

# California 2023 Salmon Disaster Spend Plan

April 5<sup>th</sup> 2024 Draft

## Background

In 2023 California commercial and recreational salmon anglers experienced a complete season closure due to low abundance of Sacramento River Fall Chinook (SRFC) and Klamath River Fall Chinook (KRFC). The preseason ocean abundance forecast for SRFC in 2022 was 169,800 fish, which is below the upper end of the SRFC conservation objective of 180,000 adult spawners and well below previous years' forecasts.<sup>1</sup> Estimates for the KRFC stocks were equally below sustainable population levels and remained in an overfished status in 2023. On April 6<sup>th</sup>, 2023 the Pacific Fishery Management Council (PFMC) recommended a full closure for the duration of 2023 from the Oregon/California border to the U.S./Mexico Border. The National Marine Fisheries Service (NMFS) implemented the closure via the Federal Register Notice dated May 11, 2023.<sup>2</sup>

In a letter dated April 6, 2023 California Lt. Governor Eleni Kounalakis requested Secretary of Commerce Gina M. Raimondo declare the 2023 salmon season a disaster in accordance with section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA). This letter cited a recent PFMC estimate of the average statewide coastal community and personal income impacts of the California ocean salmon fishery over the previous five years at \$45M.<sup>3</sup> On October 30, 2023, Secretary Raimondo approved a fishery resource disaster for the 2023 Sacramento River Fall Chinook and Klamath River Fall Chinook ocean and inland salmon fisheries. This approval formally initiated the opportunity for Congressional disaster assistance.

On February 1, 2024, the National Oceanographic and Atmospheric Administration (NOAA) published a press release announcing the allocation of \$20.6M for the 2023 California salmon disaster. On February 15, 2024, the Pacific States Marine Fisheries Commission (PSMFC) notified the California Department of Fish and Wildlife (CDFW) that \$20,625,729 had been allocated by NOAA from the 2023 Disaster Relief Supplemental Appropriations Act (P.L. 117-328) to respond to the disaster with funds allocated based on the fishing revenue losses shown in Table 1.

## Spend Plan Overview & Rationale

This spend plan was developed by CDFW with support and input from the California Salmon Council (CSC), the Pacific Coast Federation of Fishermen's Association, Nor-Cal Guides and Sportsmen's Association, Golden Gate Fishermen's Association, and other fishing sector representatives. CDFW collaborated with these groups to estimate the 12-month revenue loss experienced due to the season closure based on the five-year average of direct revenue generated from commercial, charter, guide, or processor businesses as specified by MSA. Based on the five-year average of revenue from these

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<sup>1</sup> Pacific Fishery Management Council. 2023. Preseason Report I: Stock Abundance Analysis and Environmental Assessment Part 1 for 2023 Ocean Salmon Fishery Regulations. (Document prepared for the Council and its advisory entities.) Pacific Fishery Management Council, 7700 NE Ambassador Place, Suite 101, Portland, Oregon 97220-1384

<sup>2</sup> 88 Fed. Reg. 30235 (May 11, 2023).

<sup>3</sup> Pacific Fishery Management Council. 2024. Review of 2023 Ocean Salmon Fisheries: Stock Assessment and Fishery Evaluation Document for the Pacific Coast Salmon Fishery Management Plan. (Document prepared for the Council and its advisory entities.)

sectors, CDFW requested \$35.2 million, and NOAA allocated \$20.6 million (Table 1). Excluding recreational bait sales, NOAA allocated each sector approximately 67% of the average estimated revenue loss.

Table 1. Summary of average 12-month revenue loss requested, and the amounts allocated by NOAA.

<b>California Salmon Fishery Sector</b>	<b>Average Value (2018-2022)</b>	<b>NOAA Allocation</b>
Commercial Salmon Trollers (Harvesters)	\$15,033,200.00	\$10,062,172
Commercial Fish Processors	\$6,915,562.50	\$ 4,628,794
Commercial Passenger Fishing Vessels (Charter Boats)	\$7,804,595.00	\$ 5,222,555.15
In-River Salmon Guides	\$1,031,316.27	\$ 690,119.85
Recreational Bait Sales	\$4,492,402.62	\$0
<b>Total</b>	<b>\$35,277,076.39</b>	<b>\$20,605,103</b>

Consistent with stakeholder recommendations, this spend plan would allocate 92% (\$18.89M) to direct payments to affected parties in the commercial harvester, buyer, and recreational guide and charter sectors, 7% (\$1.5M) to increase hatchery production of fall run chinook salmon in an effort to support salmon fisheries in the future, and 1% (\$206,051) to PSMFC to administer the application and payment process (Table 2). The CSC would receive 0.3% (\$67,000) that would be taken from the commercial salmon troller portion and would go to support efforts by the CSC to enhance resiliency and profitability of California’s salmon fisheries.

Table 2. Spend plan allocation by sector.

<b>California Salmon Fishery Sector</b>	<b>Spend Plan Allocation Dollar Amount</b>	<b>Spend Plan Allocation Percent</b>
Commercial Salmon Trollers (Harvesters)	\$9,229,049	45%
California Salmon Council*	\$67,000*	0.3%*
Commercial Fish Processors	\$4,245,541	21%
Commercial Passenger Fishing Vessels	\$4,791,327	23%
In-River Salmon Guides	\$633,137	3%
Hatchery Production	\$1,500,000	7%
Admin. (PSMFC)	\$206,051	1%
<b>Total</b>	<b>\$20,605,103</b>	<b>100%</b>

\*California Salmon Council amount is coming out of the Commercial Salmon Trollers portion, and is not summed with other line items presented in this table

Representatives of fishing organizations were instrumental in working with their constituents to seek input on how the funds allocated to direct payments should be split amongst participants within their respective sectors. CDFW provided these representatives with non-confidential summarized data including pounds caught by harvesters and associated revenue, pounds purchased by licensed buyers and associated revenue, and trips made by commercial fishing passenger vessels and in-river guides. The CSC facilitated meetings with commercial fishermen and charter boat operators to discuss allocation within the sector. CDFW also sought input from representatives of the in-river guides on how to allocate funds within this sector. This provided the industry representatives an opportunity to evaluate landings, purchases, and trips in order to develop comprehensive recommendations to CDFW on spend plan elements that, in total, offers some compensation to a large number of qualifying businesses and individuals engaged in the California salmon fishery.

The hatchery component of this spend plan would support stock enhancement by increasing production of Sacramento River Fall chinook. This production will continue efforts coming out of the most recent drought to increase smolt and fry production at three Central Valley hatcheries. The intention of this increase in production is to provide benefit across all fishing sectors and user groups through stock enhancement and future fishing opportunities.

## Division of Disaster Funds Within Sectors

The division of disaster funds shown in Table 3 through Table 7 is based on CDFW’s initial assessment and current data. The final amounts awarded to each individual will depend on the number of applications received and the review process for those applications. All applicants will have to submit the required documentation by deadlines to be determined by CDFW and PSMFC. While these numbers are currently accurate, they should be considered as an approximation until all applications from all sectors are received and reviewed.

## Commercial Salmon Harvesters

*Criteria for eligibility:* To qualify for disaster relief funds, an individual or party must, at minimum, have held a Salmon Vessel Permit (SVP) during all or a portion of the 2023 permit year. To qualify for relief greater than the minimum of fees associated with maintaining an SVP (Table 3), a permit holder must have had salmon landings in 2021 or 2022 on that permit. Eligible SVP holders will be notified of their eligibility and estimated compensation through contact information held by CDFW (mailing address, email, phone number, etc.), and will be provided an application and instructions on how to submit the required application material and relevant deadlines.

*Payment amounts:* All individuals who held an SVP during all or a portion of the 2023 permit year are eligible to receive a Tier I payment of \$739.50 to offset their costs associated with maintaining a 2023 SVP (Table 3). There are currently 960 SVPs active in the 2023 permit year so \$709,920 would be allocated for Tier I payments for costs associated with maintaining SVPs (Table 4). There are 556 SVPs with landings in 2021 or 2022 that qualify them for Tier II payments. Total Tier II payment amounts for the parties will be determined according to the average pounds per year landed on the SVP. This will be calculated by dividing the total of landings per SVP by the number of years the SVP had landings between 2018-2022. Tier II payments range from roughly \$27-\$131,000, with a median payment of roughly \$8,800 assuming 100% application rate. All payments will be based on CDFW landing records.

Table 3. Fees associated with maintaining a Salmon Vessel Permit.

Fee Type	Cost
Commercial Fishing License	\$166.25
Commercial Salmon Stamp	\$85.00
Commercial Boat Registration	\$436.00
Salmon Vessel Permit	\$52.25
<b>Total</b>	<b>\$739.50</b>

Table 4. Summary of harvester eligibility and payment amounts.

<b>Tier Description</b>	<b>Total Harvesters</b>	<b>Individual Payment</b>	<b>Total Payment</b>
Tier I: All 2023 SVP Permit Holders	960	\$739.50	\$709,920
Tier II: SVPs with Qualified Landings	556*	Average Landings of SVP÷ Total Landings × \$8,452,129	\$8,452,129

\*556 harvesters here are a subset of the 960 above and would receive their proportion of relief money associated with landings in addition to Tier I payments (\$739.50)

### **California Salmon Council**

The CSC is a state advisory body created by the California Legislature in 1989 to represent the marketing interests of the state’s commercial salmon fishermen and to create consumer awareness and marketplace demand for California King Salmon®. The CSC’s authorizing statutes are located in the California Food & Agriculture Code.<sup>4</sup> The CSC collects mandatory assessments of five cents per pound in the round from every commercial troller that is used for marketing and other purposes outlined by its charter. With the 2023 salmon closure, the CSC suffered lost resource tax revenues and is permitted to seek reimbursement from appropriated disaster funds.

*Payment amount:* Based on the five-year average of pounds landed by the commercial troll fleet from 2018-2022 the CSC could have expected to collect fees directly from the harvesters on 2,008,600 pounds<sup>5</sup> in 2023. That fee would have equated to \$100,430. Following NOAA’s allocation of roughly 67 percent of the requested amount, the disaster relief that CSC will receive due to this revenue loss would be equal to \$67,288.10. This spend plan would allocate \$67,000 to the CSC to support their efforts in promoting sustainable salmon fisheries through marketing and consumer awareness. This \$67,000 would come from the allocation to the Commercial Salmon Harvesters sector.

### **Commercial First Receivers (Buyers)**

*Criteria for eligibility:* To qualify for disaster relief, a buyer must have made at least one qualifying purchase (i.e., documented on a fish ticket within CDFW’s data systems) of salmon in either 2021 or 2022. Based on this criterion, an estimated 235 businesses or individuals, inclusive of fishermen licensed to make direct sales to the public (e.g., retail licensees), are eligible for relief within this sector. Eligible buyers will be notified of their eligibility and estimated compensation through contact information held by CDFW (mailing address, email, phone number, etc.). They will also be provided an application, instructions on how to submit the required application material, and relevant deadlines.

*Payment amounts:* Direct payments will be made to eligible buyers in proportion to the total number of qualifying pounds they purchased from 2018 through 2022. The lowest number of cumulative pounds purchased over the five-year period is 20 pounds and the highest is roughly 923,000 pounds. The corresponding payment amounts range from less than \$50 to more than \$400,000 (Table 5).

<sup>4</sup> Food and Agriculture Code Chapter 16 of Part 2, Division 22 Sections 76501-76981

<sup>5</sup> [PFMC Review of 2023 Ocean Salmon Fisheries, Table IV-6, pg. 117](#)

Table 5. Summary of the distribution of buyer disaster relief payments based on their individual proportion of pounds purchased between 2018 and 2022.

Payment Amount	Eligible Buyers	Pounds of Salmon Purchased
<\$50	13	<110
\$50-100	18	110 - 221
\$100-500	48	221 – 1,108
\$500-1,000	33	1,108 – 2,216
\$1,000-5,000	60	2,216 – 11,080
\$5,000-10,000	19	11,080 – 22,161
\$10,000-50,000	19	22,161 – 110,808
>\$50,000	25	>110,808

### Commercial Passenger Fishing Vessels (CPFV)

*Criteria for eligibility:* To qualify for disaster relief, the licensed CPFV must have completed at least one salmon trip in 2021 or 2022 and must have carried a total of at least 30 anglers on salmon trips from 2018 through 2022. Salmon trips were defined as trips where the CPFV marked salmon as a target species, or the CPFV caught and retained chinook salmon. These trips were enumerated from logbook entries submitted to CDFW as required by California Code of Regulations, title 14, section 190(d). Trips that marked salmon as a target species but were clearly not targeting salmon (i.e. out of salmon season, fishing in areas outside of salmon distribution, etc.) were excluded. Eligible CPFV license holders will be notified of their eligibility and estimated compensation through contact information held by CDFW (mailing address, email, phone number, etc.), and will be provided an application and instructions on how to submit the required application material and relevant deadlines.

*Payment amounts:* Direct payments to CPFV licensees will be based on the number of anglers each CPFV carried on salmon trips between 2018-2022, divided by the number of years the vessel operated between 2018-2022.

Two tiers of CPFVs are proposed: standard charters and six pack charters. Six pack charters are defined as boats that do not carry more than six anglers (crew excluded). Based on input from CPFV sector representatives six pack charters typically garner a higher per angler price (\$265 per angler vs \$225 per angler on larger boats carrying more passengers, as estimated over the 2018-2022 period). Based on these qualifying criteria, there are 127 total eligible CPFVs: 56 six packs and 71 standard charters (Table 6). Charters will be compensated based on their average number of salmon trip anglers carried in a year (between 2018 and 2022) multiplied by their price per angler based on their charter type, divided by the total estimated value of these qualified CPFVS to get an individual proportion. This proportion will then be multiplied by the \$4,791,327 allocated to the entire CPFV sector to generate individual payments.

Table 6. Six Pack and Standard Charter Tier range of payments and number of individual CPFVs

Tier Description	Total Participants	Individual Payments	Total Payments
Six Pack Charters	56	\$5,500 - \$75,000	\$811,279.70
Standard Charters	71	\$2,200 - \$319,000	\$3,980,047.30

## In-River Salmon Guides

*Criteria for eligibility:* To qualify for disaster relief funds, a licensed In-River Salmon Guide must have purchased a guide license between 2020-2023 from CDFW, indicate on their guide license application that they target salmon, and be able to prove business loss incurred due to the 2023 salmon season closure through a combination of tax records, business records, and guide logs from 2020-2022. Licensed in-river guides will attest to their estimated loss from the 2023 season closure based on the records submitted. Industry representatives estimate the number of qualified individuals to be 120 guides. Licensed in-river guides will be notified of the opportunity to apply for relief funds through contact information held by CDFW (mailing address, email, phone number, etc.) and other outreach methods. Licensed in-river guides will be responsible for submitting the required application materials by required deadlines.

*Payment amounts:* Payment amounts would be based on the attested business losses incurred by qualified guides, as supported by the tax records, business records, and guide logs submitted. Guide payments would be issued based on a tiered payment strategy, where all qualifying applicants are ranked based on the amount of loss claimed and placed in equal numbers in a tier group. Each member of the tier would receive the same amount, which would be roughly proportional to the losses claimed. Each of the four tiers would be allocated a different percent of the \$633,137 allocated to this sector, with Tier 4 claiming the highest losses and receiving a higher proportion of funds (Table 7).

Table 7. In River Guide sector tiers based on losses claimed.

Tier	Percent Allocated to Tier	Amount Allocated Per Tier
1	10%	\$ 63,313.70
2	20%	\$ 126,627.40
3	30%	\$ 189,941.10
4	40%	\$ 253,254.80

## Hatchery Production

CDFW operates several hatcheries that produce fall run Chinook salmon to support fisheries. In light of the 2023 fishery closure and historically low returns in 2022, this spend plan would allocate \$1.5M to additional hatchery production. The intention of this increased production is to provide benefit across all parties interested in resilient and sustainable Chinook salmon stocks, and to avoid future disasters by enhancing stock abundance. The production levels and life stage of releases below are in line with current hatchery efforts to diversify releases strategies to bolster populations resilience.

*Payment amounts:* \$1.5M would be spent at the Feather, Nimbus, and Mokelumne hatcheries to support the additional production. This additional production would generate:

- Feather River Hatchery - 2.0M smolts at 25% adipose fin clipped and coded wire tagged (CWT), 1.5M sub smolts at 100% adipose fin clipped with CWT and parentage based tagged (PBT), up to 3.0M unfed fry with PBT.
- Nimbus Hatchery - 500,000 smolts at 25% adipose fin clipped with CWT, up to 2.0M unfed fry with PBT.
- Mokelumne Hatchery - up to 2.6M smolts at 25% adipose fin clipped with CWT.