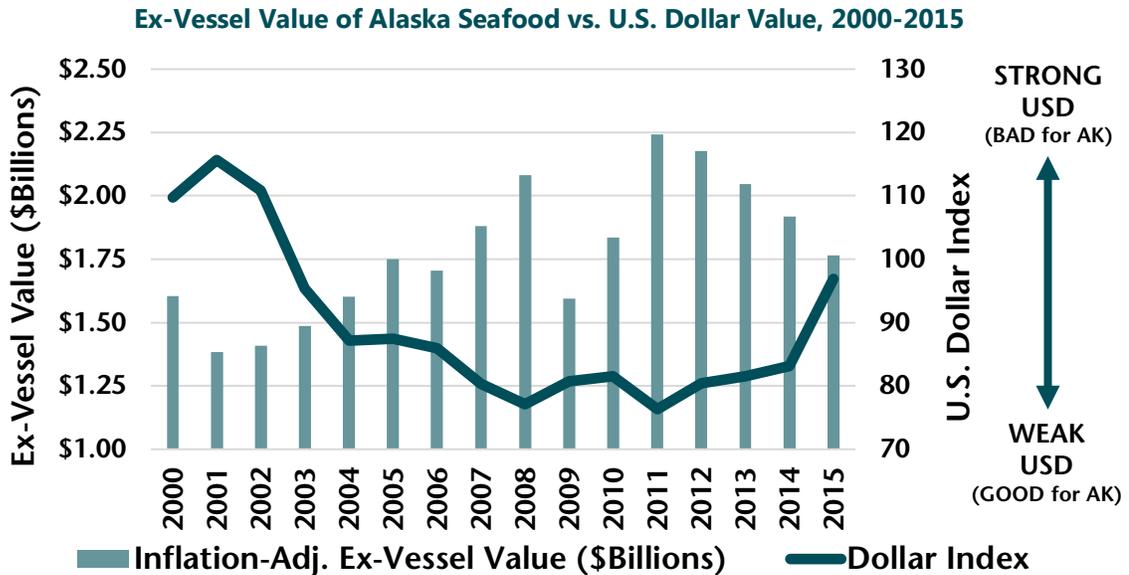


# Impact of Currency Exchange Rate Movements

— December 2016 —

The value of Alaska seafood products is heavily influenced by currency exchange rates, in addition to market supply, market access, and consumer demand. Exchange rates impact all Alaska species, as they alter the value of Alaska products in foreign markets and affect the value of imported competing products in domestic markets. Exchange rates have generally moved against Alaska since 2011 and seafood harvest values have declined.



Source: McDowell Group estimates based on ADF&G and NMFS, and Investing.com DXY index data.

A strong dollar is generally bad for Alaska seafood producers. A currency is said to be “stronger” if it becomes more valuable relative to other currencies. This means it takes more of a weaker currency to buy products denominated in a stronger currency. Therefore, if the value of the dollar strengthens versus the euro, as it has done in recent years, Europeans must pay higher prices in euros to buy the same amount of Alaska seafood products (assuming prices remain stable). Typically, a stronger U.S. dollar results in decreased demand for American goods and lower prices denominated in dollars.

The U.S. dollar index increased (i.e. strengthened) 27 percent between 2011 and 2015 – a primary reason why the ex-vessel value of Alaska seafood fell 17 percent during that time. The U.S. dollar index is roughly unchanged in 2016 compared to last year’s average. However, there are some notable movements against specific currencies. Rate movements in Alaska’s largest foreign market, Japan, have been favorable this year. Unfortunately, currencies of Alaska’s largest competitors have continued to weaken. In summary, exchange rates remain extremely challenging for Alaska producers but outside of the British pound and Russian ruble, most rates have not slid as much in 2016 as they did in the previous 18 months.

*See table on following page.*



### Historical Exchange Rates of U.S. Dollar vs. Foreign Currencies

Market & Currency	2015	2016	USD Change	Species Affected
Euro (Europe)	0.901	0.899	-0.3%	Pollock, Cod, Sole, Salmon, Surimi
Japanese Yen	121.1	108.0	-10.8%	Salmon, Sablefish, Cod, Roes, Surimi, Crab, POP, Atka Mackerel, Dive Species
Canadian Dollar	1.278	1.324	+3.6%	Salmon
Russian Ruble*	61.2	67.5	+10.3%	Pollock, Salmon, Crab, Cod
Norwegian Kroner*	8.07	8.39	+4.0%	Salmon & Cod
Chilean Peso*	654	683	+4.4%	Salmon
<b>U.S. Dollar Index</b>	<b>96.8</b>	<b>96.5</b>	<b>-0.3%</b>	<b>All Species</b>

Note: All currencies are show in terms of how much foreign currency is required to purchase one U.S. dollar. Beneficial rate movements for Alaska seafood producers are negative, and shown in green. \* indicates competing seafood producers.  
Source: OANDA.com.

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