



State of Alaska Seafood Markets 2023

McKinley Research Group

- Research and consulting since 1972
- Economic Analysis, Feasibility Studies, Community Economic Planning, Business Development, Survey Research and more
 - 20+ years of support for ASMI
- Conducted 100+ economic impact studies including Alaska's:
 - Seafood Industry (ASMI)
 - Construction (AGC)
 - Oil and Gas Industry (AOGA)
 - Mining Industry (AMA/CAP)
 - And many more
- McKinley Management family



What you will hear this morning...

- Value and economic impacts of the Alaska seafood industry
- Market factors driving 2023 prices
- 2024 season preview

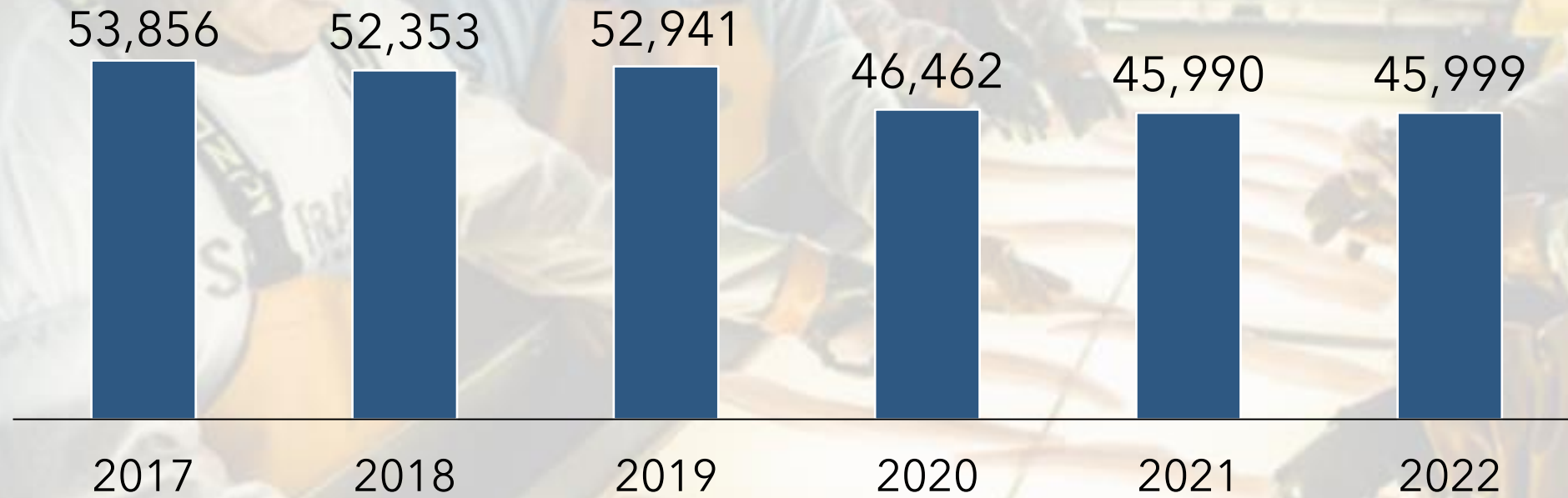
Seafood Economic Impact Key Findings 2021/2022

- 46,000 workers, \$1.6 billion earnings
- More than \$161 million paid in taxes/fees
- Trend of lower employment
- Many 2022 prices highest on record

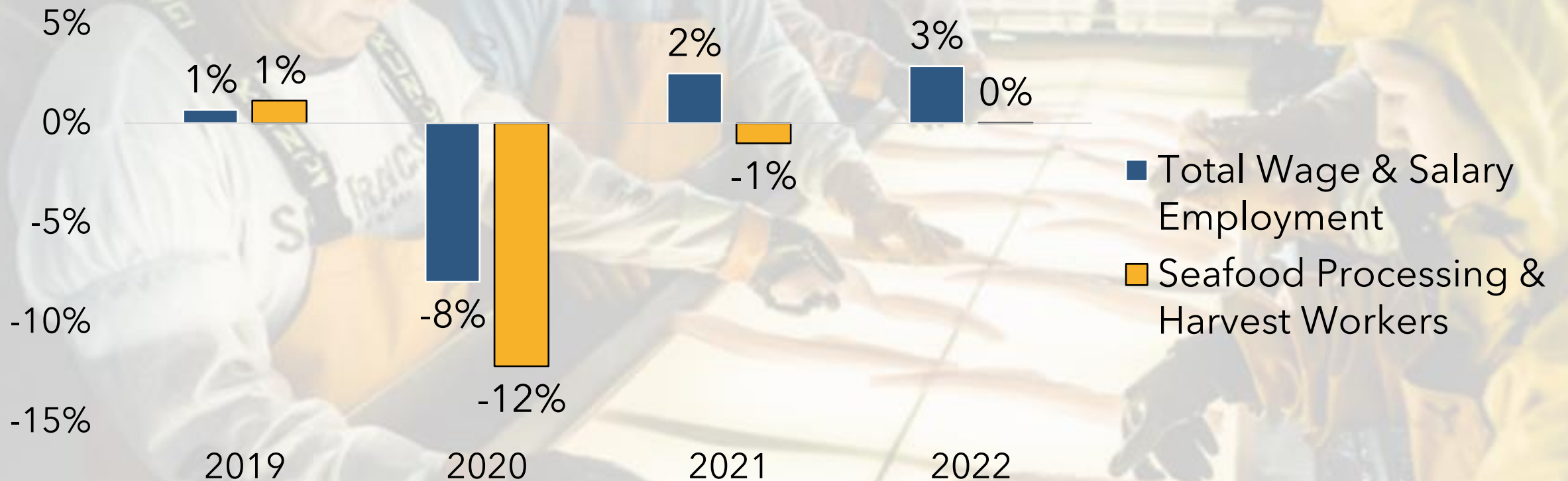


Seafood Industry Workers

Number of Alaska Seafood Harvesting and Processing Workers, 2017-2022



Annual Percentage Change in Employment, 2019-2022



2022 Prices

Lowest harvest volume in a decade

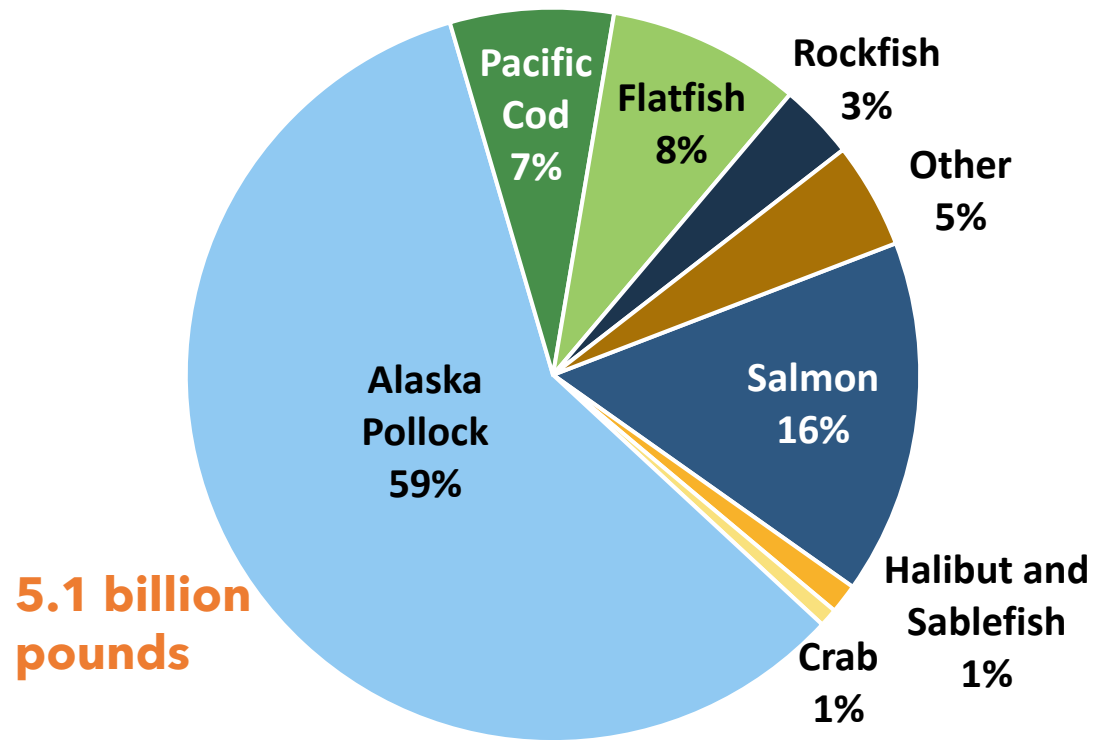
Record high ex-vessel and first-wholesale prices (on average across all products)

Highest harvest value in a decade

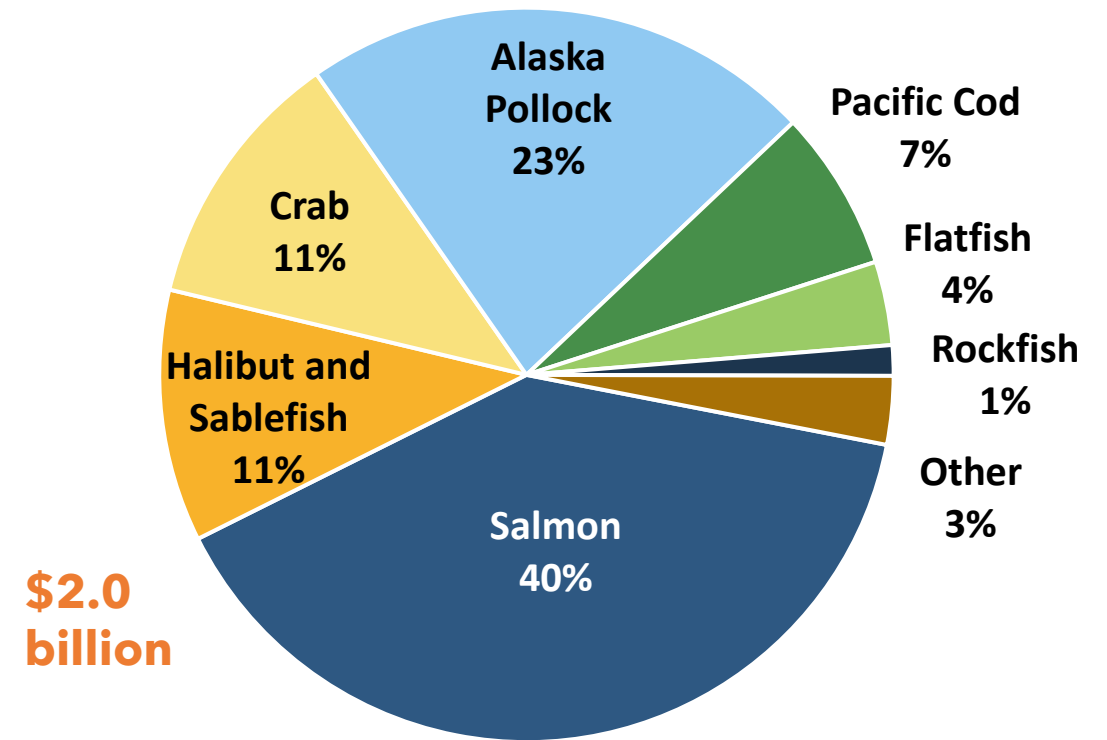


Alaska's Fisheries Ex-Vessel Volume and Value

2021/2022 Average Harvest Volume

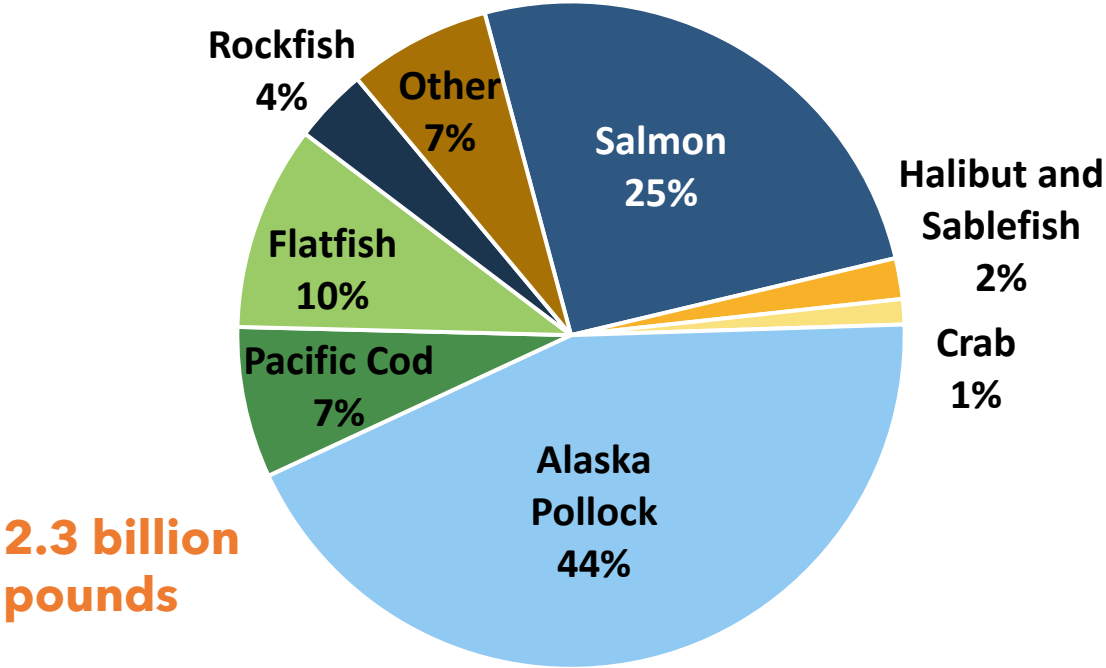


2021/2022 Average Ex-Vessel Value

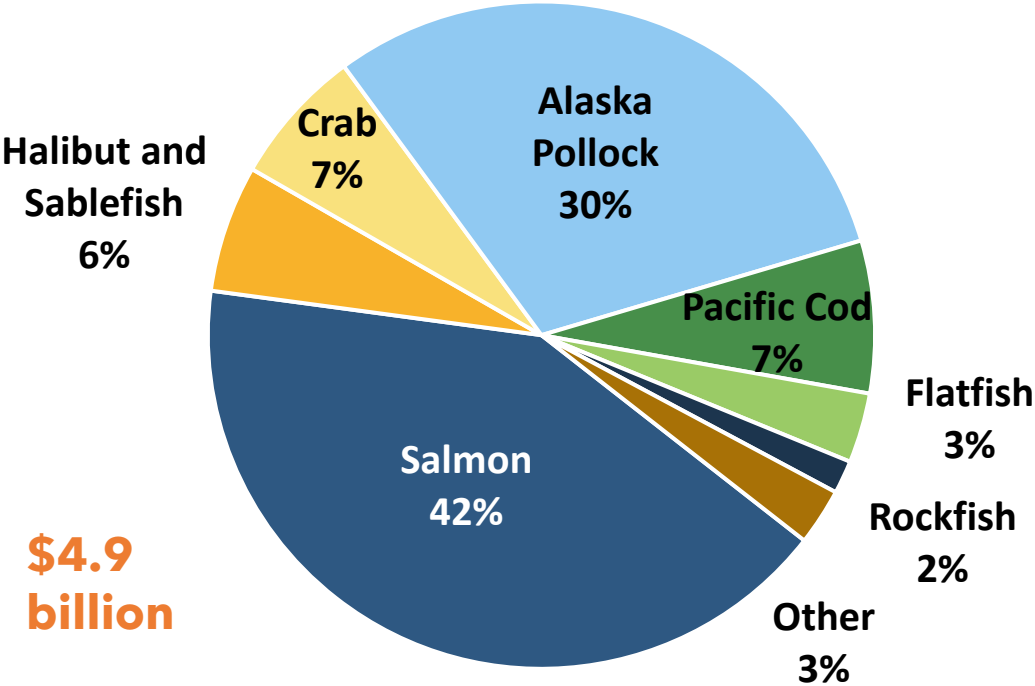


Alaska's Fisheries First Wholesale Volume and Value

2021/2022 Average First Wholesale Volume



2021/2022 Average First Wholesale Value



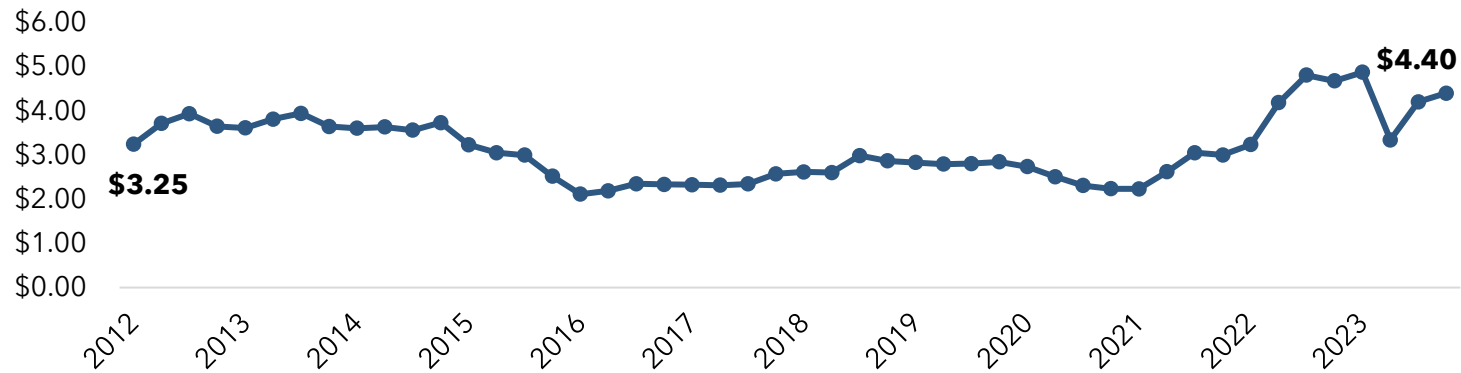
2023 Market Conditions



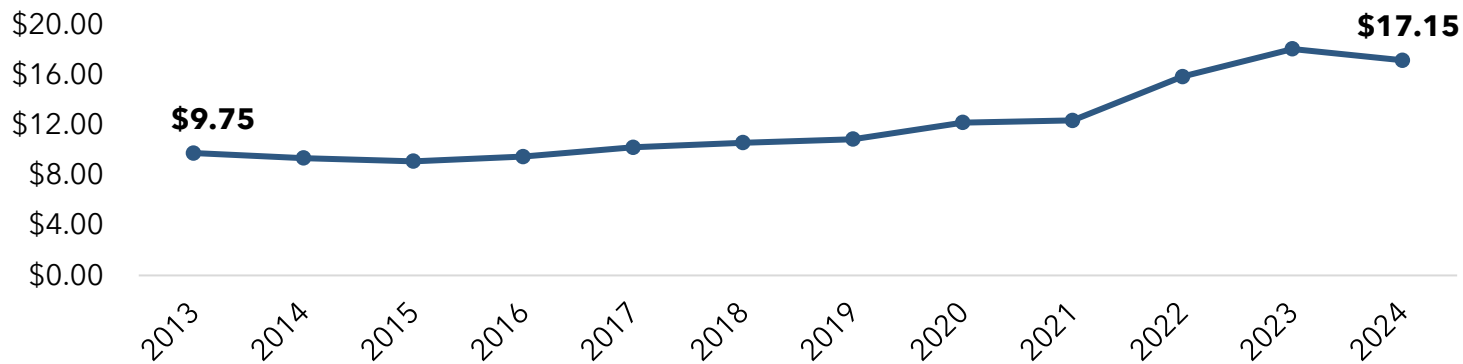
McKINLEY RESEARCH
GROUP, LLC

High Harvest/Production Costs

Alaska #2 Marine Fuel \$/Gallon



H-2B Prevailing Wages



2023 Prices

ucn undercurrentnews
SEAFOOD BUSINESS NEWS AND DATA

NewsDataSpeciesRegionsEventsReportsJobsmyucn

Sam

Alaska's big commercial salmon harvest comes with steep overall price drop

This year's ex-vessel value for the US state of Alaska's commercial salmon fishery is one of the lowest since 1975

By [Kirsten Dobroth](#) | Nov. 1, 2023 15:23 GMT



Alaska pollock prices have nosedived but industry execs see light on the horizon

Many blame an influx of Russian product for prices that have fallen significantly in the last year.

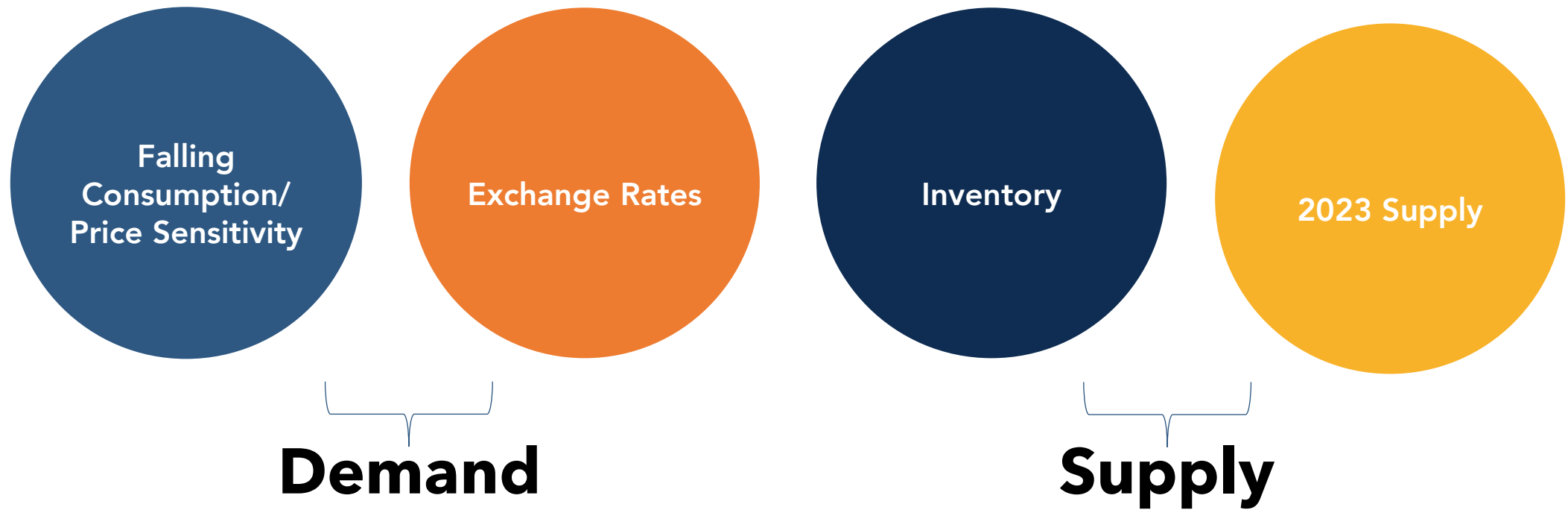
18 September 2023 8:00 GMT UPDATED 18 September 2023 7:58 GMT

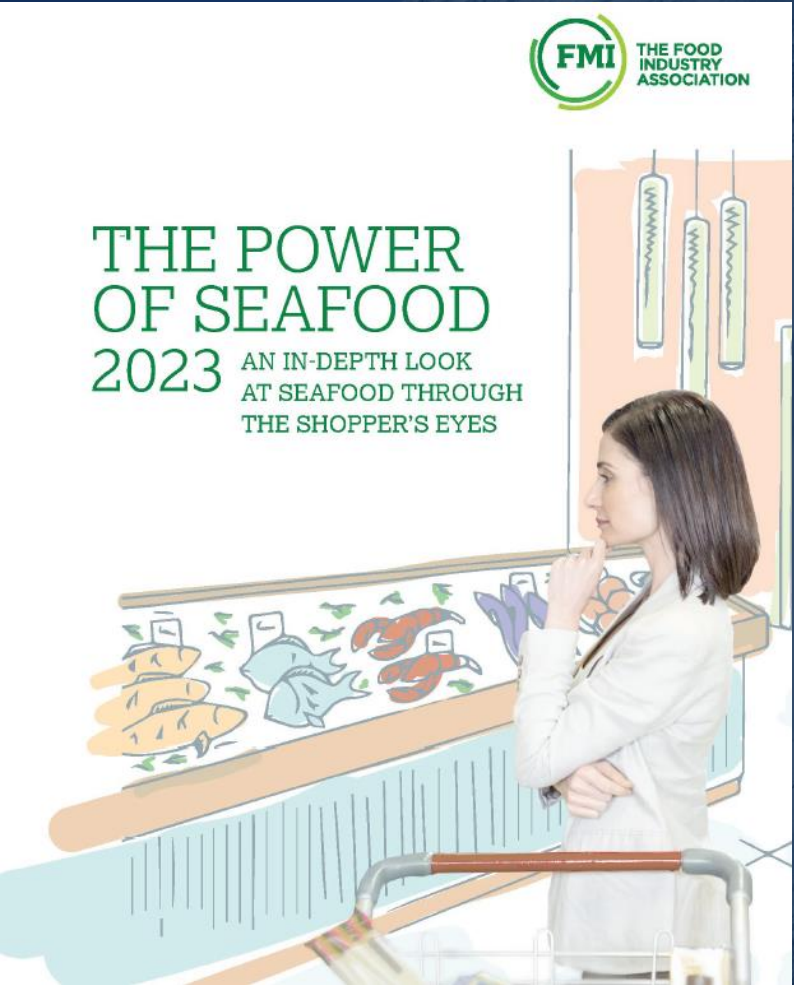
By [Rachel Sapin](#) and [Dominic Welling](#)

The Winding Glass: Seafood Industry Not Alone as Consumers Rotate Away From Expensive Products

By [John Sackton](#)
Founder, SeafoodNews
October 24, 2023

Factors Contributing to Lower Prices in 2023





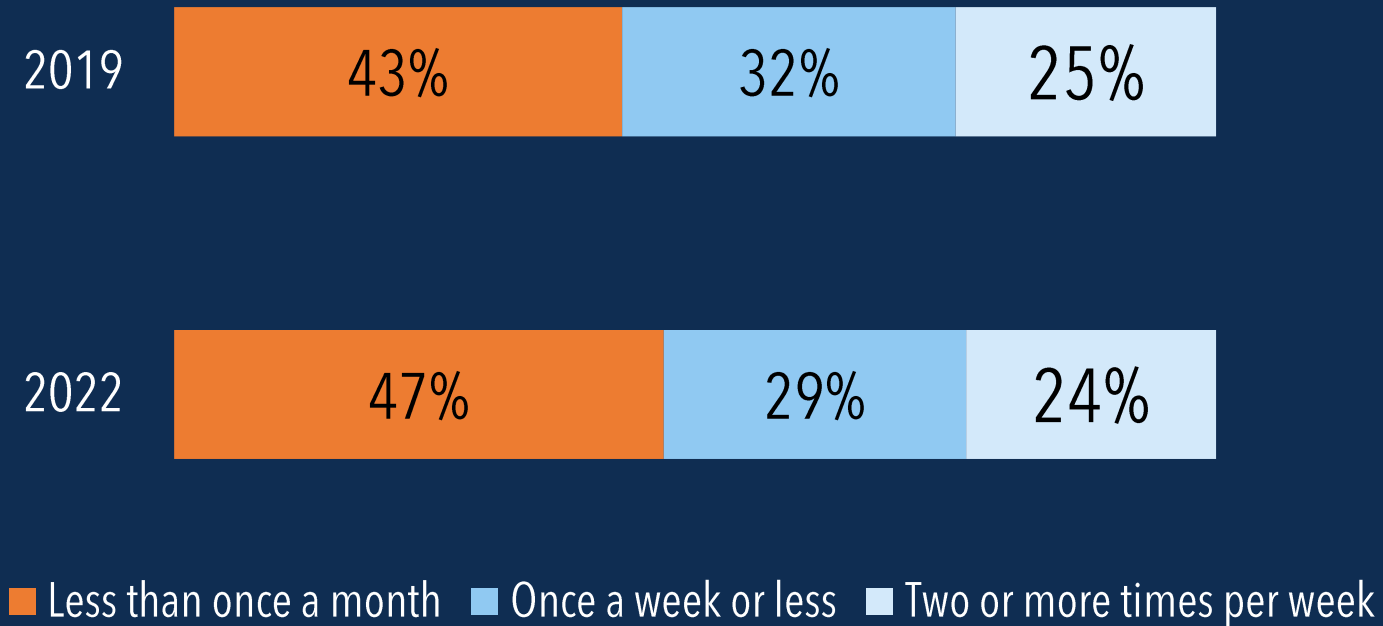
U.S. Retail Demand

Retail Sales Volumes (unit sales volume), 2019-2022

	2019	2020	2021	2022
Frozen	612M	797M	779M	686M
Fresh	731M	892M	860M	726M
Shelf Stable	1.3B	1.5B	1.3B	1.3B
Total Seafood	2.6B	3.2B	2.9B	2.7B

Source: FMI Power of Seafood 2023 and 210 Analytics

U.S. consumers by frequency of seafood consumption



Source: FMI Power of Seafood 2023 and 210 Analytics

“For most ... **Americans who are reducing their seafood consumption** frequency, the reasons for including less seafood in their diets is either **inflation or prices overall** (47%) or the price of seafood compared to other proteins (38%).”

*A strong dollar makes
Alaska seafood less
competitive in
foreign markets.*

EXCHANGE RATES

Strong Dollar / Weak Yen

Japanese Yen to U.S. Dollar Spot Exchange Rate



Source: FRED, Federal Reserve Bank of St. Louis

Inventory

- High inventory from 2022 can still impact price in 2023
- Record size of 2022 Bristol Bay sockeye harvest
- Whitefish inventories high in Europe
- Longevity of 2022 Russian king crab in U.S. inventory



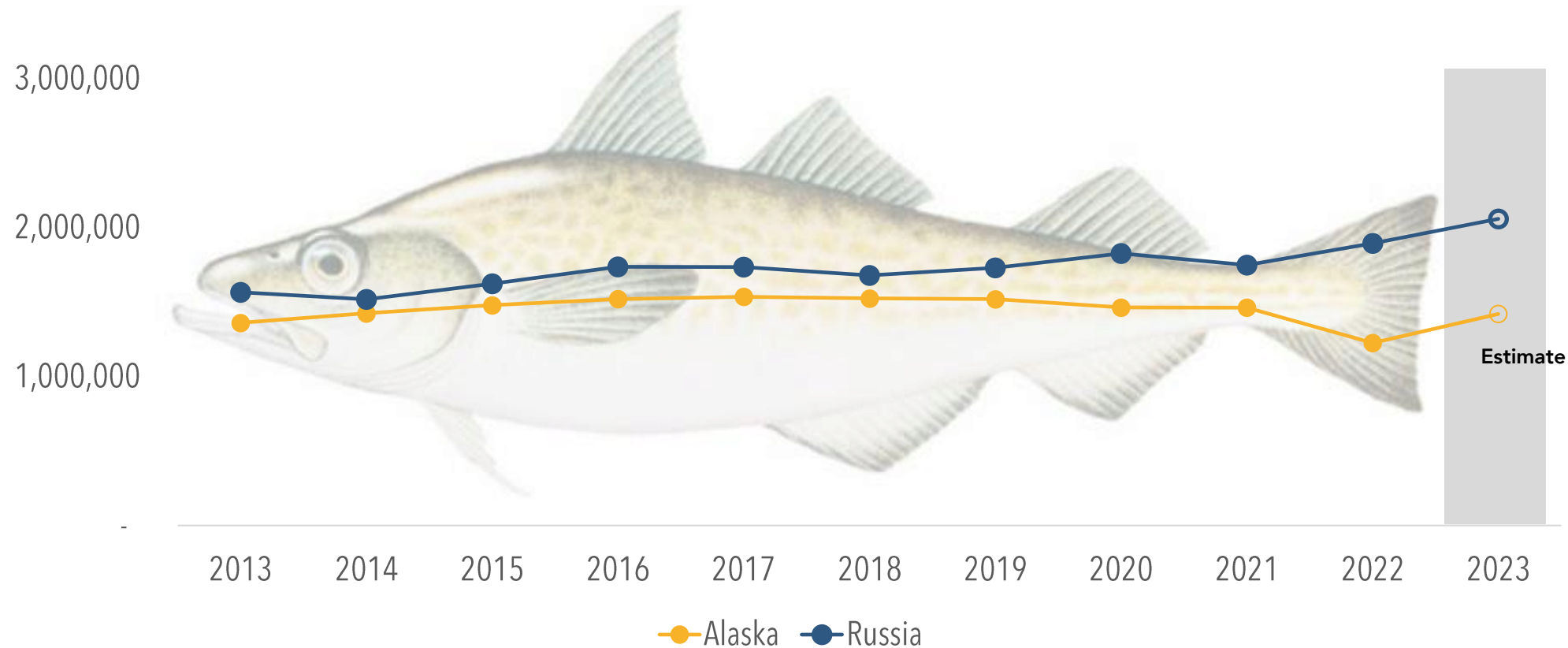


Russian Harvest and Exports

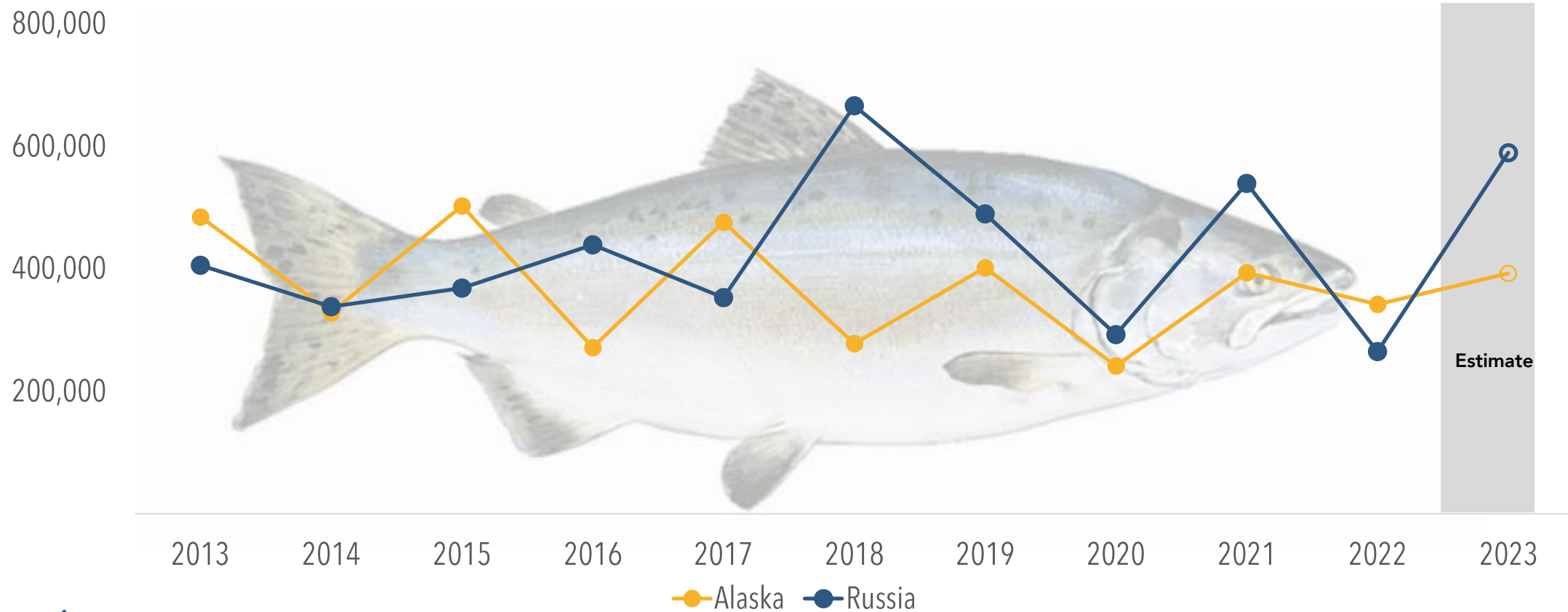


McKINLEY RESEARCH
GROUP, LLC

Alaska and Russia Harvest of Pollock (mt), 2013-2023 estimated



Alaska and Russia Harvest of Salmon (all species, metric tons), 2013-2023 estimated





2024 Season Preview

- 2023/2024 is first Bristol Bay red king crab harvest since 2020/2021 season
- 2024 preliminary Bristol Bay forecast: one third smaller than 2023
- Potential for high pollock harvest
- Opportunities from recent decreases to retail seafood prices

Thank you



McKINLEY RESEARCH GROUP, LLC

3800 Centerpoint Drive, Suite 1100 | Anchorage, AK 99503 | (907) 274-3200

801 W. 10th Street, Suite 100B | Juneau, AK 99801 | (907) 586-6126

info@mckinleyresearch.com

McKinley Research Group, LLC is a team of respected professionals with 50 years experience providing research, consulting, and advisory services to clients seeking answers to questions and solutions to organizational complexities.

mckinleyresearch.com

