The Economic Value of

ALASKA'S SEAFOOD

Alaska's annual wild seafood harvest of **5 to 6 billion pounds** produces significant economic benefits for Alaska communities, businesses and thousands of Alaskans.



In 2019:

Alaska's commercial fisheries employed **31,300** fishermen, including **19,808** Alaska residents.

Ex-vessel value amounted to **\$2 billion**.

Seafood processing accounted for **70%** of manufacturing employment. Seafood continues to be the largest manufacturing sector in Alaska.

Processing companies employed **27,100 workers**, including **6,568 Alaska** residents.

Processors produced **\$4.7 billion** worth of seafood products (first wholesale value).

The seafood industry directly employed **62,200** people in 2019 – more than any other private sector industry in Alaska – and created an additional **10,500** secondary jobs.

REGIONAL EMPLOYMENT IMPACTS

Arctic-Yukon-Kuskokwim

Southcentral 11,600 7,100 WORKERS FTE JOBS

Bristol Bay 15,900 5,200 WORKERS FTE JOBS

> Kodiak 5,800 5,300

Southeast 11,300 7,600

14,400 10,900 WORKERS FTE JOBS

ECONOMICS OF ALASKA'S SEAFOOD INDUSTRY (2019)

\$5.7 billion

Total annual economic activity created by the seafood industry in Alaska.

\$163 million

Total annual state, municipal, and federal taxes, fees, and self-assessments paid by commercial fishermen and seafood processors to operate in Alaska.

\$1.75 billion

Annual labor income generated by the seafood industry in Alaska.

\$15 billion

Total U.S. economic output related to Alaska's seafood industry including all direct and multiplier impacts.

This handout was prepared for the Pacific Seafood Processors Association and the Alaska Seafood Marketing Institute by Little Bird Design Studio, Anchorage, AK. Sources for the data and findings in this handout come from The Economic Value of Alaska's Seafood Industry report, prepared by McKinley Research Group for the Alaska Seafood Marketing Institute in January 2022. NOTE that this study includes both 2019 and 2020 data where applicable, but in light of the pandemic disrupted 2020 season uses 2019 alone as the base year for economic impact numbers. The report can be downloaded at www.alaskaseafood.org.

VALUE AND VOLUME BY SPECIES

11% Crab 15% Salmon 36% Salmon 59% Pollock 1% Crab 10% Pacific Cod 8% 24% Pollock Pacific Cod 8% Halibut 1% Halibut & Black Cod & Black Cod 14% Flatfish 8% Flatfish 1% Other 1% Other Rockfish & Rockfish & **Species** Species Atka Mackerel Atka Mackerel Percent of Ex-Vessel Value Percent of Volume

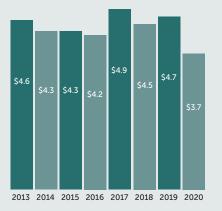
VALUE BY MARKET

The U.S. is the largest single market for Alaska seafood, typically comprising one-third of sales value.

However, a wide diversity of markets is key to seafood value and resiliency, which is why fair open trade policies are critical. Alaska seafood was exported directly to 100 countries in 2019. Additionally, the USDA purchased \$120 million in Alaska seafood products in 2019 to help meet the dietary needs of U.S. school-children and food aid recipients.



VALUE TRENDS



First Wholesale Value (Billion Dollars)

FACTORS AFFECTING VALUE

The value of Alaska's seafood production is a function of many factors, including:

- Wild fish stock fluctuations and ecosystem health
- Trade policies (market access and tariffs)
- Competing global supply (Alaska produces 2% of global seafood supply)
- Exchange rates and strength of the U.S. dollar
- Marketing (creating demand for Alaska products)
- Input costs
- Production innovation and efficiency



THE 2020 SEASON AND IMPACTS OF COVID-19

Participation Declined: Participation by commercial fishermen dropped 12% for permit holders and 28% for crew in 2020 compared to 2019. Peak processing employment declined 21%.

Significant Market and Supply Chain Disruption: 2020 ex-vessel value declined 27% and first wholesale value declined 21%, with impacts across every major species group. Value declines were due to both lower salmon returns unrelated to covid, and substantial disruption in seafood markets and the supply chain. Demand was low in the foodservice sector as restaurants were closed.

Substantial Costs to Keep Employees and Communities Safe: Harvesters and processors worked with the State of Alaska, public health providers, and communities to comply with national health guidance and state health mandates for the seafood industry. In 2020, processors spent an estimated \$70+ million in covid mitigation, such as quarantine facilities, charter travel, screening, and testing. The costs to harvesters and disruption in fishing schedules are not as well quantified but were also impactful.



