



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

### **Situation Summary: October 15, 2020**

#### **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 (6<sup>th</sup> 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.<sup>1</sup>

#### **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. The primary reason for the decline was the rapid elimination of foodservice (restaurant, hotel, catering) orders. Several Hawaii wholesale distribution companies each laid off large percentages of their employees.

Since March 14<sup>th</sup>, auction prices have fluctuated with significant volatility representative of an overall weak market and substantial uncertainty. To date fleet has lost over \$25 million in revenue as compared to recent 5-year average for the same period. The fleet has lost around \$35 million in revenue in factoring opportunity costs of extended tie-ups. Overall revenue is down around 50% from pre-COVID period, with total vessel revenue losses on pace to near \$50 million by year's end.

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 remain very 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 profitability.

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<sup>1</sup> 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

**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).

NOAA Fisheries announced that \$4.3 million out of the \$300 million CARES Act fishery disaster relief provision is going to Hawaii. Pursuant to the CARES Act, the funds are to be allocated among commercial fisheries, charter for hire fisheries, wholesale distribution companies, marine aquaculture, cultural and subsistence fisheries. Hawaii Division of Aquatic Resources has submitted a spending plan to NOAA for approval, which is pending.

Mayor Caldwell announced the City and County of Honolulu’s (CCH) Fish to Dish program (appx. \$2.6 million) on July 7. The program objectives are: 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. To date the program has delivered 53,300 lbs of fillet (48.8% of the total to be delivered) equating to approximately 170,560 servings to those in need.

Pursuant to the legislature’s allocation, the State Department of Economic Development and Tourism is continuing 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.

**Hawaii Food Security Issues**

Hawaii residents consume seafood at twice the national average and is important culturally for Hawaii’s diverse communities. Many US commercial fisheries and seafood processors, including those in Hawaii, face economic conditions that could force permanent closure.

The Hawaii longline fishery 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.

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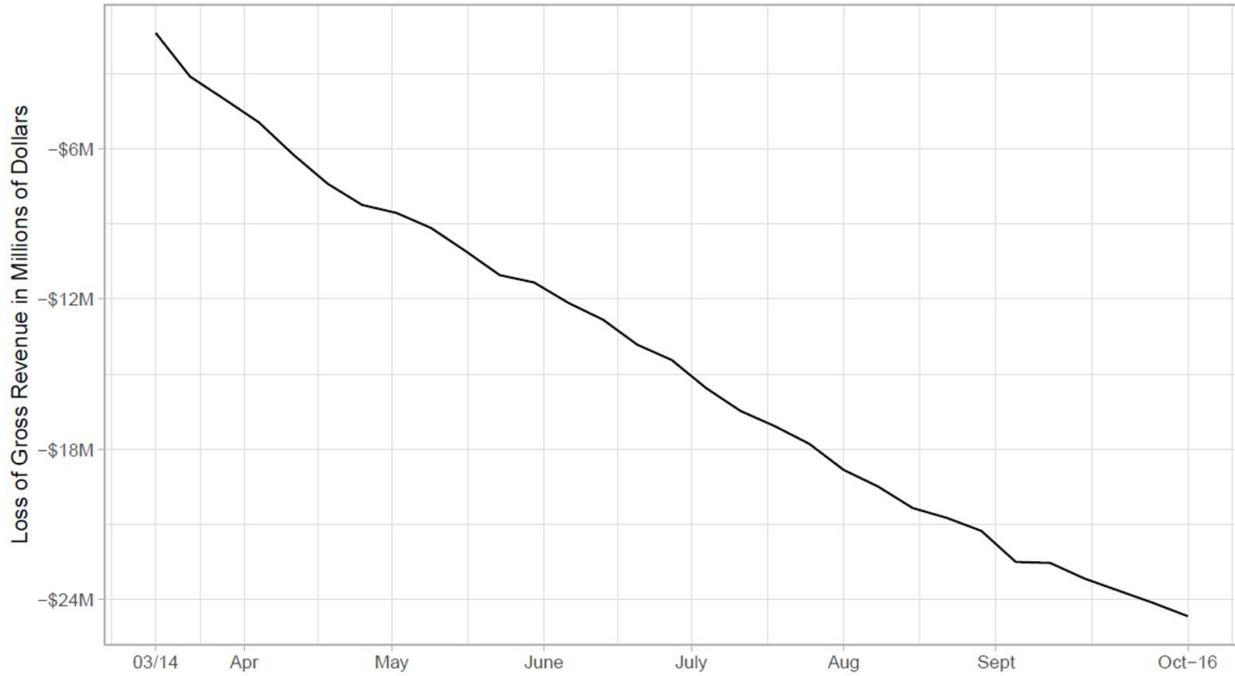
**Points of Contact:**

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# Economic Impacts from COVID-19 to Hawaii Longline Vessels

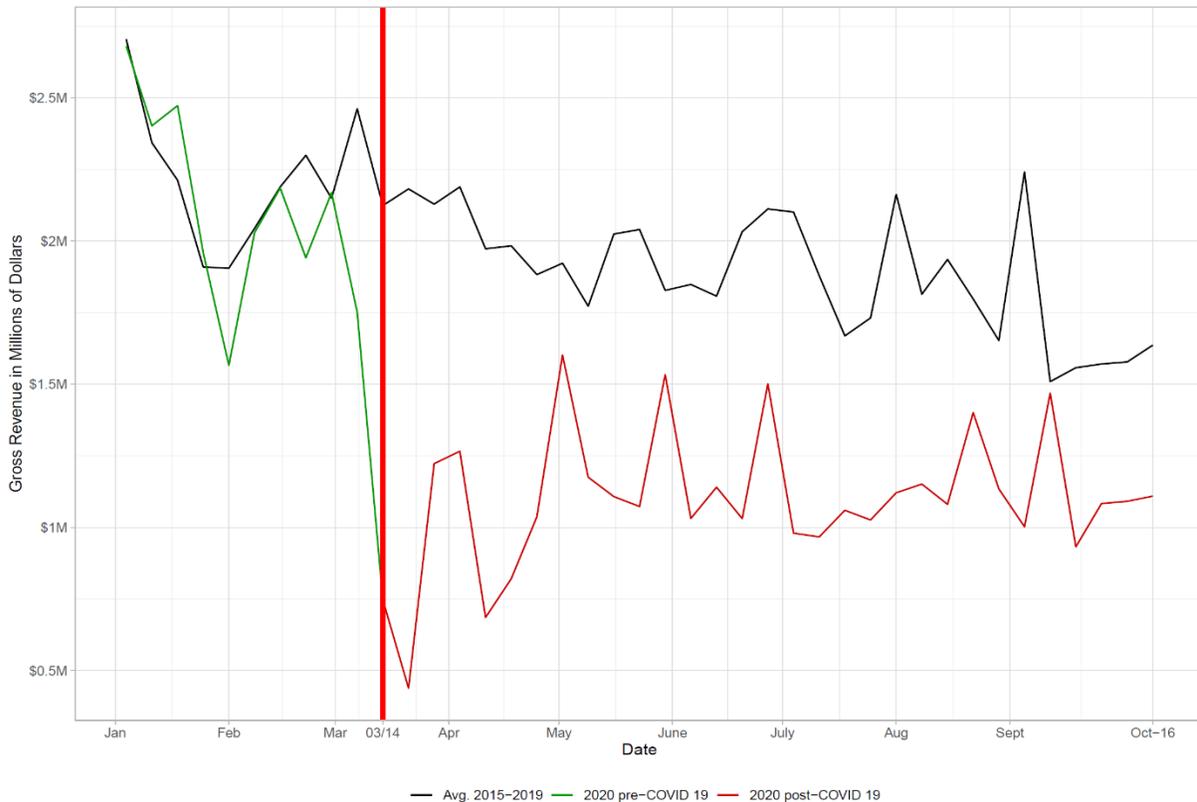
## Overall Gross Revenue Lost

Cumulative Difference Between Avg. Gross Revenue 2015–2019  
& Gross Revenue 2020 from March 14th to Oct. 16th



## Weekly Ex-Vessel Revenue Comparison

Average 2015–2019 v. 2020 Gross Revenue



Source: UFA Data Through Oct. 16, 2020