

February 5, 2020

Southeast Alaska Seafood Industry

Economic Impacts and Trends

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Prepared for:
SEC Midsession Summit



McDowell Group

- Multidisciplinary research and consulting since 1973
- 18 professional staff in Juneau, Anchorage, and Washington
- 2018 Alaska Chamber Small Business of the Year
- Areas of expertise: seafood, tourism, mining, transportation, health care, oil and gas, education
- Services: economic and socioeconomic analysis, surveys, market research, feasibility studies, community planning, program evaluation

Southeast Alaska Seafood Industry Key Assets



2,462

*Resident-owned
Fishing Vessels*



4,409

*Resident
Fishermen*



42

*Shore-based
Processing
Facilities*



4,448

*Total
Processing
Workers
(2017, Shoreside)*

Top Ports by Landed Value, 2017

- Sitka, \$75 million
- Petersburg, \$52 million
- Ketchikan, \$46 million
- Excursion Inlet
- Juneau, \$29 million
- Upper Southeast (Other), \$25 million
- Yakutat, \$8 million

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Seafood Industry Impact on Southeast Economy

2017/2018 Avg.

	Number of Workers	FTE Jobs	Labor Income (\$Millions)	Output (\$Millions)
Commercial Fishing	5,300	2,500	\$146	\$267
Processing	4,300	1,700	\$66	\$265
Mgmt./Other	1,100	800	\$80	-
Direct Total	10,700	5,000	\$292	\$532
Secondary Total	-	3,000	\$119	\$270
Total Impacts	-	8,000	\$411	\$802

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Change since
2015/2016



-5%



0%

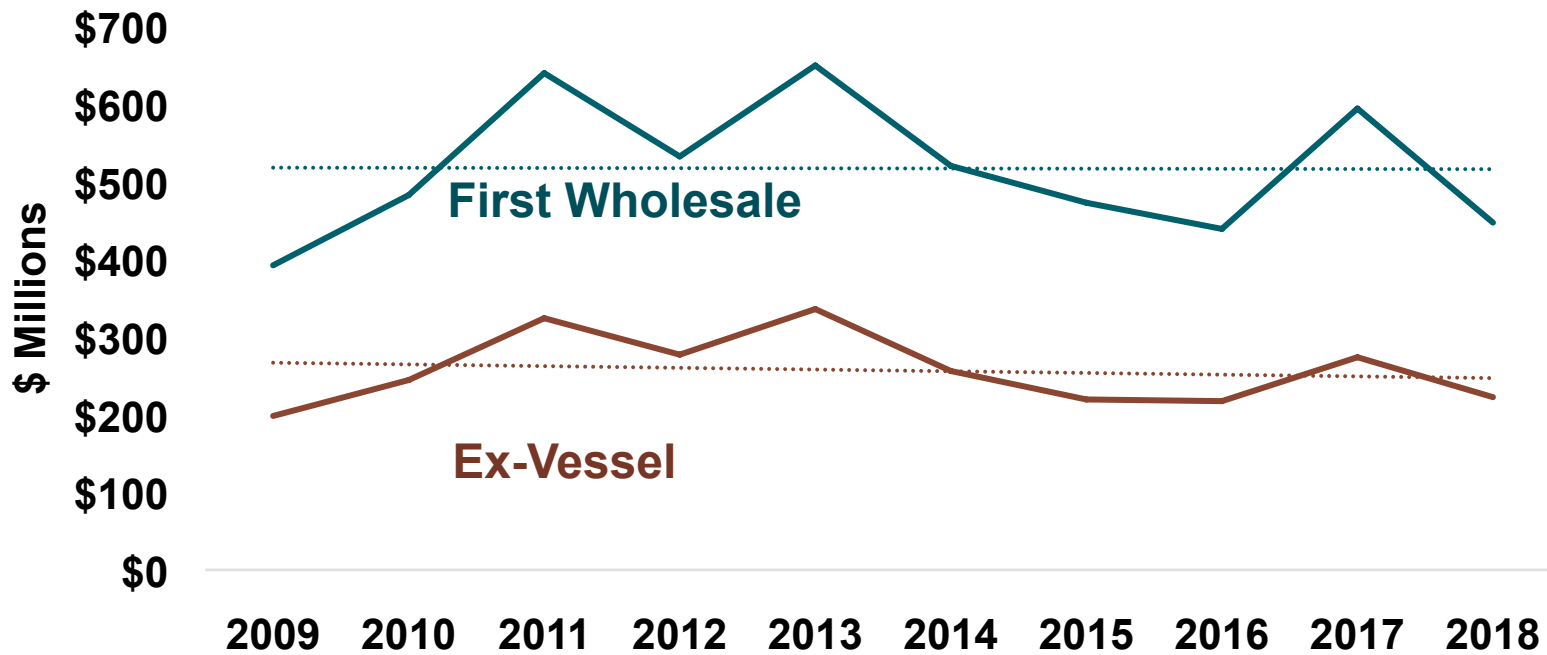


+8%

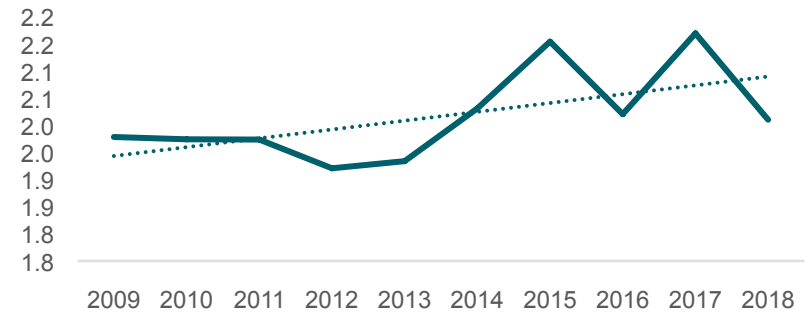


+14%

Trends in SE Seafood Value, 2009-2018



- Steady harvest and processing value
- Value-add ratio increasing (FW Value/EV Value)



Ex-vessel Value, by Species, 2017-2018 Avg.

Halibut/Sablefish



33%

Keta Salmon



30%

Other Salmon



17%

Pink Salmon

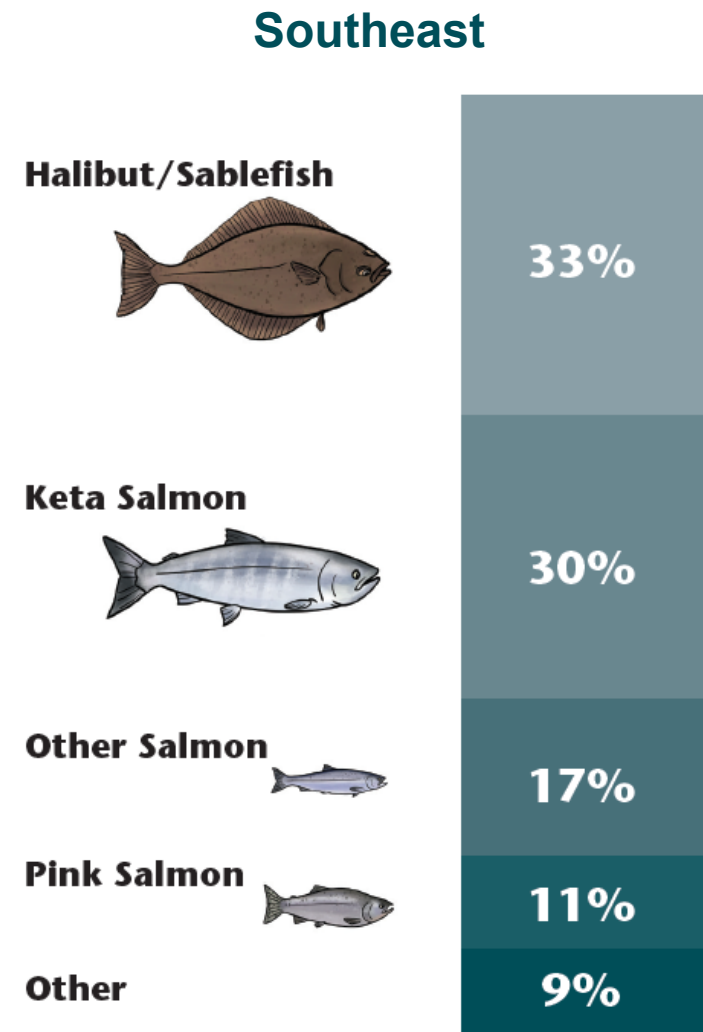
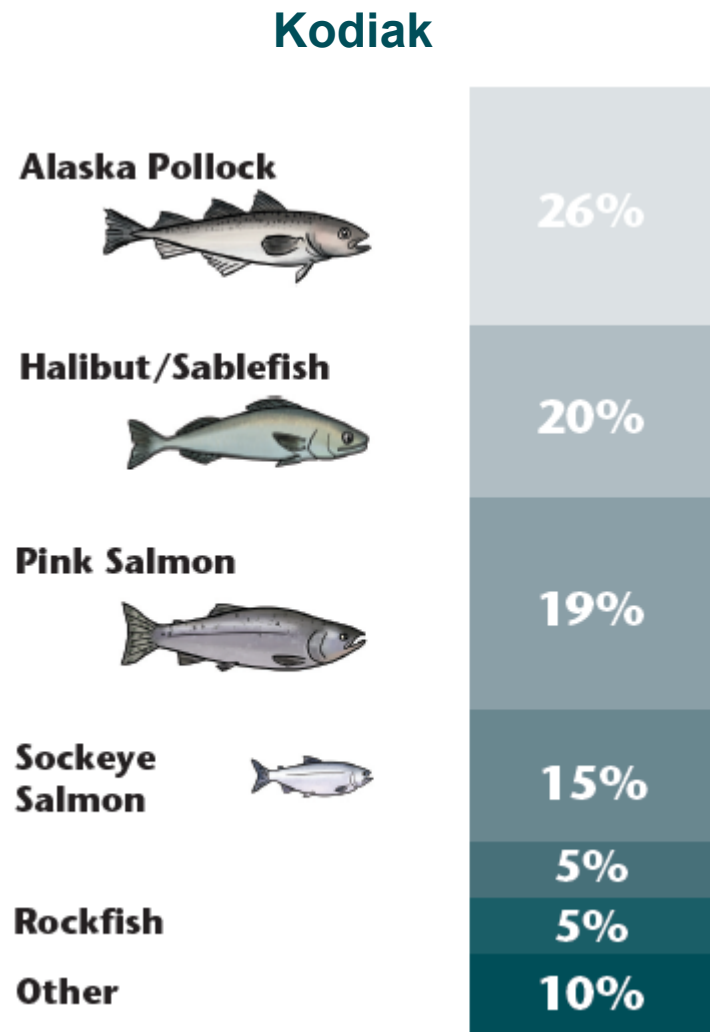


11%

Other

9%

Comparison with Kodiak, Ex-vessel Value, 2017-2018 Average

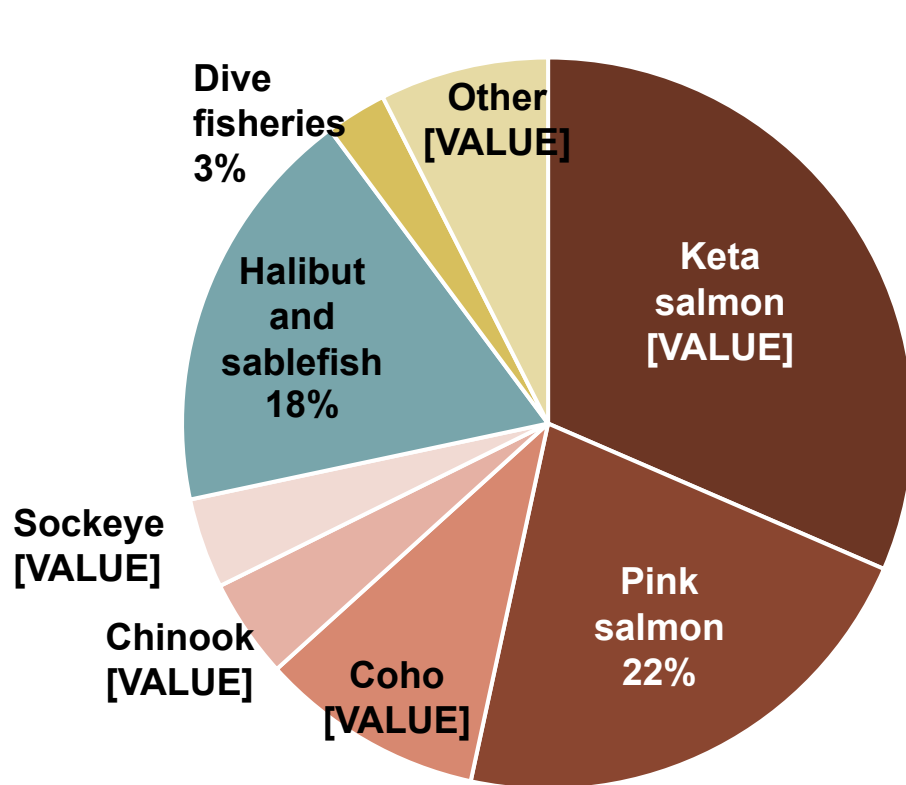


Source: ADF&G; compiled by McDowell Group.

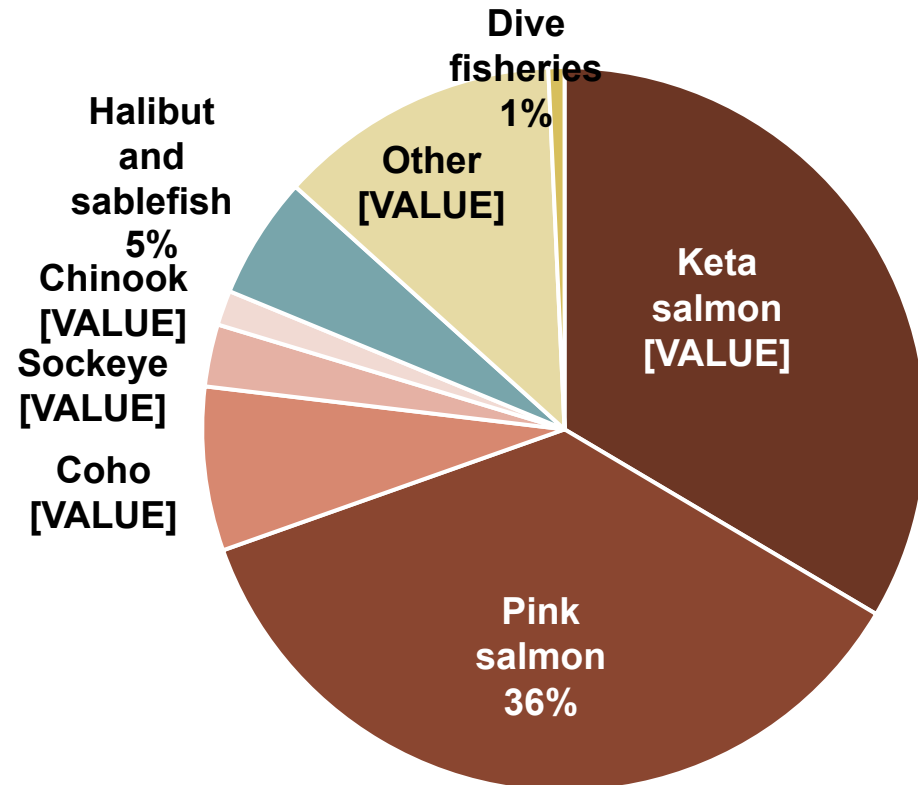
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Volume and Value, by Species

2015-2018 Avg.



First Wholesale Value
\$488 Million



First Wholesale Volume
196 Million Pounds

Source: ADF&G; compiled by McDowell Group.

Ex-vessel Value, by Species, 2017-2018 Avg.

- Hatcheries responsible for a third of salmon harvest value and 20% overall
- \$44 million annually in commercial common property harvests

Halibut/Sablefish



33%

Keta Salmon



30%

Other Salmon



17%

Pink Salmon



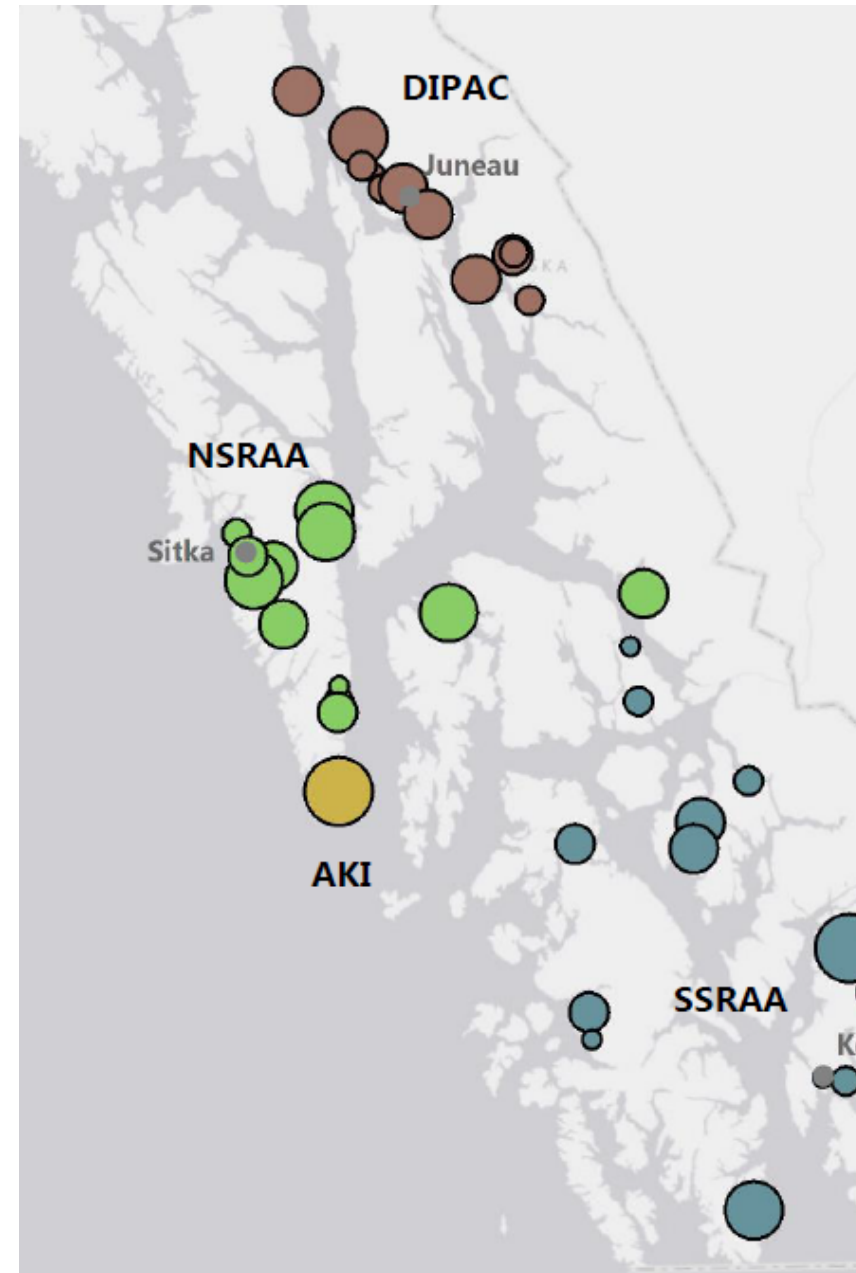
11%

Other

9%

Southeast Hatcheries

- 12 private non-profit hatcheries and 36 release sites
- Over 600 million smolts released annually
 - mostly keta but all species
- Caught in commercial, sport, and subsistence/personal use fisheries
- One of the most successful economic development initiatives in region

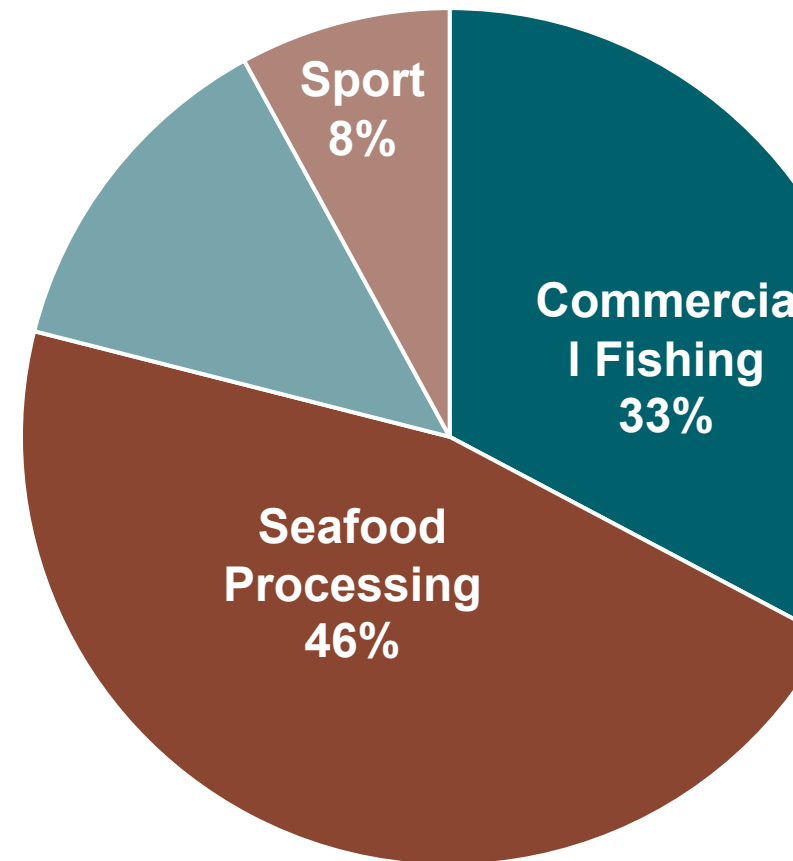


Role of Hatcheries

Economic Impact in Southeast,
2012-2017 Avg.

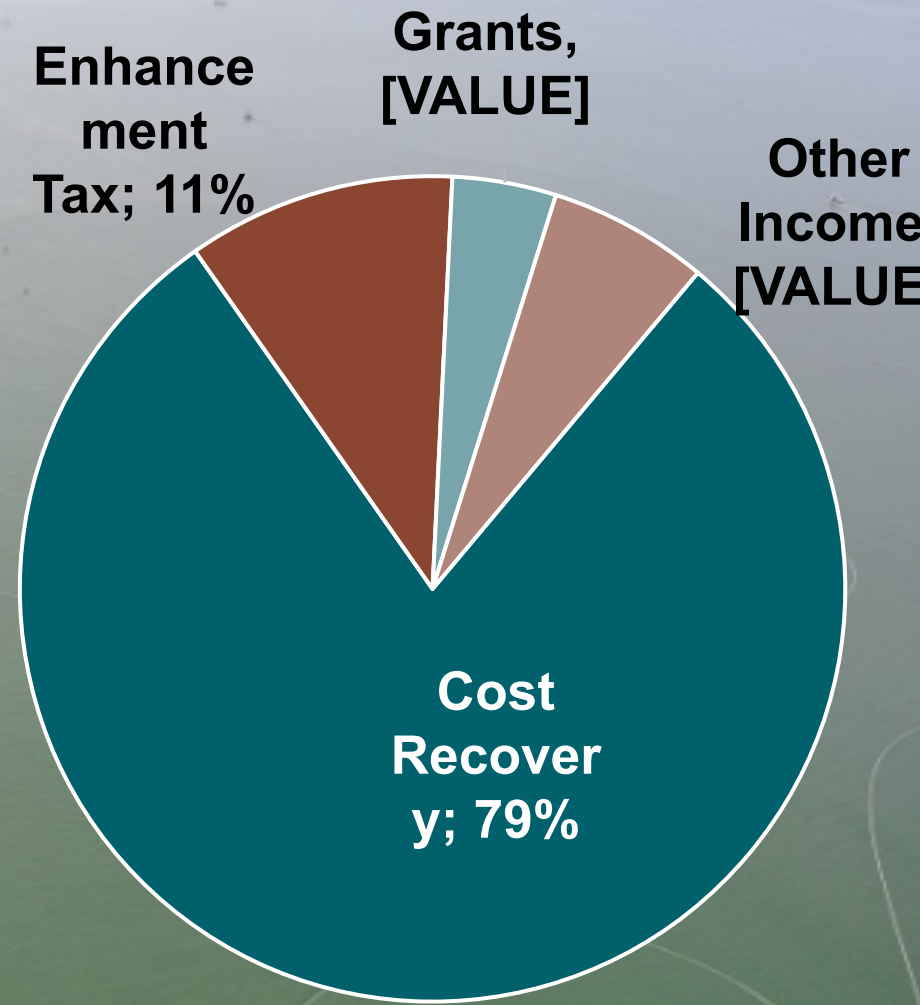
- \$44 million in ex-vessel value
- 2,000 annualized jobs
- \$90 million in labor income
- \$237 million in economic output

Hatchery Supported Direct Jobs, by Sector



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Fishing Funding Sources



Market Issues

- Sablefish smaller but strong volumes
- Halibut TACs lower, competition with Atlantic
- Keta salmon
 - Flesh markets
 - Roe markets
- Pink salmon
 - Big Russian harvests
- Alaska only 13% of global salmon market



Factors impacting value

- Competing seafood and other proteins
- Harvest volume
- Product form
- Trade issues and currency fluctuations
- Marketing
- Inputs supplied locally



Takeaways

- Mariculture growing but small component of seafood industry
- Competitive position – processing infrastructure, transportation, closer to domestic markets, live and fresh shipments
- Diversity key to success. Species and season.
- Concentration in salmon now. Feast and famine.
- Stability, research, marketing, product development, innovation, transportation.

Prepared for:



THE ECONOMIC VALUE OF ALASKA'S SEAFOOD INDUSTRY


JANUARY 2020

Prepared by:




ECONOMIC IMPACT OF
ALASKA'S SALMON HATCHERIES


OCTOBER 2019



DESIGNED FOR:


- Southern Southeast Regional Aquaculture Association
- Armstrong-Kiela
- Douglas Island Pike and Charis, Inc.
- Northern Southeast Regional Aquaculture Association
- Finner Wilson Sound Aquaculture Corporation
- Valdez Fisheries Development Association, Inc.
- Cook Inlet Aquaculture Association
- Kodiak Riggohill Aquaculture Association

DESIGNED BY:




Economic Impacts of the
Southern Southeast Regional Aquaculture Association

PREPARED FOR:




August 2018



National Marine Fisheries Service Alaska Fisheries Science Center

Wholesale Market Profile for Alaska Groundfish and Crab Fisheries

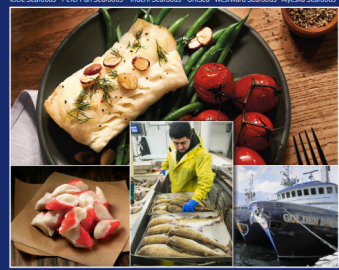


Economic Impact of
Inshore Seafood Processing in the Bering Sea/Aleutian Islands Region


May 2018

Prepared for:

Ice Seafoods - Peter Pan Seafoods - Trident Seafoods - UniSea - Westward Seafoods - Alyeska Seafoods



Prepared by:



An Assessment of Mark Select Fisheries for Chinook Salmon in Southeast Alaska


PREPARED FOR:

Northern Southeast Regional Aquaculture Association

PREPARED BY:

**DG Fisheries Services
McDowell Group**
in association with Fishheads Technical Services

December 2019



McDowell GROUP

IN BRIEF

Alaska Mariculture Development Plan

2018



"Aquatic plants and shellfish present a significant and sustainable economic opportunity for coastal Alaska communities...I support this comprehensive plan and commit the State of Alaska to work in partnership with stakeholders and agencies toward its implementation."
—Governor Bill Walker

"This plan is intended to increase profitability, expand participation, and provide coordination...The Task Force members remain committed and are enthusiastic about expanding Alaska's mariculture industry."
—Alaska Mariculture Task Force

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