

Swimming Upstream

Written by **Stephen Rappaport** The Ellsworth American
Thursday, November 16, 2006

Regulations Crackdown Hints At Bleak Future for Auctions At Portland Fish Exchange

ELLSWORTH — With landings of groundfish in woefully short supply, the chickens may be coming home to roost at the Portland Fish Exchange.

Ten years ago, New England fishermen landed more than 16 million pounds of groundfish at the Portland fish auction. This year, by the end of October, 7 million pounds of groundfish had been landed at the exchange. Hank Soule, general manager of the Portland Fish Exchange, said this week that he expected landings for the year to total just 8 million to 8.5 million pounds.

That's bad news for what once was the most successful fish auction operation in New England. According to exchange President Thomas Valleau, this year the auction house located on Portland's Fish Pier stands to lose \$200,000. Last year, Valleau said, the exchange was in the red by \$150,000.

According to Valleau, the hard times at the exchange are tied directly to hard times in the New England groundfish industry. For more than a decade, federal fisheries regulators have imposed increasingly stringent restrictions on the kind of equipment fishermen can use to catch groundfish and steadily reduced the number of days boats are allowed to fish for groundfish in New England waters. The results have been apparent at the Portland fish pier.

Founded in 1986, the Portland Fish Exchange saw annual landings of more than 20 million pounds of groundfish — primarily cod, haddock, hake, pollock and flounder — during the early 1990s. In 1992, its best year, landings soared to more than 27 million pounds. By last year, landings had dropped to 13.7 million pounds, twice this year's anticipated total.

The exchange is also seeing fewer boats offloading fish at its dock. In 1997, 239 boats sold their catches at the Portland auction. Through the first 10 months of this year, only 146 boats sold through the exchange.

Despite the dreary numbers, Valleau said, the exchange isn't about to go out of business, at least not just yet.

"You're not gonna come by the exchange and find the doors locked up. That's just not gonna happen," Valleau said this week.

The main reason for the recent troubles has nothing to do with the economics of the fishing industry. Because the exchange is wholly owned by the city of Portland, Valleau said, it has "unmatched staying power."

Unmatched, perhaps, but not unlimited. Soule and Valleau



In the early 1990s, Maine fishermen sold more than 20 million pounds annually of groundfish such as cod, haddock and flounder through auctions at the Portland Fish Exchange. This year, the exchange expects to handle just 8 million pounds of groundfish, one-third of it brought in by truck. With smaller landings came fewer boats to unload — 239 a decade ago and just 113 through the end of October this year.—PHOTO COURTESY OF COMMERCIAL FISHERIES NEWS

"The Maine groundfish industry will change in size and structure so that you won't recognize what's left either culturally or economically."

THOMAS VALLEAU,
EXCHANGE PRESIDENT

both said that the future of the Portland Fish Exchange was linked directly to the future of the Maine groundfish industry. According to Valteau, that future looks grim.

"I'm pessimistic," the exchange president said. "The groundfish industry is at a tipping point, and it may be too late."

According to Valteau, federal fisheries regulations have forced many boats to leave groundfishing. For many of those that remain, he said, the Maine business climate, is forcing them "to rapidly relocate to Gloucester," in Massachusetts.

Valteau said that the fishing industry was "almost wasting time" in trying to affect the fisheries management process. He was no more sanguine about the likelihood of improving what he described as the principal business issue driving fishermen south of the border.

Boats that drag for groundfish often catch some lobsters in their nets as well as the fish they are targeting. In Maine, it is illegal for fishermen to land lobsters caught by dragging. In Massachusetts, that lobster bycatch is legal, and marketable.

Valteau would like to see the Maine Legislature change what he calls "an economic development law for Massachusetts" that doesn't protect the offshore lobster resource. Rarely united on any issue, Maine's lobstermen are virtually unanimous, and have been extremely vocal, in expressing their opposition to changing the law.

With groundfish landings and what's left of the fishing fleet both heading south, Valteau said he was pessimistic about the future of the Maine fishing fleet, and of the Portland Fish Exchange.

"The Maine groundfish industry will change in size and structure so that you won't recognize what's left either culturally or economically," Valteau said.

He predicted that the fleet would continue to shrink and that, instead of being run by owner-operators, it would consolidate under just a few owners. When that happens, he said, the groundfish industry will probably "vertically integrate," utilizing its own pier and processing facilities, "and they won't need the Portland Fish Exchange."

Valteau said his crystal ball wasn't equipped with a calendar, but he said it was possible the demise of the exchange would come sooner rather than later.

"There's no timetable," he said, "but I think it's near."



Peter K. Prybot.—PHOTO COURTESY OF COMMERCIAL FISHERIES NEWS