

Prepared for:



Alaska Seafood Marketing Institute

THE ECONOMIC VALUE OF ALASKA'S SEAFOOD INDUSTRY

JANUARY 2022





The Alaska Seafood Marketing Institute (ASMI) is a public-private partnership between the State of Alaska and the Alaska seafood industry established to foster economic development of the state’s most valuable renewable natural resource.



Alaska Seafood Marketing Institute

ASMI’s mission is to increase the economic value of the Alaska seafood resource, benefitting Alaskans in communities across the state. ASMI activities include product demonstrations, collaborative marketing through chef and social media partnerships, outbound and inbound trade missions, and many other marketing, education, and advocacy activities.

ASMI is funded by an industry-directed 0.5% marketing assessment based on the ex-vessel value of Alaska seafood and USDA funding supporting American export industries.

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INTRODUCTION

ASMI contracted with McKinley Research Group (formerly McDowell Group) to provide an updated analysis of the economic impact of Alaska's commercial seafood industry. Similar to past analyses (completed in 2013, 2015, 2017, and 2020), this report details the regional, statewide, and national economic impacts of Alaska's seafood industry.

ASMI recognizes the need to inform the general public and consumers about the important economic benefits of the industry. Alaska's seafood industry covers vast areas of the state but is not always well represented in traditional employment data sources.

METHODS & 2019 BASE YEAR

In previous studies, to reduce the effect of year-to-year seafood harvest volatility, most economic impact figures were averaged from the two most recent years. This study includes both 2019 and 2020 data where applicable, but **uses 2019 alone as the base year for economic impact numbers.**

Averaging 2019 data with the pandemic-disrupted 2020 season (described later in this report) would not produce meaningful measures of the seafood industry's economic impact in Alaska. Other than this change away from a two-year average for economic impact estimates, only relatively minor methodological differences exist between this report and prior versions.

Data sources include the Commercial Fisheries Entry Commission, Alaska Department of Fish & Game, and Alaska Department of Labor & Workforce Development. Economic models used to estimate direct and secondary economic impacts were developed from available data, as well as by using IMPLAN (a commercially available input-output model), information from industry interviews, and other data sources.

This report considers only the commercial seafood industry and does not address economic impacts stemming from recreational, charter, or subsistence uses of Alaska's seafood resources. All photos are courtesy of ASMI, except where noted.

GLOSSARY

Direct Impacts: The impacts occurring in the seafood industry itself, including commercial fishing, seafood processing, and direct support sectors.

Direct Support Sectors: Critical support positions are counted as direct impacts in this analysis, such as fishery managers and hatchery workers.

Secondary Impacts: Additional economic impacts resulting from business and household spending related to the Alaska seafood industry (i.e. multiplier effects).

FTE (full-time equivalent): Many seafood industry workers are employed seasonally or earn a year's worth of income in less than a year. FTE employment figures in this report represent an annualized estimate of jobs, allowing comparison to other industries.

Worker Counts: The total number of people earning income in the industry.

Labor Income: Wages, salaries, bonuses, and benefit payments to seafood industry participants.

Economic Output: The value added to Alaska's seafood in total, and at various stages of the production and supply chain.

Ex-Vessel Value: The dollar amount received by fishermen for their catch when delivered to a processor. This includes both initial payments and any bonuses.

First Wholesale Value: The value of seafood products when sold to buyers outside a processor's affiliate network. This is the value of the raw fish plus the value added by the first processor.

EXECUTIVE SUMMARY

The Seafood Industry: A Cornerstone of Alaska's Economy, 2019



In 2019, more than 62,200 workers were directly employed in Alaska's seafood industry, earning \$1.75 billion in total labor income. An estimated 37,400 full-time equivalent jobs were supported in the state with wages of \$2.2 billion, including multiplier impacts that result from the industry circulating money in Alaska's economy.



Alaska commercial fisheries employed just over 31,000 fishermen with total labor income of just over \$1.0 billion. Seafood processors employed 27,000 workers in 2019. The industry includes 8,900 fishing vessels, 160 shore-based plants, 52 catcher-processor vessels, and about 30 floating processors, among other participants.



The seafood industry contributed \$5.7 billion in economic output to Alaska's economy in 2019. This measurement includes all the economic activity supported by harvesting, processing, and support sectors.

Seafood Industry Impact on Alaska's Economy, 2019

Direct Impacts	Number of Workers	Labor Income
Commercial Fishing	31,300	\$1.01 billion
Processing	27,100	\$495 million
Management/ Hatcheries/Other	3,800	\$239 million
Total	62,200	\$1.75 billion

Total Impacts	
FTE Jobs (Full-Time Equivalent)	37,400
Labor Income	\$2.2 billion
Economic Output	\$5.7 billion

Note: Figures may not sum due to rounding.

Total FTE Jobs by Region

Bering Sea/Aleutian Islands (BSAI)	10,900
Southeast	7,600
Southcentral	7,100
Kodiak	5,300
Bristol Bay	5,200
Arctic-Yukon-Kuskokwim	1,300





Feeding the World and Alaska's Economy with Sustainable Fisheries

- Approximately 5.7 billion pounds of seafood worth \$2.0 billion was harvested in 2019. Processors turned this harvest into 2.8 billion pounds of product worth \$4.7 billion.
- Alaska's commercial fisheries have produced over 184 billion pounds since statehood (1959). The industry produces enough seafood each year to feed the world at least one serving (12.7 billion annually), in addition to providing Alaskans with access to local high quality seafood.
- Alaska seafood was sold in 100 countries around the world in 2019. Export markets typically account for approximately two-thirds of sales value, while the U.S. market buys the remaining one-third.
- Seafood directly employs more workers than any other private sector industry in Alaska, and is the economic foundation of many rural communities.
- A commitment to sustainable management has allowed the state's fisheries to produce large, diversified harvests for many decades.



The Significant National Economic Impact of Alaska's Seafood Industry



- Nationally, the Alaska seafood industry creates over 100,000 FTE jobs, \$6 billion in annual labor income, and \$15 billion in economic output.
- The national economic impact of Alaska's seafood industry includes \$6.4 billion in direct output associated with fishing, processing, distribution, and retail. It also includes \$8.6 billion in multiplier effects generated as the industry's direct output circulates throughout the U.S. economy.
- Alaska produces two-thirds of the nation's seafood harvest in a typical year and is home to nine of the top 20 U.S. fishing ports by value and eight of the top 20 by volume.
- Just under 1 million metric tons (2.2 billion pounds) of Alaska seafood was exported in 2019, bringing \$3 billion in new money from foreign buyers into the U.S. economy each year.



COMMERCIAL FISHING SECTOR

Alaska has the most prolific commercial fishing industry in the United States, producing more harvest volume than all other states combined. Commercial fishing in Alaska creates substantial benefits for Alaska's economy and provides consumers around the world with a wild, sustainable product.

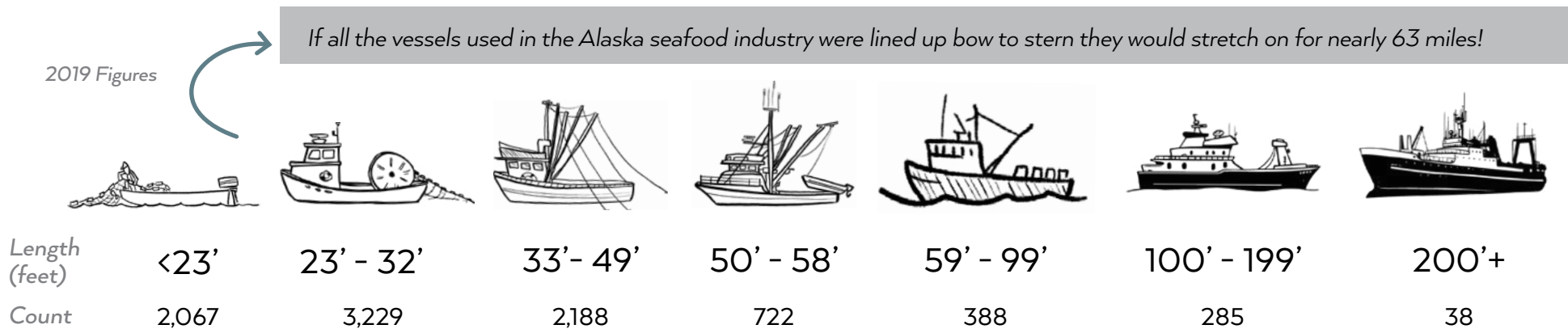
The scale of commercial fishing activity in Alaska is very diverse. Crews range from one or two fishermen working from skiffs and small boats to large catcher-processors in excess of 300 feet with 100 workers or more.

Fishermen involvement in the industry also spans a wide spectrum. Many skippers and crew participate in multiple fisheries as a full-time career, while others fish to supplement income from other jobs, earn money during a summer school break, or work as crew members for friends and family to be part of a uniquely Alaskan cultural tradition.

Regardless of vessel size or involvement, each fishing operation represents a business generating new income from a renewable resource. These businesses spend money throughout the economy, and provide the raw materials on which the rest of the seafood economy is based.

Key Figures	2019	2020 (see note)
Skippers & Crew	31,300	24,200
Skippers	8,800	7,700
Crew	22,500	16,500
Percent Alaska Residents	63%	57%
Fishing & Related Vessels	8,900	8,500
Ex-Vessel Value (\$millions)	\$1,988	\$1,457
Percent to Alaska Residents	39%	37%
Harvest Volume (millions pounds)	5,658	5,056

Note: See page 32 for more discussion on how COVID impacted 2020.



Note: Skiffs and small craft may be understated in the data above.

SEAFOOD PROCESSING SECTOR

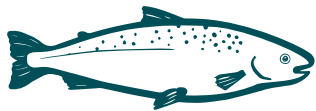
Nearly all of Alaska’s seafood products go through the hands of seafood processors, who add value by turning raw fish and shellfish into myriad products for markets around the world. Seafood is the state’s largest international export by volume and value. It’s also the largest manufacturing sector in Alaska, accounting for 70% of the state’s manufacturing employment in 2019.

The seasonality of many Alaska fisheries, especially salmon, result in a reliance on nonresident workers to fully staff production jobs at remote sites across the state. Though nonresidents comprise approximately 70% of the processing workforce, residents earn a higher share of the sector’s income as they are more likely to be employed in management and maintenance positions and work in areas with longer operating seasons.

More than 40 different occupations are supported by the processing sector, including machinists, engineers, electricians, cooks, and laborers, among many others.

The sector includes 160 shore-based plants, 52 catcher-processors, approximately 30 floating processors, and various other participants.

First Wholesale Value by Product Type, 2019



H/G & Whole Fish
38%



Surimi
13%



Fillets
22%



Roe
8%



Canned
7%



Meal & Oil
3%



Other
8%

Workforce	2019	2020 <small>(see note)</small>
Peak Monthly Emp.	20,244	15,954
Avg. Monthly Emp.	9,095	8,114
Total Worker Count	27,100	23,700
Alaska Residents	6,568	4,958
Total Earnings	\$491 million	\$457 million
Alaska Residents	\$162 million	\$140 million

Value Added	2019	2020 <small>(see note)</small>
Ex-Vessel Value	\$1.99 billion	\$1.46 billion
First Wholesale Value	\$4.67 billion	\$3.67 billion
Value Added by Processors	\$2.68 billion	\$2.21 billion

Note: See page 32 for more discussion on COVID-impacted 2020.

First Wholesale Value by Species, 2019

37% Salmon	35% Pollock	8% Pacific Cod	8% Flatfish, Rockfish, Atka Mackerel
4% Halibut & Sablefish	6% Crab	1% Other	

FISHERY MANAGEMENT & REGULATION

Alaska's fisheries are known worldwide as a model for sustainable management. The efforts of the region's biologists, managers, and policy makers support sustainable fisheries for Alaska's harvesters and the businesses and communities that rely on their catches. Changing ocean and climate conditions present an emerging challenge to all industry participants.

A key aspect of Alaska's successful model is the sustainability mandate set forth in the Magnuson-Stevens Act to guide federal fisheries and the Alaska Constitution to guide state fisheries. There is also a separation of entities that set policy (Alaska Board of Fisheries and North Pacific Fishery Management Council) and those that enforce regulations and manage fisheries in-season. Alaska's commercial fisheries are managed by the Alaska Department of Fish and Game (ADF&G) and the National Marine Fisheries Service (NMFS), a division of NOAA. With some exceptions, fisheries managed by ADF&G occur within three miles of Alaska's coast while NMFS manages fisheries in federal waters (3 - 200 miles offshore).

Some Alaska fisheries have an international component. Pacific halibut fisheries are jointly managed under a treaty with Canada via the International Pacific Halibut Commission. Transboundary salmon harvests in Southeast Alaska and the Yukon River are subject to the Pacific Salmon Treaty.

The State of Alaska has several agencies that further support the seafood industry in Alaska:

- The Commercial Fisheries Entry Commission implements Alaska's limited entry law by issuing fishing permits for state fisheries and maintaining records of harvest volume/value.
- The Department of Commerce, Community, and Economic Development is charged with promoting economic development in Alaska, including the seafood industry.
- The Alaska Seafood Marketing Institute is a public-private partnership between the state and the seafood industry with the mission to increase the economic value of Alaska seafood.
- The State of Alaska provides training opportunities and extension services through the University of Alaska system, Alaska Sea Grant, and Alaska's Institute of Technology.
- The Department of Environmental Conservation issues discharge permits for seafood processing facilities.
- The Department of Labor and Workforce Development monitors employment associated with the seafood industry, provides workforce training, and operates programs including the Fishermen's Fund.



STATEWIDE ECONOMIC IMPACTS

Seafood Industry Impact on Alaska's Economy, 2019

	Number of Workers	FTE Jobs	Labor Income (\$millions)	Output (\$millions)
Commercial Fishing	31,300	13,400	\$1,011	\$1,988
Processing	27,100	11,100	\$495	\$2,682
Mgmt./Other	3,800	2,400	\$239	-
Direct Total	62,200	26,900	\$1,745	\$4,670
Secondary Total	-	10,500	\$466	\$1,014
Total Impacts	-	37,400	\$2,211	\$5,685

- Seafood contributed an annual average of \$5.7 billion in economic output to the Alaska economy in 2019.
- The seafood industry directly employed 62,200 workers in Alaska in 2019. After adjusting for part-time and seasonal jobs, this amounts to 26,900 full-time equivalent (FTE) positions. Through multiplier effects associated with business and household spending, it is estimated the industry created an additional 10,600 FTE jobs and \$466 million in labor income.
- In total, seafood contributed 37,400 FTE jobs and \$2.2 billion of labor income to the state's economy in 2019. It is estimated that the commercial seafood industry accounted for about 10% of employment in Alaska during this period.
- The seafood industry directly employs more workers than any other private sector industry. Including multiplier effects, it is the second-largest basic sector creator of labor income in Alaska after the oil-and-gas industry.
- The economic benefits of the seafood industry are broadly distributed across Alaska, from Kotzebue to Ketchikan - including an estimated 26,400 Alaska residents directly employed in the industry in 2019.

Top Ports (by Landings Value)

2019

- 1) Naknek \$289 million
- 2) Dutch Harbor \$190 million
- 3) Aleutian Islands \$142 million
- 4) Kodiak \$120 million
- 5) Alaska Peninsula \$75 million

Note: Ex-vessel value of landings in each port/port grouping.
Source: NOAA.

Jobs & Labor Income Created by Basic Sector* Industries in Alaska

(including multiplier effects)

Oil & Gas



77,600 FTE Jobs
\$4.8 billion

Seafood



37,400 FTE Jobs
\$2.2 billion

Visitor



47,000 FTE Jobs
\$1.7 billion

Mining



9,400 FTE Jobs
\$740 million

*Basic sectors bring new income into the economy. The industries above collectively account for approximately 40% of total employment in Alaska.

Source: McKinley Research Group economic impact studies.



2019 Figures

Harvesting

Processing



6,550
Resident-owned
Fishing Vessels



19,808
Resident
Fishermen



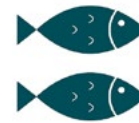
166
Shore-based
Processing
Facilities



27,100
Shoreside
Processing
Workers



\$1.99 billion
Harvest
Value



5.66 billion
Pounds of
Seafood
Harvested



\$4.67 billion
Wholesale
Value



2.78 billion
Pounds of
Seafood
Produced

Economic Trends in Alaska's Seafood Industry

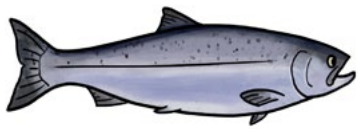
	2014	2015	2016	2017	2018	2019	2020 (see note)
Resident Commercial Fishermen	17,785	17,794	17,361	18,435	18,549	19,808	13,886
Gross Earnings (\$millions)	\$741	\$677	\$632	\$827	\$716	\$636	\$430
Average Processing Employment*	10,596	10,254	9,814	9,434	8,808	9,095	8,114
Peak Processing Employment*	20,788	21,279	21,048	19,940	19,571	20,244	15,954
Wages & Salaries (\$millions)*	\$399	\$445	\$442	\$446	\$439	\$471	\$439
Harvest Value (\$millions)	\$1,920	\$1,783	\$1,741	\$2,035	\$1,964	\$1,988	\$1,457
First Wholesale Value (\$millions)	\$4,291	\$4,273	\$4,198	\$4,851	\$4,479	\$4,669	\$3,666

*Figures may not include processing activity from all catcher/processor vessels.

Note: See page 32 for more discussion on how COVID impacted 2020.

VALUE & VOLUME OF KEY SPECIES, 2019

Salmon



\$715
EX-VESSEL
VALUE
\$MILLIONS
865
HARVEST
MILLION LBS

\$1,733
FIRST WHOLESALE
(FW) VALUE
\$MILLIONS
\$2.00
FW VALUE PER
ROUND LB.

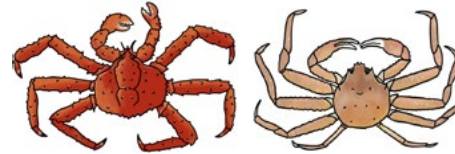
Pollock



\$484
EX-VESSEL
VALUE
\$MILLIONS
3,353
HARVEST
MILLION LBS

\$1,636
FIRST WHOLESALE
(FW) VALUE
\$MILLIONS
\$0.49
FW VALUE PER
ROUND LB.

Crab



\$226
EX-VESSEL
VALUE
\$MILLIONS
47
HARVEST
MILLION LBS

\$294
FIRST WHOLESALE
(FW) VALUE
\$MILLIONS
\$6.30
FW VALUE PER
ROUND LB.

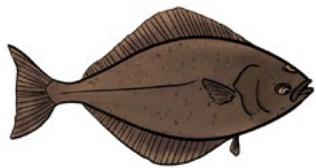
Pacific Cod



\$203
EX-VESSEL
VALUE
\$MILLIONS
464
HARVEST
MILLION LBS

\$382
FIRST WHOLESALE
(FW) VALUE
\$MILLIONS
\$0.82
FW VALUE PER
ROUND LB.

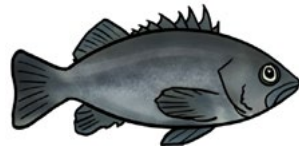
Halibut & Sablefish



\$166
EX-VESSEL
VALUE
\$MILLIONS
46
HARVEST
MILLION LBS

\$187
FIRST WHOLESALE
(FW) VALUE
\$MILLIONS
\$4.05
FW VALUE PER
ROUND LB.

Flatfish, Rockfish, & Atka Mackerel



\$168
EX-VESSEL
VALUE
\$MILLIONS
804
HARVEST
MILLION LBS

\$391
FIRST WHOLESALE
(FW) VALUE
\$MILLIONS
\$0.49
FW VALUE PER
ROUND LB.

Percent of Ex-Vessel Value & Volume

Species	Value	Volume
Salmon	36%	15%
Pollock	24%	59%
Crab	11%	1%
Pacific Cod	10%	8%
Halibut & Sablefish	8%	1%
Flatfish & Rockfish*	8%	14%
Other Species	1%	1%

*Includes Atka mackerel.

Ex-Vessel Value & Volume by Fishery Region

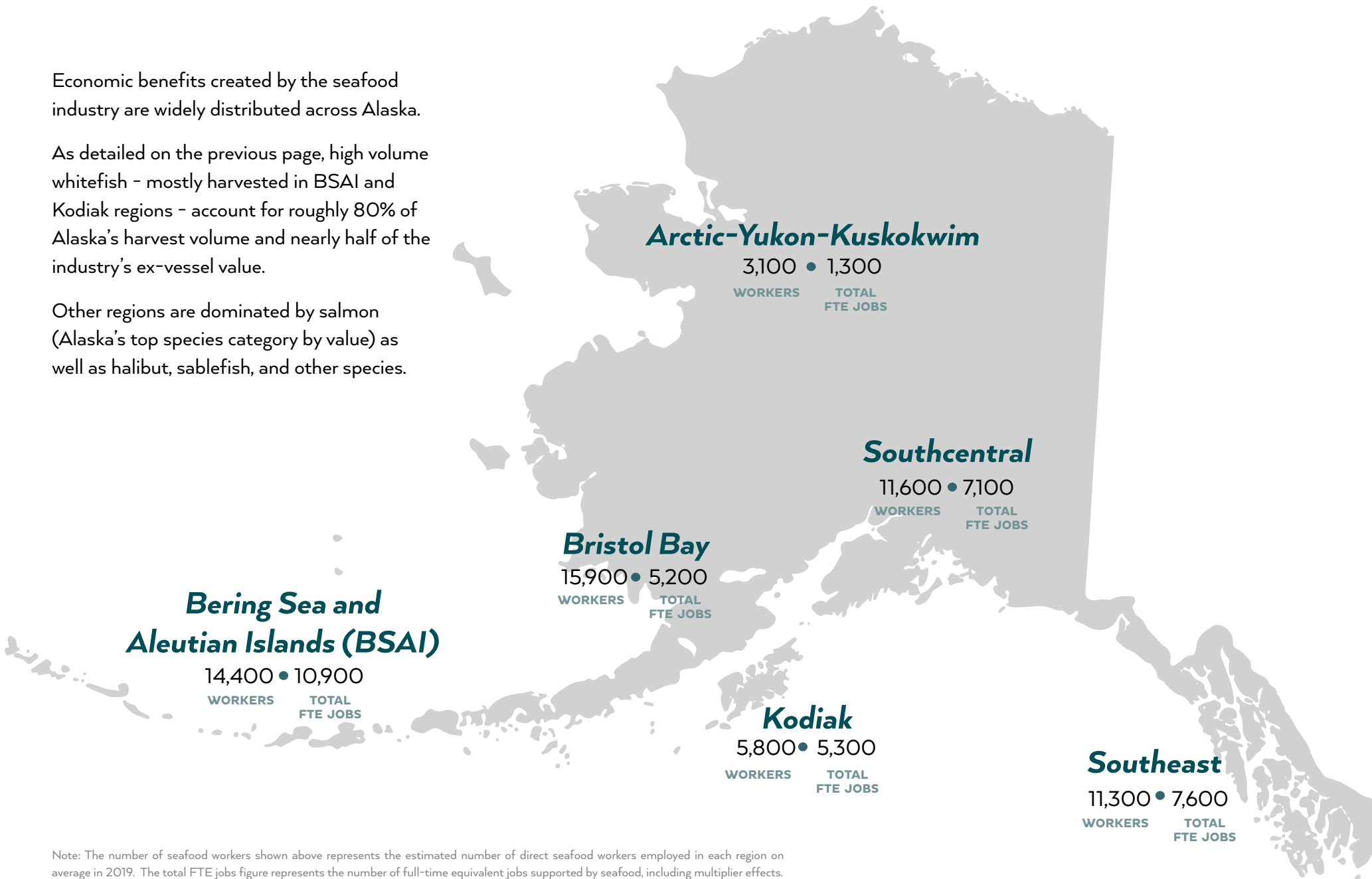
Southeast	Southcentral	Kodiak	BSAI	Bristol Bay	AYK
8% VALUE	8% VALUE	8% VALUE	55% VALUE	19% VALUE	<1% VALUE
3% VOLUME	4% VOLUME	7% VOLUME	79% VOLUME	7% VOLUME	<1% VOLUME

REGIONAL EMPLOYMENT IMPACTS, 2019

Economic benefits created by the seafood industry are widely distributed across Alaska.

As detailed on the previous page, high volume whitefish - mostly harvested in BSAI and Kodiak regions - account for roughly 80% of Alaska's harvest volume and nearly half of the industry's ex-vessel value.

Other regions are dominated by salmon (Alaska's top species category by value) as well as halibut, sablefish, and other species.



Note: The number of seafood workers shown above represents the estimated number of direct seafood workers employed in each region on average in 2019. The total FTE jobs figure represents the number of full-time equivalent jobs supported by seafood, including multiplier effects.

ARCTIC-YUKON-KUSKOKWIM (AYK) REGION

Seafood Industry Impact on Regional Economy, 2019

	Number of Workers	FTE Jobs	Labor Income (\$millions)	Output (\$millions)
Commercial Fishing	2,000	100	\$4	\$6
Processing	1,000	600	\$3	\$6
Mgmt./Other	100	100	\$5.3	-
Direct Total	3,100	800	\$12	\$12
Secondary Total	-	500	\$11	\$18
Total Impacts	-	1,300	\$23	\$30

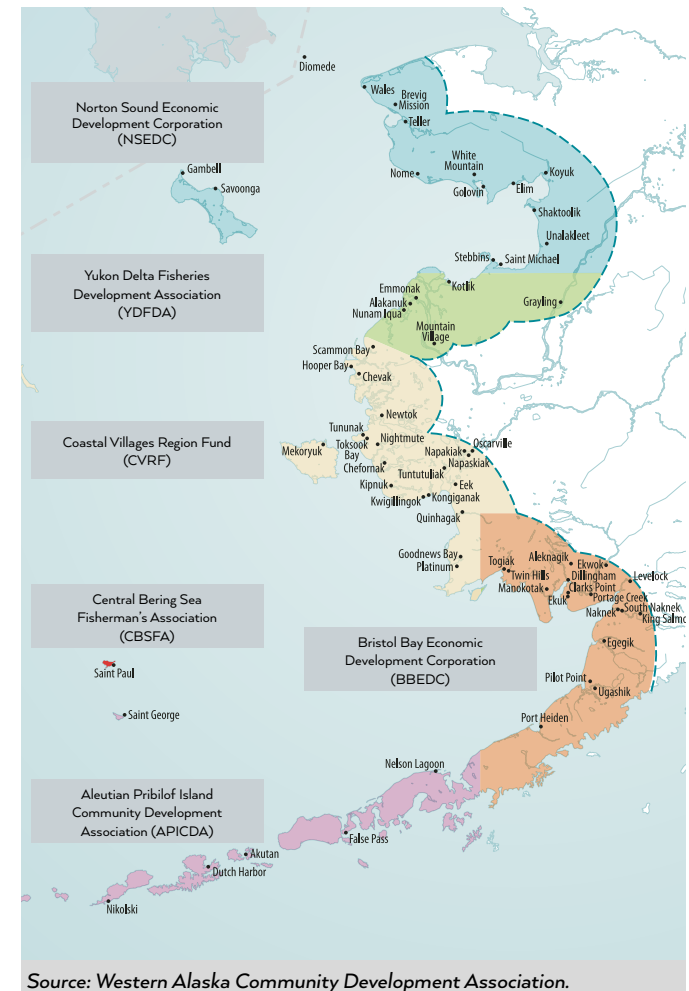
- Total annual seafood industry-related labor income in the AYK region is estimated at \$23 million and the total regional economic impact at \$30 million.
- Commercial fisheries are an important source of cash income in remote Western Alaska communities, helping support subsistence lifestyles for many AYK families.
- AYK has a unique collection of fisheries. Most salmon are caught with gillnets or fishwheels, king crab pots in Norton Sound are hauled up through ice holes, and it is the only region in the state where lamprey are commercially harvested.
- AYK is home to three (of the six) Community Development Quota program entities (see map at right). These entities are allocated a percentage of all federal BSAI fisheries and use those quota to generate revenue, invest in vessels that prosecute BSAI fisheries, and fund in-region economic and community development programs. Most of the AYK seafood industry's economic impacts are underpinned by NSEDC's and YDFDA's seafood processing plants.
- Alaska's six CDQ groups manage a combined \$1.4 billion in assets, distribute tens of millions of dollars in grants each year, and run dozens of economic, social, and fisheries development programs for the benefit of the 28,000 residents of the 65 communities that fall under the program.

Key Ports:

Emmonak
Savoonga

Nome
Unalakleet

Quinhagak



Source: Western Alaska Community Development Association.



Keta salmon typically account for most of the region's ex-vessel value, and are largely caught by skiffs, as seen lined up near the village of Emmonak (above).

Photo courtesy Alaska Ocean Cluster.

2019 Figures

Harvesting



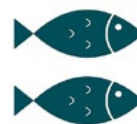
324
Resident-owned
Fishing Vessels



2,517
Resident
Fishermen



\$6 million
Harvest
Value



10 million
Pounds of
Seafood
Harvested



0.3% of Alaska Total

Processing



8
Shore-based
Processing
Facilities



990
Shoreside
Processing
Workers



\$12 million
Wholesale
Value



4 million
Pounds of
Seafood
Produced



0.3% of Alaska Total

Regional Economic Trends in Seafood Industry

	2014	2015	2016	2017	2018	2019	2020 (see note)
Resident Commercial Fishermen	3,316	3,261	2,475	2,508	2,842	2,517	1,466
--- Gross Earnings (\$millions)	\$20	\$16	\$18	\$23	\$20	\$16	\$8
Average Processing Employment	354	452	391	385	370	300	200
--- Peak Processing Employment*	-	-	-	-	-	-	-
--- Wages & Salaries (\$millions)*	-	-	-	-	-	-	-
Regional Harvest Value (\$millions)	\$13	\$9	\$12	\$11	\$13	\$6	\$2.1
First Wholesale Value (\$millions)	\$18	\$16	\$12	\$14	\$17	\$12	\$5

*Peak processing employment and wages not available due to confidentiality restrictions.

Note: See page 32 for more discussion on how COVID impacted 2020.

BERING SEA & ALEUTIAN ISLANDS

Seafood Industry Impact on Regional Economy, 2019

	Number of Workers	FTE Jobs	Labor Income (\$millions)	Output (\$millions)
Commercial Fishing	4,600	4,500	\$491	\$1,102
Processing	9,400	5,200	\$265	\$1,580
Mgmt./Other	400	200	\$22	-
Direct Total	14,400	9,900	\$778	\$2,682
Secondary Total	-	1,000	\$49	\$92
Total Impacts	-	10,900	\$826	\$2,774

- The BSAI region - home to multiple large shorebased processing plants as well as at-sea processing activity - accounted for a majority of the Alaska seafood industry's first wholesale value (57%) and volume (70%) in 2019.
- BSAI commercial fisheries created 10,900 FTE jobs and \$826 million of labor income in 2019.
- At just 8,000 residents, the BSAI population base is far too small to provide all the workers needed to harvest and process the region's vast seafood resources. The seafood industry accounts for 40% of all local resident employment in the BSAI region, but most seafood workers come from the lower 48 or elsewhere in Alaska.
- Dutch Harbor is consistently the nation's top seafood port by volume, and second-largest in terms of ex-vessel value. In 2019, the port took in 763 million pounds of seafood - an average of 14.7 million pounds per week.
- Western Alaska residents also benefit from the CDQ program, which is allocated approximately 10% of all BSAI groundfish and crab quotas and 20-100% of BSAI region halibut quotas. CDQ groups have significant ownership interests in the vessels and fisheries of the BSAI and collectively manage a combined \$1.4 billion in assets.

Key Regional Ports

Adak	Akutan	Atka
Dutch Harbor	False Pass	
King Cove	Sand Point	



Alyeska Seafoods plant in Unalaska/Dutch Harbor - one of the state's largest.



BSAI crabbers often fish close to the sea ice boundary.

2019 Figures

Harvesting



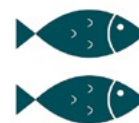
297
Resident-owned
Fishing Vessels



643
Resident
Fishermen



\$1.10 billion
Harvest
Value



4.37 billion
Pounds of
Seafood
Harvested



55% of Alaska Total

Processing



19
Shore-based
Processing
Facilities



6,570
Shoreside
Processing
Workers



\$2.66 billion
Wholesale
Value



1.94 billion
Pounds of
Seafood
Produced



57% of Alaska Total

Regional Economic Trends in Seafood Industry

	2014	2015	2016	2017	2018	2019	2020 (see note)
Resident Commercial Fishermen	890	870	841	810	643	643	524
Gross Earnings (\$millions)	\$41	\$50	\$47	\$64	\$39	\$35	\$27
Average Processing Employment*	3,847	3,813	3,949	3,630	3,331	3,550	3,589
Peak Processing Employment*	5,860	5,216	5,842	5,670	4,982	5,158	5,381
Wages & Salaries (\$millions)*	\$147	\$178	\$205	\$200	\$196	\$206	\$210
Regional Harvest Value (\$millions)*	\$998	\$1,105	\$1,087	\$1,063	\$1,086	\$1,102	\$909.0
First Wholesale Value (\$millions)*	\$2,481	\$2,406	\$2,557	\$2,664	\$2,561	\$2,682	\$2,267

*Figures may not include employment or production volume from all catcher/processor vessels.

Note: See page 32 for more discussion on how COVID impacted 2020.

BRISTOL BAY

Seafood Industry Impact on Regional Economy, 2019

	Number of Workers	FTE Jobs	Labor Income (\$millions)	Output (\$millions)
Commercial Fishing	9,000	2,600	\$255	\$385
Processing	6,200	1,400	\$59	\$354
Mgmt./Other	700	150	\$8	-
Direct Total	15,900	4,200	\$322	\$739
Secondary Total	-	1,000	\$77	\$100
Total Impacts	-	5,200	\$398	\$839

Key Regional Ports

Dillingham	Egegik	Ekuk
Naknek	Port Moller	Togiak

- Commercial fisheries in the Bristol Bay region directly employ 15,900 people and generate \$322 million in labor income.
- The 2019 Bristol Bay sockeye salmon harvest totaled 225 million pounds with a total ex-vessel value of \$343 million.
- In 2019, Bristol Bay accounted for 26% of the Alaska salmon harvest in terms of pounds landed and 48% of the state's harvest in terms of total ex-vessel value.
- The region typically accounts for more than half the world's sockeye harvest, and is the largest wild sockeye salmon run in the world.
- Bristol Bay fishermen have invested millions of dollars to improve fish quality through onboard chilling systems. Over the last decade, salmon deliveries chilled by refrigerated sea water or slush ice have increased from 45% to 94%.



Three generations of Bristol Bay fishermen.



Picking sockeye out of a gillnet on a rare slow day.

Photo courtesy Bristol Bay Regional Seafood Development Association.

2019 Figures

Harvesting



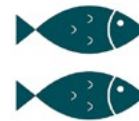
428
Resident-owned
Fishing Vessels



1,764
Resident
Fishermen



\$385 million
Harvest
Value



373 million
Pounds of
Seafood
Harvested

19% of Alaska Total

Processing



27
Shore-based
Processing
Facilities



6,203
Shoreside
Processing
Workers



\$739 million
Wholesale
Value



221 million
Pounds of
Seafood
Produced

16% of Alaska Total

Regional Economic Trends in Seafood Industry

	2014	2015	2016	2017	2018	2019	2020 (see note)
Resident Commercial Fishermen	1,536	1,519	1,502	1,516	1,716	1,764	1,501
Gross Earnings (\$millions)	\$35	\$20	\$33	\$43	\$37	\$50	\$26
Average Processing Employment	1,542	1,095	1,263	1,353	1,393	1,427	905
Peak Processing Employment	5,374	4,309	5,116	5,175	5,460	5,680	4,280
Wages & Salaries (\$millions)	\$41	\$38	\$42	\$46	\$56	\$59	\$54
Regional Harvest Value (\$millions)	\$224	\$127	\$191	\$277	\$279	\$385	\$254
First Wholesale Value (\$millions)	\$437	\$421	\$527	\$585	\$752	\$739	\$522

Note: See page 32 for more discussion on how COVID impacted 2020.

KODIAK REGION

Seafood Industry Impact on Regional Economy, 2019

	Number of Workers	FTE Jobs	Labor Income (\$millions)	Output (\$millions)
Commercial Fishing	2,600	1,600	\$86	\$173
Processing	2,200	1,300	\$52	\$151
Mgmt./Other	1,000	800	\$90	-
Direct Total	5,800	3,700	\$228	\$324
Secondary Total	-	1,600	\$82	\$189
Total Impacts	-	5,300	\$310	\$512

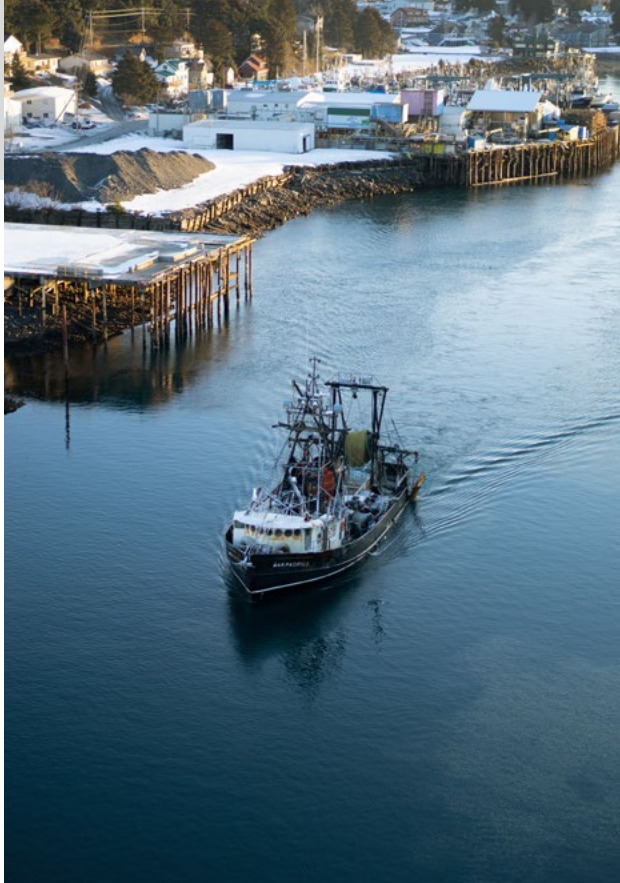


F/V Family Pride seining off Kodiak Island.

Key Regional Ports

Chignik Kodiak
Larsen Bay Old Harbor

- Kodiak was the third largest commercial fishing port in the U.S. by volume landed in 2019, and fourth in terms of ex-vessel value. The seafood industry drives the regional economy and supports much of the region's population base.
- Kodiak's seafood processors employ the highest percentage of local residents of any major production region in Alaska. In 2019, 55% of processors were year-round residents of Kodiak.
- The region's fishermen target a diversity of fisheries that occur nearly year-round. Kodiak residents fished a total of 583 permits in 50 different fisheries, harvesting 356 million pounds worth \$110 million in 2019.
- The U.S. Coast Guard maintains a large presence in Kodiak, using the community as a staging area for enforcement, safety, and rescue missions in both the Gulf of Alaska and Bering Sea.



Vessel delivering to one of Kodiak's many shoreside seafood processing plants.

2019 Figures

Harvesting



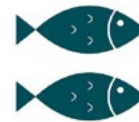
612
Resident-owned
Fishing Vessels



1,681
Resident
Fishermen



\$173 million
Harvest
Value



348 million
Pounds of
Seafood
Harvested



8% of Alaska Total

Processing



14
Shore-based
Processing
Facilities



2,245
Shoreside
Processing
Workers



\$324 million
Wholesale
Value



221 million
Pounds of
Seafood
Produced



7% of Alaska Total

Regional Economic Trends in Seafood Industry

	2014	2015	2016	2017	2018	2019	2020 (see note)
Resident Commercial Fishermen	1,405	1,437	1,243	1,209	1,461	1,681	1,110
--- Gross Earnings (\$millions)	\$150	\$134	\$118	\$153	\$134	\$117	\$89
Average Processing Employment*	1,598	1,909	1,636	1,516	1,373	1,250	1,217
--- Peak Processing Employment*	2,088	2,397	1,980	1,970	1,829	1,897	1,593
--- Wages & Salaries (\$millions)*	\$68	\$77	\$53	\$50	\$48	\$52	\$50
Regional Harvest Value (\$millions)	\$196	\$161	\$126	\$219	\$149	\$173	\$110
First Wholesale Value (\$millions)	\$330	\$393	\$247	\$463	\$255	\$324	\$264

*Figures may not include processing activity from all catcher/processor vessels.

Note: See page 32 for more discussion on how COVID impacted 2020.

SOUTHCENTRAL ALASKA

Seafood Industry Impact on Regional Economy, 2019

	Number of Workers	FTE Jobs	Labor Income (\$millions)	Output (\$millions)
Commercial Fishing	6,800	1,900	\$84	\$154
Processing	4,300	1,300	\$56	\$326
Mgmt./Other	500	300	\$30	-
Direct Total	11,600	3,500	\$171	\$480
Secondary Total	-	3,600	\$152	\$397
Total Impacts	-	7,100	\$323	\$877



Salmon pride.

Key Regional Ports

Anchorage	Cordova	Homer
Kenai	Seward	Valdez
Whittier		

- The seafood industry directly employs 11,600 workers in the Southcentral region and creates approximately 7,100 FTE jobs including multiplier effects. These jobs are a result of seafood caught and processed within the region, not including impacts from Southcentral residents bringing home earnings from other Alaska fisheries in other regions.
- More than a third (39%) of Alaska's resident commercial fishermen (including active permit holders and crew) live in Southcentral, more than any other region.
- Southcentral had 20 communities with gross resident fishing earnings greater than \$1 million in 2019, and seven communities with more than \$5 million. Residents of Homer earned \$84 million, followed by Anchorage (\$42 million), and Cordova (\$41 million).
- Southcentral residents earn more than half of their gross fishing income from fisheries outside the region. The Bristol Bay driftnet fishery was the main source of income for residents in 2019, in addition to longlining and other salmon fisheries statewide.
- Anchorage is a critical hub for fresh seafood shipments, seafood workers, supplies, and fishery management meetings - all of which benefit the regional economy.



Gillnetter loading gear in the Cordova harbor.

2019 Figures

Harvesting



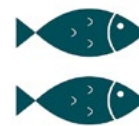
2,223
Resident-owned
Fishing Vessels



7,841
Resident
Fishermen



\$154 million
Harvest
Value



234 million
Pounds of
Seafood
Harvested

8% of Alaska Total

Processing



55
Shore-based
Processing
Facilities



4,303
Shoreside
Processing
Workers



\$480 million
Wholesale
Value



175 million
Pounds of
Seafood
Produced

10% of Alaska Total

Regional Economic Trends in Seafood Industry

	2014	2015	2016	2017	2018	2019	2020 (see note)
Resident Commercial Fishermen	6,116	6,072	6,052	6,016	6,938	7,841	5,256
Gross Earnings (\$millions)	\$267	\$259	\$218	\$285	\$248	\$273	\$187
Average Processing Employment	1,415	1,238	1,206	1,315	1,183	1,280	621
Peak Processing Employment	3,300	3,374	3,707	3,699	3,522	3,654	1,375
Wages & Salaries (\$millions)	\$51	\$48	\$41	\$46	\$43	\$56	\$29
Regional Harvest Value (\$millions)	\$190	\$174	\$118	\$206	\$164	\$154	\$77
First Wholesale Value (\$Millions)	\$490	\$537	\$394	\$570	\$445	\$480	\$329

Note: See page 32 for more discussion on how COVID impacted 2020.

SOUTHEAST ALASKA

Seafood Industry Impact on Regional Economy, 2019

	Number of Workers	FTE Jobs	Labor Income (\$millions)	Output (\$millions)
Commercial Fishing	6,300	2,700	\$91	\$167
Processing	3,900	1,300	\$60	\$266
Mgmt./Other	1,100	800	\$84	-
Direct Total	11,300	4,800	\$235	\$433
Secondary Total	-	2,800	\$96	\$220
Total Impacts	-	7,600	\$331	\$653

- Seafood is the largest private sector industry in Southeast Alaska, in terms of workforce size and labor income. The industry accounts for 15% of regional employment, including multiplier impacts.
- The harvest of salmon is particularly important to Southeast. The five species accounted for 70% of the region's seafood production value in 2019, led by keta. Salmon production is supported by the region's four hatchery associations and their 15 hatcheries.
- In 2019, Southeast included four of the top 10 Alaska communities ranked by resident permit holder gross earnings.
 - Petersburg, 3rd in state, \$49 million;
 - Sitka, 4th, \$41 million;
 - Juneau, 8th, \$20 million;
 - Ketchikan, 10th, \$16 million
- Southeast residents own nearly a third of Alaska's commercial fishing fleet, more than any other region.

Key Regional Ports

Craig	Excursion Inlet	Haines
Juneau	Ketchikan	Petersburg
Sitka	Wrangell	Yakutat



Alaska's largest Dungeness crab fishery is in Southeast Alaska.



Trollers carefully cleaning a nice king salmon haul.

2019 Figures

Harvesting



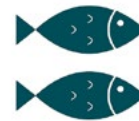
2,655
Resident-owned
Fishing Vessels



5,316
Resident
Fishermen



\$167 million
Harvest
Value



183 million
Pounds of
Seafood
Harvested



8% of Alaska Total

Processing



41
Shore-based
Processing
Facilities



3,906
Shoreside
Processing
Workers



\$433 million
Wholesale
Value



158 million
Pounds of
Seafood
Produced



9% of Alaska Total

Regional Economic Trends in Seafood Industry

	2014	2015	2016	2017	2018	2019	2020 (see note)
Resident Commercial Fishermen	5,023	4,900	4,766	4,745	4,923	5,316	3,993
✦ Gross Earnings (\$millions)	\$227	\$198	\$198	\$259	\$225	\$169	\$119
Average Processing Employment	1,842	1,766	1,365	1,361	1,255	1,272	1,099
✦ Peak Processing Employment	4,795	4,615	3,314	3,545	2,844	2,871	2,284
✦ Wages & Salaries (\$millions)	\$69	\$734	\$53	\$57	\$53	\$60	\$54
Regional Harvest Value (\$millions)	\$281	\$214	\$212	\$284	\$251	\$167	\$106
First Wholesale Value (\$millions)	\$536	\$499	\$460	\$602	\$462	\$433	\$283

Note: See page 32 for more discussion on how COVID impacted 2020.

NATIONAL IMPACT OF ALASKA SEAFOOD

National Impact of Alaska Seafood Industry, 2019

	Number of Workers	FTE Jobs	Labor Income (\$millions)	Output (\$millions)
Commercial Fishing	31,300	13,400	1,011	1,988
Processing	31,100	15,200	\$582	\$2,682
Mgmt./Other	4,800	3,000	\$323	-
Distributors	800	800	\$100	\$200
Grocers	4,700	4,700	\$150	\$400
Restaurants	13,500	13,500	\$440	\$1,100
Direct Total	86,200	50,600	\$2,606	\$6,370
Secondary Total	-	51,800	\$3,474	\$8,638
Total Impacts	-	102,400	\$6,080	\$15,008

- In 2019 Alaska's seafood industry supported an estimated 102,400 FTE jobs in the U.S. Workers in these jobs earned an estimated \$6.1 billion in total annual labor income.
- The national economic impact of Alaska's seafood industry includes an estimated 50,600 FTE jobs in fishing, processing, fisheries management, transportation and distribution, and in stores and restaurants. It also includes 51,800 secondary jobs throughout the economy created as a result of spending by businesses in the supply chain and their employees.

- Among all the participants in the national seafood supply chain, fishermen earn the largest share of labor income at \$1.0 billion, or about 40% of all direct labor income generated by Alaska's seafood industry.
- U.S. economic output related to Alaska's seafood industry totals \$15 billion including all direct and multiplier impacts. Total output is defined as the value of Alaska's seafood resource, as it moves from the fishing vessel to the consumer's plate, plus output arising from secondary impacts.
- Alaska seafood is playing a growing role in meeting the dietary needs of U.S. schoolchildren and food aid recipients. The United States Department of Agriculture purchased \$120 million in Alaska seafood products in Fiscal Year 2019 - the largest annual Alaska seafood purchase on record. The USDA makes these food purchases available to school lunches, food banks, and other programs across the country.



ALASKA'S COMMERCIAL FISHERMEN

Alaska Skippers and Crew, by State of Residence, 2019

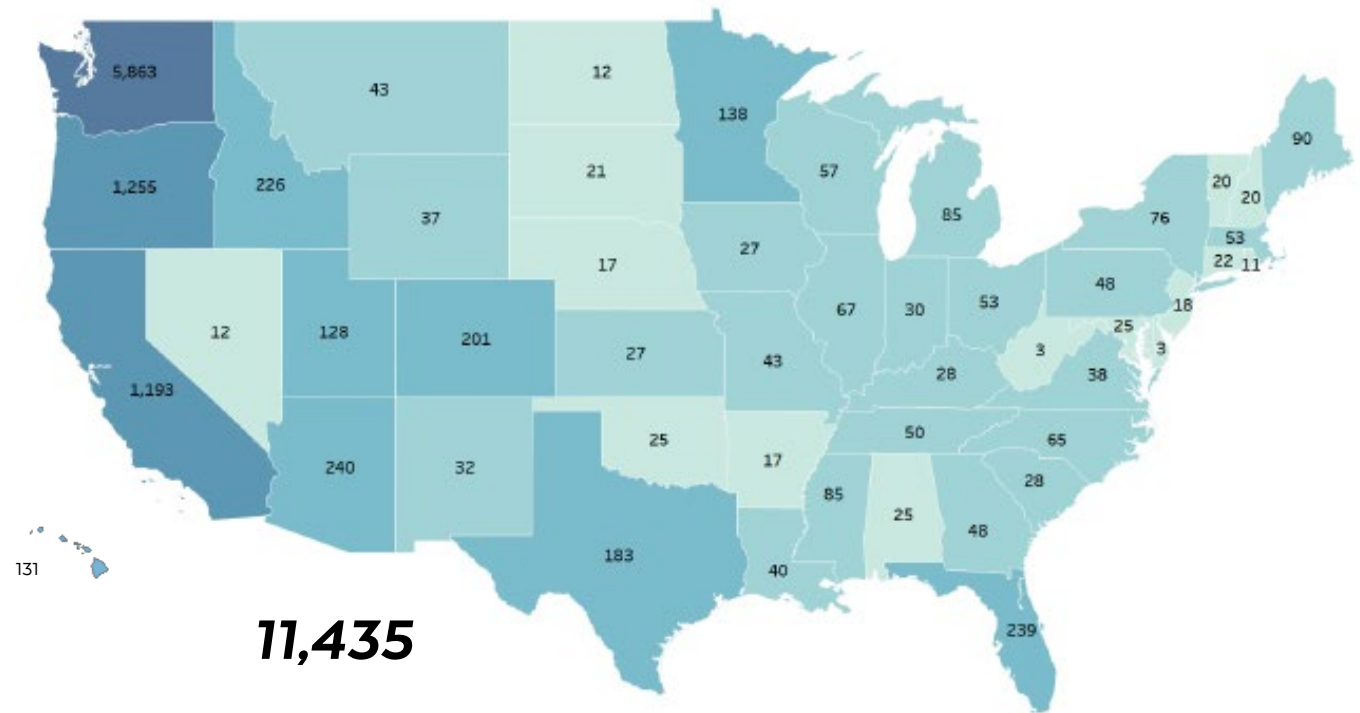


People from every U.S. state participate in Alaska's commercial fisheries.

In 2019, 63% of the industry's skippers, active permit owners, and crew were Alaska residents, a total of 19,808 fishermen. For many rural Alaska communities, the seafood industry is among the largest source of employment, wages, and tax revenue.

Nonresident fishermen and processing workers play a key role in Alaska's seafood industry. Without their contributions, the state would be unable to provide enough workers to capitalize on high volume and highly seasonal fishery resources.

Regardless of where fishermen live, their earnings contribute to local economies in Alaska and around the country.



11,435

VALUE OF ALASKA SEAFOOD

The first wholesale value of Alaska seafood was \$4.7 billion in 2019. Of this total, fishermen earned \$2.0 billion in ex-vessel value while processors, both shoreside and at-sea, added \$2.7 billion in value.

The value of Alaska’s seafood production has exceeded \$4.0 billion since 2010, with 2020 an exception discussed in more detail on page 32. The industry typically harvests between five and six billion pounds of seafood each year.

Many factors impact the value of Alaska seafood, including:

- Competition with other seafood and protein sources from around the globe.
- Status of trade agreements, tariff disputes, and currency exchange rates.
- Product innovation and adaptation to changing consumer preferences.
- Fluctuating wild seafood stocks and harvests allowed under Alaska’s world-leading sustainable management practices.
- Promotion of Alaska’s wild, natural, and sustainable seafood brand.

More than 12 billion servings of Alaska seafood are purchased each year by consumers around the world. The health benefits of eating wild seafood are increasingly being appreciated and include supporting healthy brains, strong immune systems, functioning hearts and strong and healthy muscles and bones.



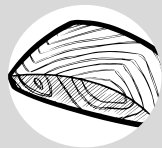
Alaska Seafood Marketing Institute

“The true value of Alaska seafood extends well beyond the price at the dock. ASMI works closely with the Alaska seafood industry to increase the value of Alaska’s seafood resource to benefit Alaskans and Alaska’s communities.”

*-Jeremy Woodrow,
Executive Director, ASMI*

There’s Plenty of Fish in the Sea When it Comes to Alaska Seafood

Number of Servings by Product Type in 2019



Fillets & Portions
8.3 billion



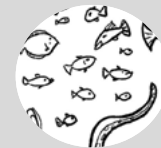
Surimi
2.6 billion



Roe
1.6 billion



Crab
162 million



Other Products
13 million

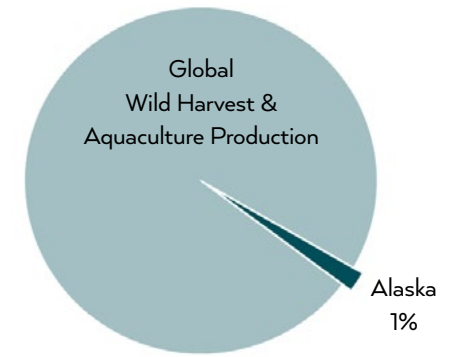
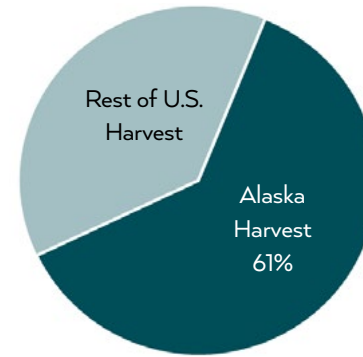
TOTAL:
12.7
Billion
Servings

COMPETING IN A GLOBAL SEAFOOD MARKET

Alaska is a major seafood producer on a global scale. If it were a country, Alaska would rank 8th in wild harvests. Nevertheless, Alaska seafood is a small part of a global supply chain that encompasses large volumes of competing wild and farmed species. The species noted on this page account for more than 90% of Alaska's ex-vessel value but each faces significant competition from other global producers, often from regions with lower operating costs.

Because Alaska seafood is produced in a high-cost environment, it is virtually impossible to compete on price alone. Luckily for Alaska, it is the largest seafood producing state in America with sustainable management practices and pristine marine waters - attributes no foreign or domestic competitor can match.

Maximizing resource value requires market differentiation, product development, consumer awareness, and management leadership. Alaska's seafood industry must continue to invest in these endeavors -- especially in light of the aggressive investments currently being made by Russia and other countries to improve capacity and quality.



Flatfish

Alaska Percent of Global Supply: 24%

Alaska is a prominent producer of flatfish, especially yellowfin sole. Nearly all Alaska flatfish (excluding halibut) is exported to China for reprocessing - exposing it to trade disputes and shipping bottlenecks.

Halibut

Alaska Percent of Global Supply: 26%

Alaska competes with Pacific halibut from Russia and Canada. Steadily increasing Atlantic halibut harvests now represent 39% of global supplies - an especially strong competitor on the U.S. Eastern seaboard.

Pollock

Alaska Percent of Global Supply: 43%

Alaska pollock competes with Russian pollock, as well as tilapia and pangasius - farmed species whose combined production is more than twice that of pollock.

Salmon

Alaska Percent of Global Supply: 11%

Despite large wild salmon harvests in Alaska, farmed salmon production outnumbers wild 2.8-to-1. Farmed production increased 74% between the 2009 and 2019, to 2.8 million metric tons.

Cod

Alaska Percent of Global Supply: 13%

Alaska's Pacific cod harvests pale in comparison to those of Atlantic cod. And Russia's Pacific cod harvests exceeded Alaska's in 2020 for the first time in decades, based on preliminary data.

Crab*

Alaska Percent of Global Supply: 6%

Alaska is known for its crab, but Canada produces more snow crab while Russia produces more king crab. Pacific Northwest states also produce more Dungeness than Alaska.

Source: FAO, NOAA, ADF&G. 2019 data.

*King, snow, tanner, and dungeness crab only.

INDUSTRY TAX REVENUES

Commercial fishing and processing businesses incur substantial costs to operate in Alaska, including taxes, fees, and self-assessments of more than \$163 million in FY 2019. These revenue sources include:

- **Unencumbered taxes** are used to fund local, state, and federal government. The Fisheries Business Tax is the largest of these taxes and is paid by shorebased processors based on a percentage of value. It is especially important as half of the receipts are distributed to local governments, many of which have few other sources of revenue. Several local governments also assess their own local fish taxes on processors. Taxes not included due to a lack of data include property taxes and federal income taxes, among many others.
- **Agency fees and cost recovery** collections are designed to pay for specific services provided by state/federal agencies and nonprofit hatchery operators. State fees on permits, leases, and vessels, are generally used to pay for administrative costs associated with commercial fishery management. Federal cost recovery fees are collected for halibut, sablefish, crab, and other fisheries. Salmon hatcheries, which benefit many user groups, are funded almost entirely through cost recovery harvests and enhancement taxes derived from the commercial fishing industry. Data were not available for a number of other agency fees, including those related to business licensing, port and harbor fees, vessel documentation fees, and federal fishery endorsements, among others.
- **Industry self-assessments** are collected to fund industry-supported projects, such as seafood marketing efforts through the Alaska Seafood Marketing Institute and Regional Seafood Development Associations.

The above taxes and fees collected on the industry are distributed as follows:

49% (\$81 million) State Government	27% (\$45 million) Local Government	17% (\$27m) Hatcheries	7% (\$11m) Fed Gov
--	--	---------------------------	--------------------------

	2019, \$millions
Taxes	\$81.6
Fisheries Business Tax	\$45.4
Fisheries Resources Landing Tax	\$12.5
Marine Motor Fuel Tax	\$2.8
Corporate Income Tax	\$2.8
Local Raw Fish and Other Taxes	\$18.1
Agency Fees & Cost Recovery	\$60.7
CFEC Permit and Vessel Fees	\$7.1
Crew License Sales	\$3.5
Test Fishery Receipts	\$3.4
Processing/Mariculture/Other Fees	\$6.7
Salmon Hatchery Cost Recovery*	\$27.0
Federal Cost Recovery Fees - Federal Share	\$8.0
Federal Cost Recovery Fees - State Share	\$1.6
Federal Observer Program	\$3.2
Industry Self-Assessments	\$21.0
Seafood Marketing (ASMI)	\$10.0
Salmon Enhancement	\$6.6
Seafood Development (RSDAs)	\$3.6
Dive Fishery Management	\$0.8
Total	\$163.2

Note: Data are for FY 2019. Totals may not sum due to rounding.

Sources: ADOR, CFEC, DCCED, ADF&G, NMFS, OMB, & McKinley Research Group.

LOWERING THE COST OF LIVING IN ALASKA



Photo courtesy Alaska Marine Lines.

The seafood industry provides economies of scale and economic activity which lowers the cost of utilities, shipping, fuel, and local taxes for residents in many Alaska communities. Fishing communities also benefit from marine infrastructure and support services, which are more developed due to the presence of the commercial seafood industry.

The majority of Alaska's consumer freight is a one-way, northbound haul. Shipping seafood on southbound routes provides "backhaul" revenue for shippers, allowing for more competitive rates on northbound freight. Alaska's seafood industry ships approximately one billion pounds of finished product southbound each year, or the equivalent of roughly 23,000 containers.

"Everyone benefits from the seafood industry, especially smaller communities in Western Alaska," says Kevin Anderson, president of Alaska Marine Lines, a barge transportation company that provides service between Seattle and nearly 100 ports and villages throughout Alaska. "Our ability to serve smaller communities, like those in Bristol Bay, would be drastically reduced without the prospect of southbound seafood shipments. Instead of six or seven sailings per year there might only be enough freight to support one or two."



Southbound Seafood Shipments

*About One Billion
Pounds per Year*

2020 SEASON AND IMPACT OF COVID-19

Alaska's fishing industry is resilient. Most years, a weak season for one species is offset by a strong year for another. But in 2020 the industry suffered both from widespread COVID-19 impacts and from biological factors in several key fisheries. Impacts varied widely by fishery, but the following key themes are evident.

Participation Down Steeply in All Sectors in 2020

Participation by Alaska commercial fishermen dropped 12% for permit holders and 28% for crew in 2020 compared to the prior year - a decline of 1,058 skippers and 6,555 crewmembers, respectively. Peak processing employment declined 21% (a drop of 4,290 employees), as companies struggled to fill positions and reconfigured operations to increase social distancing.

COVID-19 Contributed to Widespread Revenue Declines

Ex-vessel value declined 27% from \$2 billion in 2019 to \$1.5 billion in 2020, with impacts felt across every major species group. First wholesale value declined slightly less at 21% - representing roughly a billion dollars in reduced revenue to processors.

These value declines were due to both lower salmon returns unrelated to the virus and covid-related price declines due to stalled demand from the foodservice sector as restaurants were closed. Production value was also impacted in some cases by a shift to lower value product forms due to the inability to fully staff processing plants.

Substantial Costs to Keep Employees and Communities Safe

In 2020, processors spent an estimated \$70+ million in COVID mitigation costs, primarily on charter travel, quarantine facilities, security, and COVID screening and testing. Mitigation costs to harvesters are not as well quantified, but were also significant along with impacts to fishing schedules and other consequences.

Government aid helped offset COVID-19 mitigation costs and revenue declines to some. While funds flowed quickly to communities, distribution to industry was less efficient, with a patchwork of programs, a lack of programs for processors, and gaps in access.



Starting in March 2020, processors worked with the State of Alaska, public health providers, and communities to understand current national health guidance and comply with the most comprehensive and restrictive COVID-19 mandate in the State of Alaska.

Processors are integral to the coastal economies of Alaska and were one of the only industries that stayed operational for those communities in 2020.

As vaccinations became available in early 2021, processors focused on increasing vaccination rates in the workforce as the primary new tool to protect public health and the local community.

PARTIAL RECOVERY IN 2021

Some aspects of the Alaska seafood industry may be back to “normal” in 2021, but some of the changes brought by the pandemic may have long-term consequences. It is too early to determine how these changes might affect the long-term economic impacts of Alaska’s seafood industry.

2021: A Partial Rebound

Much of Alaska’s seafood economy made at least a partial recovery in 2021. Seafood industry value is expected to be up in 2021 from the lows reported in 2020 - as shown in the chart showing export values below. These increases in value are driven in part by larger harvests (including much stronger salmon runs) but also due to pandemic-influenced increases in seafood prices and reductions in operating risks and costs compared to 2020.

Industry employment is also up in 2021, with preliminary data showing Alaska’s peak seafood processing employment recovering roughly half of the losses seen in 2020, but still down more than 10% from 2019 levels.

Supply Chain Disruption and Inflation

High shipping costs are a key lingering consequence of the pandemic as of the end of 2021. International shipping costs for Alaska’s processors increased by a factor of three or more in 2021, due to a shortage of empty containers, unprecedented congestion at ports, and other issues as the

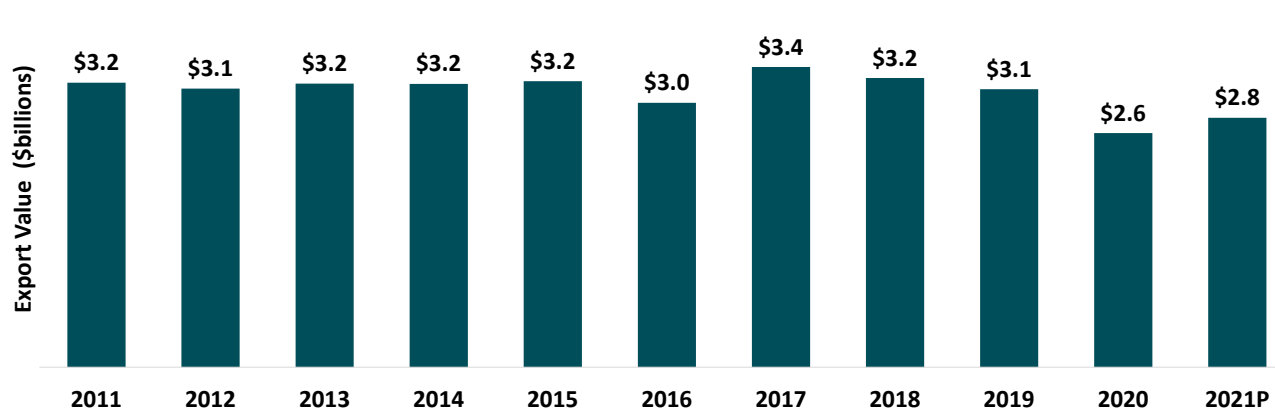
pandemic-impacted economy recovered and demand for goods soared.

Labor costs for Alaska seafood processors have increased steadily for many years, but jumped even higher in 2021, as evidenced by a 28% increase in the “prevailing wage” rate set by the U.S. Department of Labor for H-2B visa workers.

New Seafood Customers and Increase in Seafood Consumption

Food was one of the sectors of the global economy most impacted by the pandemic. Widespread closures of foodservice establishments rapidly curtailed demand from buyers that typically serve a large share of Alaska’s seafood and pay the highest prices. But in the long run, the pandemic introduced more consumers to buying and cooking seafood at home, especially in the promising domestic market.

Grocery stores in the United States reported record seafood sales during the pandemic and these sales remained elevated above pre-pandemic levels even as foodservice spending recovered in summer and fall 2021.



Alaska Seafood Export Value, 2011-2020 and 2021 Projected

Source: NOAA and McKinley Research Group estimates.

Prepared for:



Alaska Seafood Marketing Institute

Prepared by:



Formerly McDowell Group

