

Study says scale back hatcheries funding

A worldwide excess of salmon and low fish prices prompted University of Alaska Fairbanks (UAF) economists to recommend the state scale back funding to pink salmon hatcheries.

In a cost-benefit study done, the UAF economists compared state funding of state-run and private non-profit salmon hatcheries with revenues of fishermen. If the state scales back funding to the pink salmon hatcheries, it might reduce world supplies and push up prices during the next 30 years. Curbing the hatchery funding will free up money that could be spent elsewhere or saved to apply to a future budget shortfall, the study says.

"The state is pumping millions more into the enhancement program than fishermen make in net profits from those fish," says Mark Herrmann, UAF.

Private non-profit aquaculture corporations operate 25 hatcheries and produce nearly one quarter of the fish harvested in the state's commercial fisheries. Since the salmon enhancement program began in 1972, the state funded \$71 million in loans and \$12 million in grants to private non-profit hatcheries. The loans are largely unpaid because of a six year grace period to help hatcheries become self sufficient. More than \$210 million has been spent by state to operate its own hatcheries during the last 20 years.