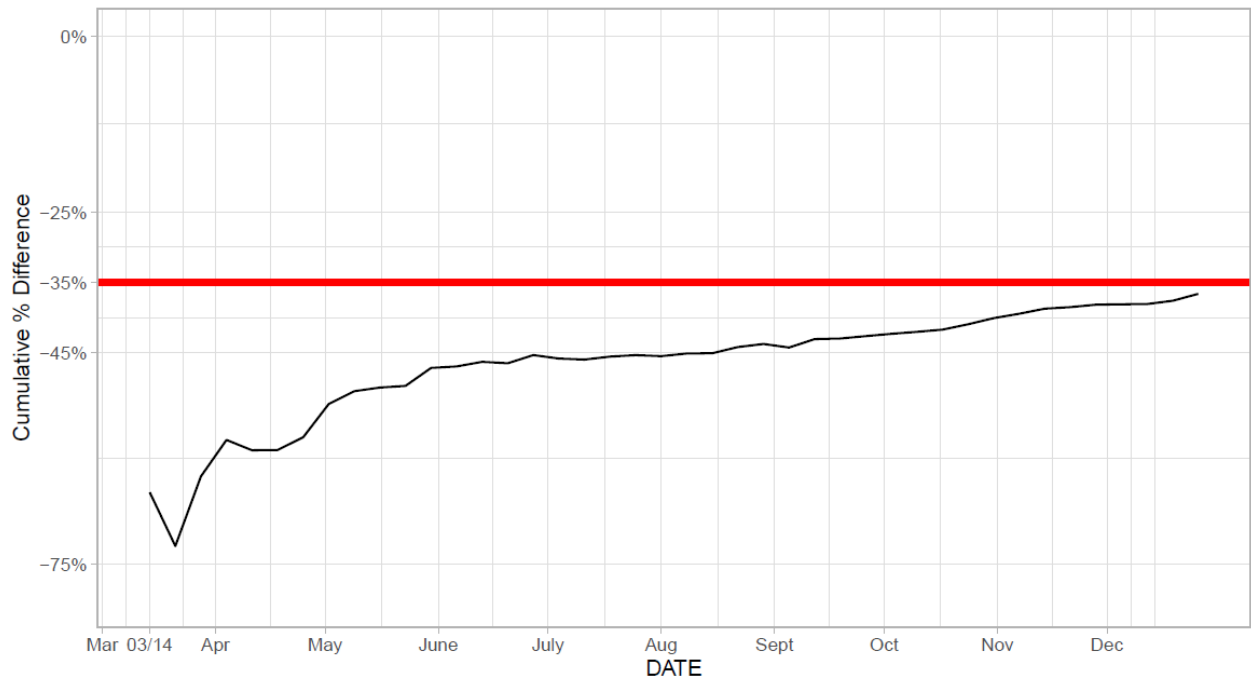
Economic Impacts from COVID-19 to Hawaii Longline Vessels

Total Fleet Impacts From COVID-19
Ex-Vessel Losses + Lost Fishing Opportunities
From March 14th to Dec. 31st (Post-COVID 19 Period)



Source: UFA & Pacific Islands Fisheries Science Center

Percent Impacts on Gross Revenue
Between Avg. Gross Revenue 2015-2019
& Gross Revenue 2020 from March 14th to Dec. 31st



Source: UFA Data Through Dec. 31, 2020