



Northern Southeast Regional
Aquaculture Association



Southern Southeast Regional
Aquaculture Association



Douglas Island Pink and
Chum, Inc.

IF A 25% REDUCTION IN CHUM PRODUCTION OCCURRED:

Looking at this simply, not including adjustments to changing market conditions & loss of grant revenue, a 25% cut in chum production could lead to a 25% cut in chum revenue for each individual organization.

	Chum Cost	
	Recovery 5 Year Avg. (including chum enhancement tax)	Assumed Avg. Chum Revenue after 25% cut in Production
PNP Hatchery		
DIPAC (no tax)	\$5,471,000	\$4,103,000
NSRAA	\$7,116,000	\$5,337,000
SSRAA	\$6,487,000	\$4,866,000

Note: This average cost recovery amount includes years (4 for SSRAA, 3 years for DIPAC & one for NSRAA) that the CR goal was not achieved. The actual reduction in revenue could be twice what is shown here.

DIPAC

With the above information in mind and DIPAC's program revenue vs expense broken out on page 3, the DIPAC board would be looking for ways to balance the budget. As the Chum program covers the shortfalls of all other programs, cuts to the smaller programs would be necessary.

Some scenarios include:

1. Cutting one program altogether (all sockeye, all coho, all Chinook, OR all Tourism & Education)
 - a. This option includes DIPAC being no longer able to operate the State owned Snettisham hatchery. This has treaty implications, implications to US personal use fisheries, and implications and commercial gillnet implications.
2. Mix and matching production cuts (scaling back, some coho, some sockeye and some Chinook)
3. Cutting production of certain species (i.e. eliminating certain release locations and amounts of Chinook, eliminating certain release locations and amounts of coho, cutting production of Sockeye and potentially eliminating fry stocking in Sweetheart Lake).
4. Scaling back on free education programs for Alaska school children.

NSRAA

With the above information in mind and NSRAA's program revenue vs expense broken out on page 4, the NSRAA board would be looking for ways to balance the budget. As the Chum program covers the shortfalls of all other programs, cuts to the smaller programs would be necessary.

Some scenarios include:

1. Closing a hatchery (including coho and/or Chinook production)
2. Eliminating coho or Chinook release sites. The amounts and locations would be determined by the NSRAA board (Potentials include Deer Lake coho, Bear Cove Chinook & coho, Crawfish Inlet Chinook, Hidden Falls coho & Chinook, Crescent Bay Chinook and Gunnuk Creek Chinook).

SSRAA

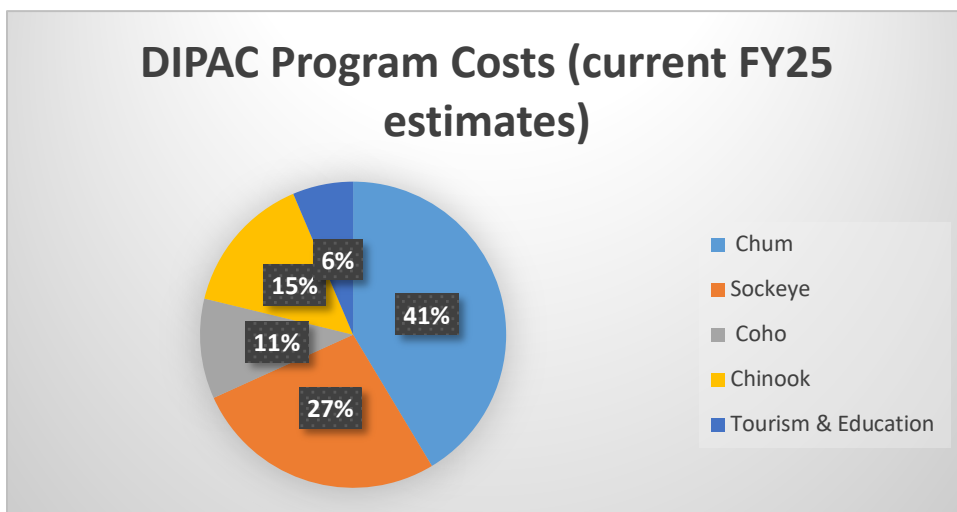
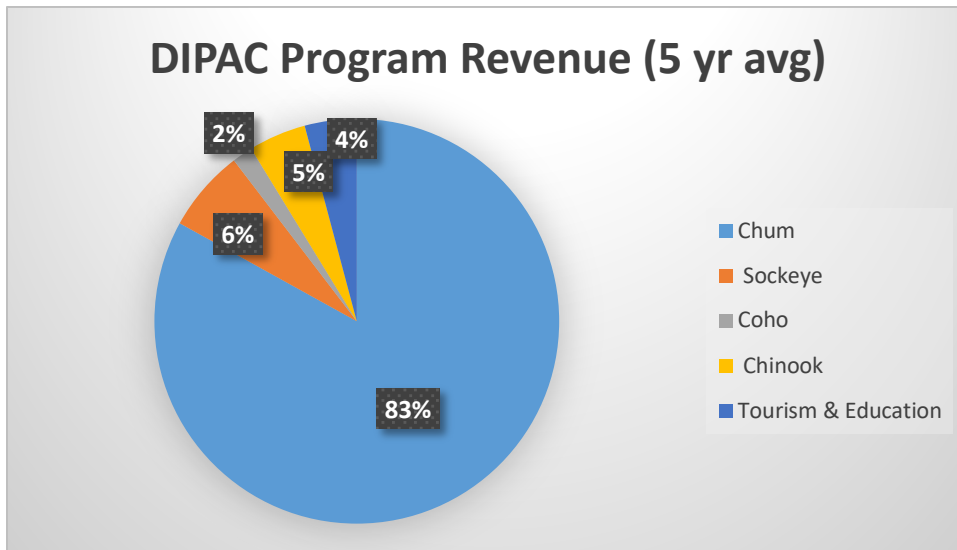
With the above information in mind and SSRAA's program revenue vs expense broken out page 5 of this document, the SSRAA board would be looking for ways to balance the budget. As the Chum program covers the shortfalls of all other programs, cuts to the smaller programs would be necessary.

Some scenarios include:

1. Cutting one program altogether (Anita or Klawock) and all chinook programs not supported by Sport Fish grant money (Anita, Port Saint Nick, Deer Mountain)
2. Mix and matching production cuts (1/2 Neets and Klawock coho, and some Chinook)
3. Cutting a remote site release of chum, along with coho and chinook cuts
4. Any numerous mixes and matches to make up the revenue shortfall

DIPAC Program Costs Vs Cost Recovery Revenue

The below table/graphs do not include Capital costs, Investment Earnings or State Loans:

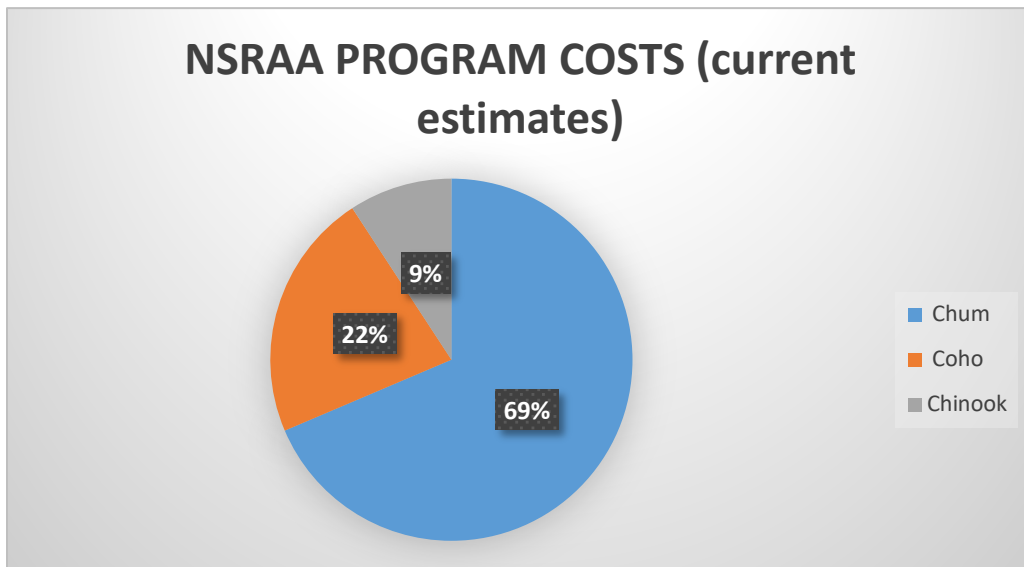
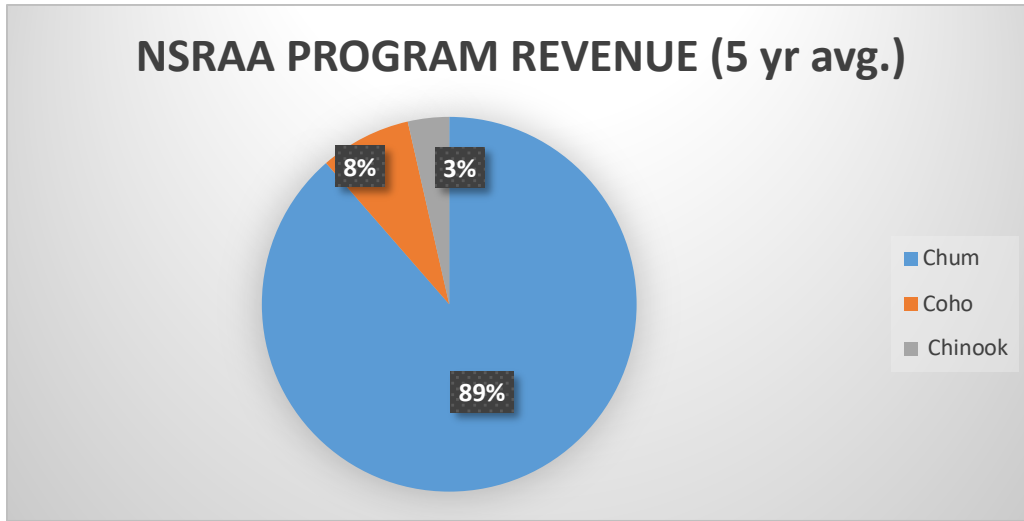


DIPAC REVENUE VS EXPENSE SUMMARY			
Program	Current Cost*	5 yr Average revenue	Profit/Loss
Chum	\$2,641,000	\$5,471,000	\$2,830,000
Sockeye	\$1,713,000	\$433,000	-\$1,280,000
Coho	\$674,000	\$108,000	-\$566,000
Chinook	\$945,000	\$302,000	-\$643,000
Tourism & Education	\$408,000	\$273,000	-\$135,000

*costs of each program have a percentage of DIPAC's admin, research & eval. department costs included

NSRAA Program Costs Vs Cost Recovery Revenue

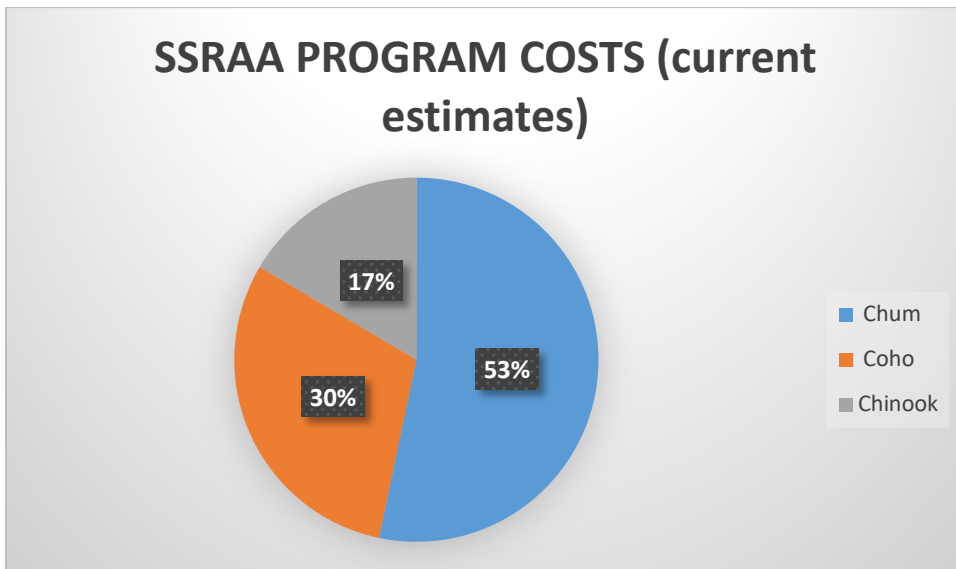
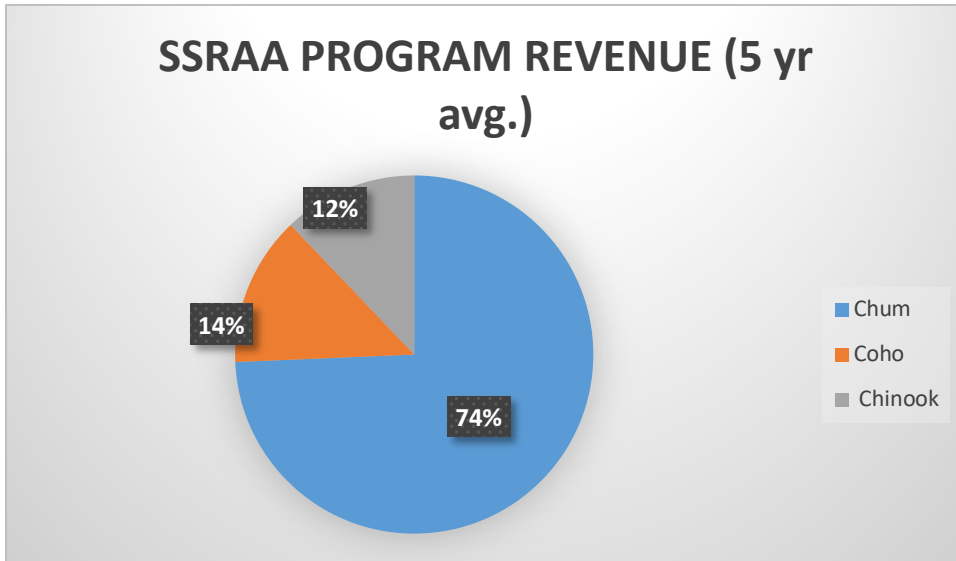
The below table/graphs do not include Capital costs, Investment Earnings or State Loans:



NSRAA REVENUE VS EXPENSE SUMMARY			
Program	Current Cost	5 yr Average revenue	Profit/Loss
Chum	\$6,230,000	\$7,116,000	\$886,000
Coho	\$2,015,000	\$632,000	-\$1,384,000
Chinook	\$837,000	\$286,000	-\$551,000

SSRAA Program Costs Vs Cost Recovery Revenue

The below table/graphs do not include Capital costs, Investment Earnings or State Loans:



SSRAA REVENUE VS EXPENSE SUMMARY			
Program	Current Cost	5 yr Average revenue	Profit/Loss
Chum	\$5,542,000	\$6,487,000	\$945,000
Coho	\$3,140,000	\$1,183,000	-\$1,957,000
Chinook	\$1,715,000	\$1,057,000	-\$658,000

Southeast Enhanced and Total Commercial Salmon Value

