Alaska Seafood Marketing Institute

APRIL 2024

THE ECONOMIC VALUE OF ALASKA'S SEAFOOD INDUSTRY

McKINLEY RESEARCH GROUP, LLC

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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, benefiting 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.

INTRODUCTION ASMI contracted with McKinley Research 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, 2020, and 2022), this report details the regional, statewide, and national economic impacts of Alaska's seafood industry.

ASMI recognizes the importance of analyzing and sharing the broad economic impacts of the seafood industry. Alaska's seafood industry covers vast areas of the state but is not always well represented in traditional employment data sources.

METHODS This report uses averaged 2021-2022 data, except where otherwise noted. The practice of using two-year averages to assess industry economic impacts is used to reduce the effect of year-to-year volatility in seafood harvests.

Data sources used in this study 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

AYK: Arctic/Yukon/Kuskoskwim

BSAI: Bering Sea and Aleutian Islands

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.

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.

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.

LABOR INCOME: Wages, salaries, bonuses, employer-paid benefits, and sole proprietors' income earned by seafood industry participants.

LANDINGS: Landings refer to the ex-vessel volume and value of seafood unloaded at fishing ports. Landings statistics in this report are from the National Marine Fisheries Service's "Top U.S. Ports" statistics. Dutch Harbor has been the top U.S. port by volume for 25 years.

SECONDARY IMPACTS: Additional economic impacts resulting from business and household spending related to the Alaska seafood industry (i.e. multiplier effects). For example, revenue generated by a maritime supply company that provides equipment to the seafood industry.

WORKER COUNTS: The total number of people earning income in the industry.

EXECUTIVE SUMMARY

On average in 2021/2022, 48,000 workers were directly employed in Alaska's seafood industry, earning $1.8 billion in total labor income annually.

Alaska's commercial fisheries employed 24,300 fishermen who earned total labor income of just over $1.0 billion. Seafood processors employed 20,000 workers on average in the 2021/2022, paying nearly $530 million in labor income. An additional 3,700 workers in Alaska were directly employed in fisheries management and salmon hatcheries, resulting in $248 million in labor income.

The seafood industry contributed nearly $6.0 billion in annual economic output to Alaska's economy in 2021/2022 and a total of $2.3 billion in labor income. This measurement includes all the economic activity supported by harvesting, processing, support sectors and secondary impacts as a result of industry spending circulating in Alaska's economy.

Note: Sum of regional worker counts is greater than statewide count due to workers employed in multiple regions

TOTAL IMPACTS 2021/2022 AVG (INCLUDING SECONDARY IMPACTS)

48,000
WORKERS

$2.3B
LABOR INCOME

$6.0B
ECONOMIC OUTPUT

IMPACTS BY SECTOR 2021/2022 AVG

	Workers	Labor Income
Commercial Fishing	24,300	$1.0 billion
Processing	20,000	$528 million
Fisheries Management	3,700	$248 million
TOTAL	**48,000**	**$1.8 billion**
Secondary	–	$484 million
TOTAL	–	**$2.3 billion**

FEEDING THE WORLD WITH SUSTAINABLE FISHERIES

- The Alaska seafood industry harvested **4.8 billion** pounds of seafood, worth **$2.0 billion**, in 2022.
- Processors turned this harvest into **2.3 billion pounds** of product worth **$5.2 billion**.
- Alaska harvest is more than **60% of the total United States seafood harvest** and 1.3% of the global seafood harvest (including wild capture and aquaculture).
- Alaska is among the largest global producers of many fish and shellfish species including sockeye salmon, Alaska pollock, Pacific cod, sablefish, yellowfin sole, and tanner crab.

SUPPORTING COASTAL ALASKA COMMUNITIES

- The seafood harvesting and processing sectors employed **17,000 Alaskans from more than 142 communities** annually in 2021/2022. The seafood industry is often the largest employer and taxpayer in coastal Alaska communities.
- Seafood processing employs more workers than any other manufacturing sector in Alaska.
- The seafood industry was the **largest source of municipal tax revenue for 11 municipal governments** in 2022.
- The industry paid more than **$161 million in taxes** (most to state and local governments), fees, and self-assessments in 2022.
- The seafood industry provides economies of scale and economic activity which lowers the cost of utilities, shipping, and fuel for residents in many coastal Alaska communities.

COMMERCIAL FISHING SECTOR

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

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 cultural tradition.

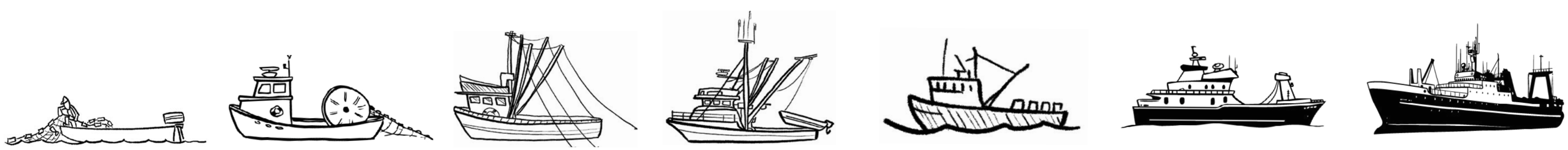
Regardless of vessel size or involvement, each fishing operation represents a business generating income from a renewable resource. These businesses spend money throughout the economy, and provide the raw materials on which the rest of the seafood economy is based.

KEY FIGURES 2021-2022

	2021	2022
Skippers & Crew	**24,200**	**24,300**
Skippers	7,500	7,400
Crew	16,700	16,900
Percent Alaska Residents	**54%**	**53%**
Fishing & Related Vessels	**8,400**	**8,200**
Ex-Vessel Value	**$2.0B**	**$2.0B**
Harvest Volume (pounds)	**5.3B**	**4.8B**

2022 FIGURES

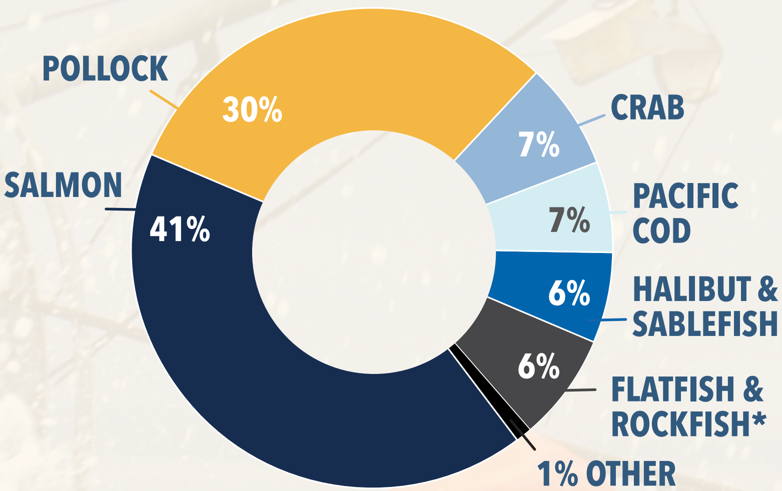
If all the vessels used in the Alaska seafood industry were lined up bow to stern they would stretch on for nearly 64 miles!



LENGTH (FEET)	<23′	23′ - 32′	33′- 49′	50′ - 58′	59′ - 99′	100′ - 199′	200′+
COUNT	1,845	2,953	2,015	699	354	278	36

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

FIRST WHOLESALE VALUE BY SPECIES 2021/2022 AVG.



PROCESSING SECTOR WORKFORCE AND VALUE ADDED, 2021-2022

	2021	2022
Peak Monthly Emp.	17,689	17,981
Avg. Monthly Emp.	8,302	7,988
Total Worker Count	19,300	20,700
% Alaska Resident Workers	20%	19%
Total Earnings	$484M	$547M
% Alaska Resident Workers	29%	30%
Ex-Vessel Value	$2.0B	$2.0B
First Wholesale Value	$4.7B	$5.2B

*Includes Atka mackerel.

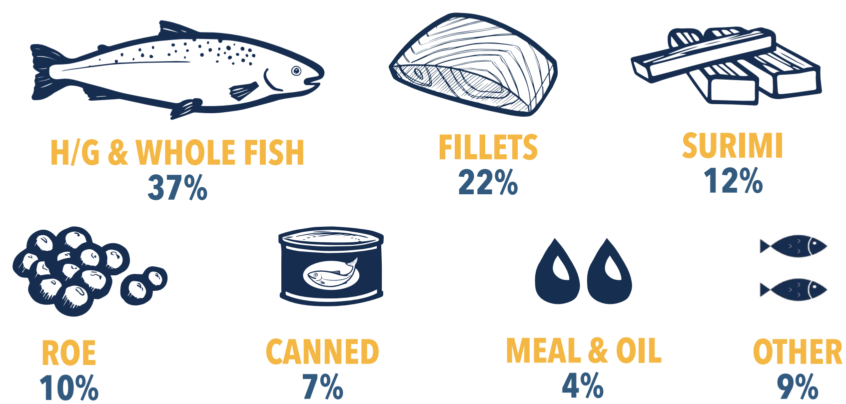
SEAFOOD PROCESSING SECTOR

Nearly all of Alaska's seafood products go through the hands of seafood processors, who add value by turning raw fish and shellfish into a wide variety of products for markets around the world. Seafood processing is the largest manufacturing sector in Alaska, accounting for 66% of the state's manufacturing employment in 2022. Most of Alaska's seafood processing occurs in high cost, remote communities located off the road system.

Alaska's fisheries are diverse, and all are part of creating a viable seafood industry. Most of Alaska's processors buy and process multiple species from across many gear groups and fisheries to remain viable. This allows larger volume fisheries to keep plants running for smaller volume fisheries, and helps communities weather fluctuations in harvest and markets.

The seasonality and location of many Alaska fisheries, especially salmon, result in a reliance on both resident and nonresident workers to fully staff processing jobs at remote sites across the state. Residents earn a higher average wage because they are more likely to be employed in management and highly skilled 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 147 shore-based plants, 44 catcher-processors, about 33 floating processors, and various other participants.

FIRST WHOLESALE BY PRODUCT TYPE 2021/2022 AVG.



MANAGEMENT AND HATCHERY EMPLOYMENT

In addition to work in harvesting and processing seafood, the Alaska seafood industry directly employed an estimated 3,700 people annually in 2021/2022 in fisheries management sectors, which include commercial fishing regulation and employment at Alaska salmon hatcheries.

The efforts of hundreds of biologists, managers, and policymakers support sustainable management of Alaska's fisheries. 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 the National Oceanic and Atmospheric Administration (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.

Alaska's salmon hatcheries employ managers, biologists, and technicians at 30 facilities around the state with a mission to enhance salmon harvests. Most of the hatcheries are operated by one of eight private nonprofit organizations.

DIRECT SEAFOOD INDUSTRY EMPLOYMENT OUTSIDE HARVESTING AND PROCESSING SECTORS (MANAGEMENT, HATCHERY AND OTHER), 2021-2022 AVG.

3,700
NUMBER OF WORKERS

2,300
FTE JOBS

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 and 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.

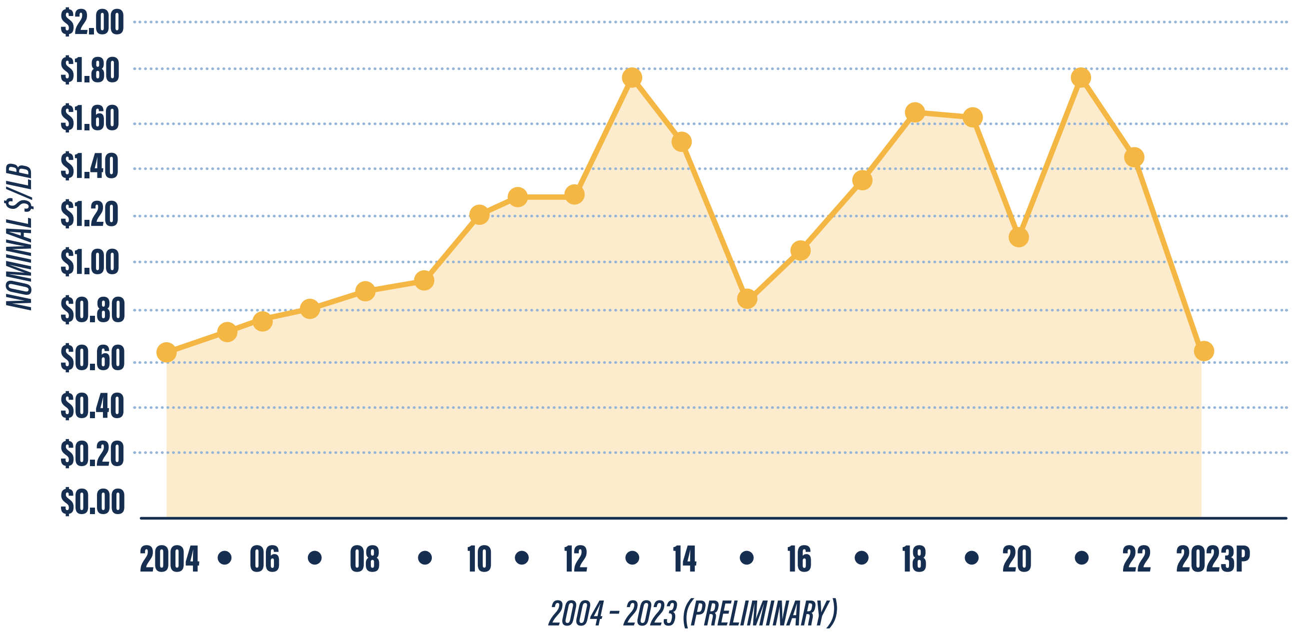
HISTORIC LOW PRICES IN 2023

While total 2023 Alaska ex-vessel and first wholesale value data are not yet available as of April 2024, preliminary data show that prices paid to both fishermen and processors were historically low for many key Alaska seafood species, including two that comprise the majority of both volume and value: salmon and Alaska pollock.

For sockeye salmon, the average 2023 ex-vessel price of $0.65/pound was not only a 50% drop from 2022, but was the lowest ex-vessel price since 2004 in nominal dollars and among the lowest prices on record when adjusted for inflation.

Preliminary salmon harvest prices are usually adjusted up after the harvest year to account for retroactive payments paid to fishermen. Anecdotal reports indicate while retroactive payments will bring the average price above $0.65/pound 2023 will likely remain among the lowest if not the lowest price on record.

ALASKA SOCKEYE SALMON AVG. EX-VESSEL PRICE (NOMINAL $/LB), 2004-2023 PRELIMINARY



KEY FACTORS CONTRIBUTING TO LOWER SEAFOOD PRICES IN 2023

A combination of factors, from local to global, contributed to lower prices for many Alaska, U.S., and global seafood species in 2023:

- **LOWER CONSUMER DEMAND:** In 2023, U.S. seafood retail sales volumes fell below pre-pandemic benchmarks, reversing substantial gains during the pandemic; consumers cite inflation and the rising cost of food as a main factor in moving away from seafood in favor of lower cost land-based proteins.
- **STRONG U.S. DOLLAR:** The U.S. dollar was strong in 2023 compared to currencies of key Alaska seafood importers (especially Japan), making Alaska seafood prices less competitive.
- **LINGERING INVENTORY:** Large 2022 inventory of products including, but not limited to, sockeye salmon, whitefish, and crab from Russia were being held across the supply chain in 2023. This made wholesale and retailers less motivated to buy 2023 products.
- **INCREASED SUPPLY:** Global harvest, including Alaska harvest and competing harvest from Russia, increased for many key Alaska species such as pollock and pink salmon in 2023.

TOP ALASKA PORTS
(BY LANDINGS VALUE), 2022

1. **Naknek/King Salmon**
   $299 MILLION
2. **Dutch Harbor**
   $160 MILLION
3. **Aleutian Islands***
   $144 MILLION
4. **Kodiak**
   $139 MILLION
5. **Alaska Peninsula****
   $91 MILLION
6. **Sitka**
   $78 MILLION
7. **Cordova**
   $76 MILLION

Note: Ex-vessel value of landings in each port/port grouping.
**Includes Adak, Atka Island, False Pass, and Akutan;*
***Includes Chignik, Port Moller, Sand Point,and King Cove*
Source: NOAA

STATEWIDE ECONOMIC IMPACTS

Seafood contributed an annual average of nearly $6.0 billion in economic output to the Alaska economy in 2021 and 2022.

The seafood industry directly employed an average of 48,000 workers in Alaska in 2021/2022. After adjusting for part-time and seasonal jobs, this amounts to 20,900 FTE positions. Through multiplier effects associated with business and household spending, the industry supported an additional 8,200 FTE jobs and $484 million in labor income.

In total, Alaska's commercial seafood industry contributed an average of 29,100 FTE jobs and $2.3 billion of labor income annually to the state's economy in 2021/2022.

An estimated 17,000 Alaska residents were directly employed in the seafood harvesting or processing sectors on average in 2021/2022.

SEAFOOD INDUSTRY IMPACT ON ALASKA'S ECONOMY, 2021-2022 AVG.

	Number of Workers	FTE Jobs	Labor Income	Output
Commercial Fishing	24,300	10,400	$1.0B	$2.0B
Processing	20,000	8,200	$528M	$3.0B
Management/Other	3,700	2,300	$248M	-
Direct Impacts Total	48,000	20,900	$1.8B	$4.9B
Secondary Impacts Total	-	8,200	$484M	$1.1B
TOTAL IMPACTS	-	**29,100**	**$2.3B**	**$6.0B**

2022 FIGURES

HARVESTING

6,000 Resident-owned Fishing Vessels

12,991 Resident Fishermen

$2.0 Billion Harvest Value

4.8 Billion Pounds of Seafood Harvested

PROCESSING

147 Shore-based Processing Facilities

20,700 Shoreside Processing Workers

$5.1 Billion Wholesale Value

2.3 Billion Pounds of Seafood Produced

STATEWIDE SEAFOOD INDUSTRY ECONOMIC TRENDS

	2016	2017	2018	2019	2020	2021	2022
Resident Commercial Fishermen	16,251	16,003	15,789	15,642	13,932	13,071	12,991
Gross Earnings ($ millions)	$632	$688	$654	$662	$450	$783	$788
Avg. Processing Employment	9,814	9,434	8,808	9,095	8,114	8,302	7,988
Peak Processing Employment	21,048	19,940	19,571	20,244	15,954	17,689	17,981
Wages and Salaries ($ millions)	$442	$446	$439	$471	$439	$484	$547
Ex-Vessel Value ($ billions)	$1.7	$2.0	$2.0	$2.0	$1.5	$2.0	$2.0
First Wholesale Value ($ billions)	$4.2	$4.8	$4.5	$4.7	$3.7	$4.7	$5.2

VOLUME AND VALUE OF KEY SPECIES

2021/2022 AVG.

PERCENT OF TOTAL EX-VESSEL VALUE AND VOLUME

	VOLUME	VALUE
POLLOCK	59%	23%
SALMON	16%	40%
FLATFISH & ROCKFISH*	14%	7%
PACIFIC COD	7%	7%
OTHER SPECIES	2%	1%
CRAB	1%	12%
HALIBUT & SABLEFISH	1%	11%

*Includes Atka mackerel.

EX-VESSEL VALUE AND VOLUME BY FISHERY REGION

BSAI
51% VALUE
78% VOLUME

KODIAK
9% VALUE
8% VOLUME

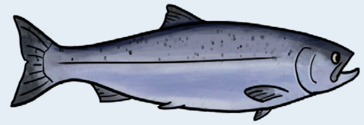
BRISTOL BAY
21% VALUE
6% VOLUME

SOUTHEAST
11% VALUE
4% VOLUME

SOUTHCENTRAL
7% VALUE
4% VOLUME

AYK
<1% VALUE
<1% VOLUME

SALMON



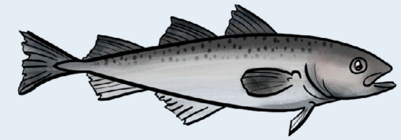
$799 MILLION EX-VESSEL VALUE

$2.02 BILLION FIRST WHOLESALE VALUE

791 MILLION LBS. HARVESTED

$2.55 FW VALUE PER ROUND LB.

ALASKA POLLOCK



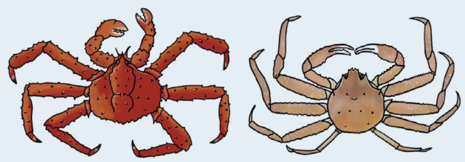
$457 MILLION EX-VESSEL VALUE

$1.48 BILLION FIRST WHOLESALE VALUE

2,965 MILLION LBS. HARVESTED

$0.50 FW VALUE PER ROUND LB.

CRAB



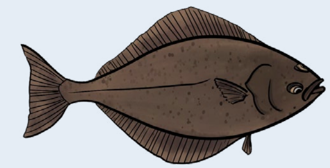
$233 MILLION EX-VESSEL VALUE

$321 MILLION FIRST WHOLESALE VALUE

41 MILLION LBS. HARVESTED

$7.91 FW VALUE PER ROUND LB.

HALIBUT & SABLEFISH



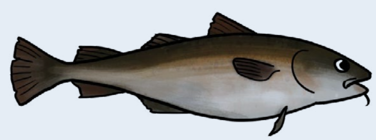
$224 MILLION EX-VESSEL VALUE

$299 MILLION FIRST WHOLESALE VALUE

66 MILLION LBS. HARVESTED

$4.54 FW VALUE PER ROUND LB.

PACIFIC COD



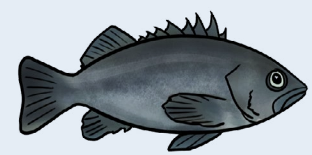
$143 MILLION EX-VESSEL VALUE

$359 MILLION FIRST WHOLESALE VALUE

365 MILLION LBS. HARVESTED

$0.98 FW VALUE PER ROUND LB.

FLATFISH, ROCKFISH, & ATKA MACKEREL



$132 MILLION EX-VESSEL VALUE

$316 MILLION FIRST WHOLESALE VALUE

730 MILLION LBS. HARVESTED

$0.43 FW VALUE PER ROUND LB.

NATIONAL IMPACT

NATIONAL IMPACT OF ALASKA SEAFOOD INDUSTRY, 2021/2022 AVG

	Number of Workers	FTE Jobs	Labor Income	Output
Commercial Fishing	24,300	10,400	$1.0B	$2.0B
Processing	20,000	8,200	$528M	$2.9B
Mgmt./Other	3,700	2,300	$248M	-
Distributors	700	700	$100M	$200M
Grocers	4,000	4,000	$150M	$400M
Restaurants	11,500	11,500	$470M	$1.2B
Direct	64,200	37,100	$2.5B	$6.7B
Secondary	-	44,000	$3.3B	$9.1B
Total	-	**81,100**	**$5.8B**	**$15.8B**

On average in 2021/2022 Alaska's seafood industry supported an estimated 81,100 FTE jobs annually in the U.S. Workers in these jobs earned an estimated $5.8 billion in total annual labor income.

The national economic impact of Alaska's seafood industry includes an estimated 37,100 FTE jobs in fishing, processing, fisheries management, transportation, distribution, and in stores and restaurants. It also includes 44,000 secondary jobs throughout the economy created as a result of spending by businesses in the supply chain.

Among all the participants in the national seafood supply chain, fishermen earn the largest share of labor income at $1.0 billion, or about 41% of all direct labor income generated by Alaska's seafood industry.

U.S. economic output related to Alaska's seafood industry totals $15.8 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.

COMPETING IN A GLOBAL MARKET

Alaska is a major seafood producer on a global scale, producing over 60% of the seafood harvested in the United States. If Alaska were a country, Alaska would rank 9th in wild seafood harvests.

Nevertheless, Alaska seafood is a small part of a global supply chain that encompasses large volumes of competing wild and farmed species. The state's market share varies among species groups.

40% REST OF U.S. HARVEST

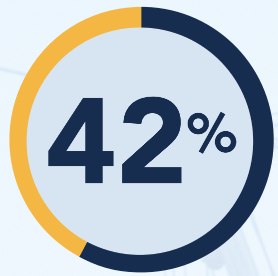
60% ALASKA HARVEST

1.8% ALASKA

98.7% GLOBAL WILD CAPTURE AND AQUACULTURE PRODUCTION

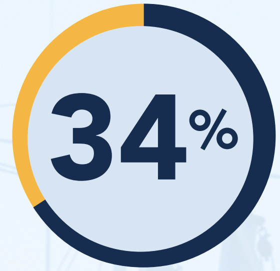
Source: FAO, NOAA Fisheries of the United States, MRG estimates, 2020 data

ALASKA'S PERCENT OF GLOBAL SUPPLY BY SPECIES GROUP



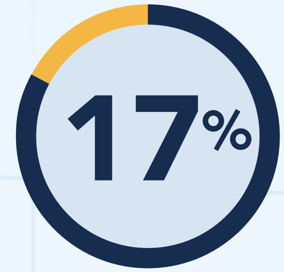
POLLOCK

- Pollock harvested by Russia is the primary competitor
- Farmed tilapia and pangasius are competitors to lesser extent



HALIBUT

- Pacific halibut from Russia and Canada is the primary competitor
- Atlantic halibut harvests have increased in recent years and also compete with Pacific halibut



FLATFISH

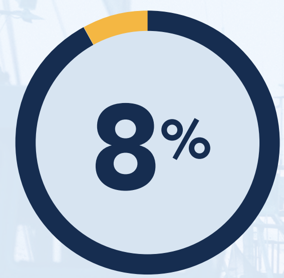
- Alaska is a key global producer of yellowfin sole
- Alaska's flatfish competes with similar species caught in Russia, as well as numerous Atlantic flatfish including European plaice, Greenland turbot, and Dover sole

CRAB*

- Russia is the world's largest harvester of king crab; Canada harvests the most snow crab
- Availability of king crab is severely limited in the U.S. because of sanctions on Russia and reduced Alaska harvest

SALMON

- Farmed salmon and wild salmon from Russia are main competitors
- Farmed salmon production volume outnumbers wild salmon by 3 to 1 and continues to grow



COD

- Alaska's Pacific cod harvest is dwarfed by Atlantic cod harvests
- Russia's Pacific cod harvests exceeded Alaska's in 2021 for the first time in decades

**King, snow, and Dungeness crab only.*

COMPETITION FROM RUSSIA

- Russia is the world's largest producer, and Alaska's principal seafood competitor, for key species such as king crab, pollock and pink salmon.
- Russia banned the import of most United States seafood in 2014.
- The U.S. banned the direct import of Russian seafood in 2022 although Russian seafood still entered the U.S. market after being reprocessed in China. An executive action announced in December 2023 attempts to close this loophole.
- Before sanctions, the U.S. was a key export market for Russian seafood, especially snow crab and king crab. Russia was a small/moderate market for Alaska seafood, importing mainly salmon roe and pollock surimi.

THE NETHERLANDS
$340 MILLION

Much of the Alaska seafood being sold to markets in the European Union and the United Kingdom first enter the region through ports in the Netherlands.

CANADA
$340 MILLION

Exports to Canada include Alaska seafood that is consumed in Canada, as well as products that pass through the country en route to the Lower 48 states.

JAPAN
$650 MILLION

- Japan is Alaska's largest foreign trading partner by value.
- The weak yen in recent years has made it harder to compete in this market.

UNITED STATES
MORE THAN $2 BILLION

- The United States is the largest final market for Alaska seafood.
- In 2021/2022, an average of nearly $2 billion in seafood produced in Alaska remained in the United States. In addition, a significant volume of some species of exported Alaska seafood returns to the U.S. market after processing in other countries.

CHINESE REPROCESSING

- China is the Alaska seafood industry's largest foreign trading partner, by volume, although export volumes to China in recent years have declined.
- China is primarily a reprocessing market for some species like flatfish. Processing plants in China cut fish into fillets that are then exported to final markets.
- Little Alaska seafood stays in the domestic Chinese market, in part because tariffs imposed during the U.S.-China trade conflict that began in 2018 make Alaska seafood uncompetitive.

SOUTHEAST ASIA

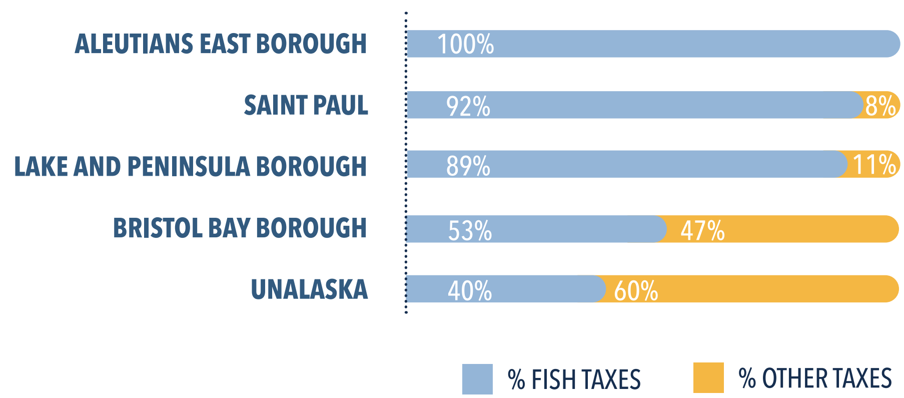
South Asia has been a growing market for Alaska seafood in recent years, especially Thailand and Vietnam.

ALASKA SEAFOOD EXPORTS BY PARTNER COUNTRY, 2021/2022 AVERAGE

SUPPORTING COASTAL COMMUNITIES

Fisheries taxes (including both state fisheries taxes and those imposed by local governments) are a key source of revenue for coastal governments in Alaska. In 2022, 52 municipal Alaska governments received a total of $58.1 million in fisheries taxes, either through state shared fishery taxes or locally imposed taxes. Fisheries taxes made up more than 50% of taxes collected by or distributed to 11 Alaska municipal governments in 2022. Fisheries taxes made up more than 90% of all taxes collected by or distributed to seven Alaska municipal governments, including the Aleutians East Borough, the City of Saint Paul, and several smaller municipalities.

SEAFOOD TAXES AS PERCENTAGE OF LOCAL GOVERNMENT REVENUE AMONG SELECT COASTAL ALASKA MUNICIPAL GOVERNMENTS, 2022



Note: Fish taxes include shared state fisheries taxes and locally levied raw fish taxes. All other taxes include property taxes, sales taxes, and various excise taxes, but do not include municipal revenue from other sources including grants, fees, and investment income.

THE COMMUNITY DEVELOPMENT QUOTA PROGRAM

More than 10% of all federal commercial fishery harvest quotas in the Bering Sea and Aleutian Islands are allocated to six nonprofit Community Development Quota (CDQ) groups representing 65 communities in Western Alaska.

The program was created in 1992 to provide eligible villages with an opportunity to participate and invest in Bering Sea fisheries, support economic development in the region, alleviate poverty, provide economic and social benefits, and achieve sustainable and diversified local economies.

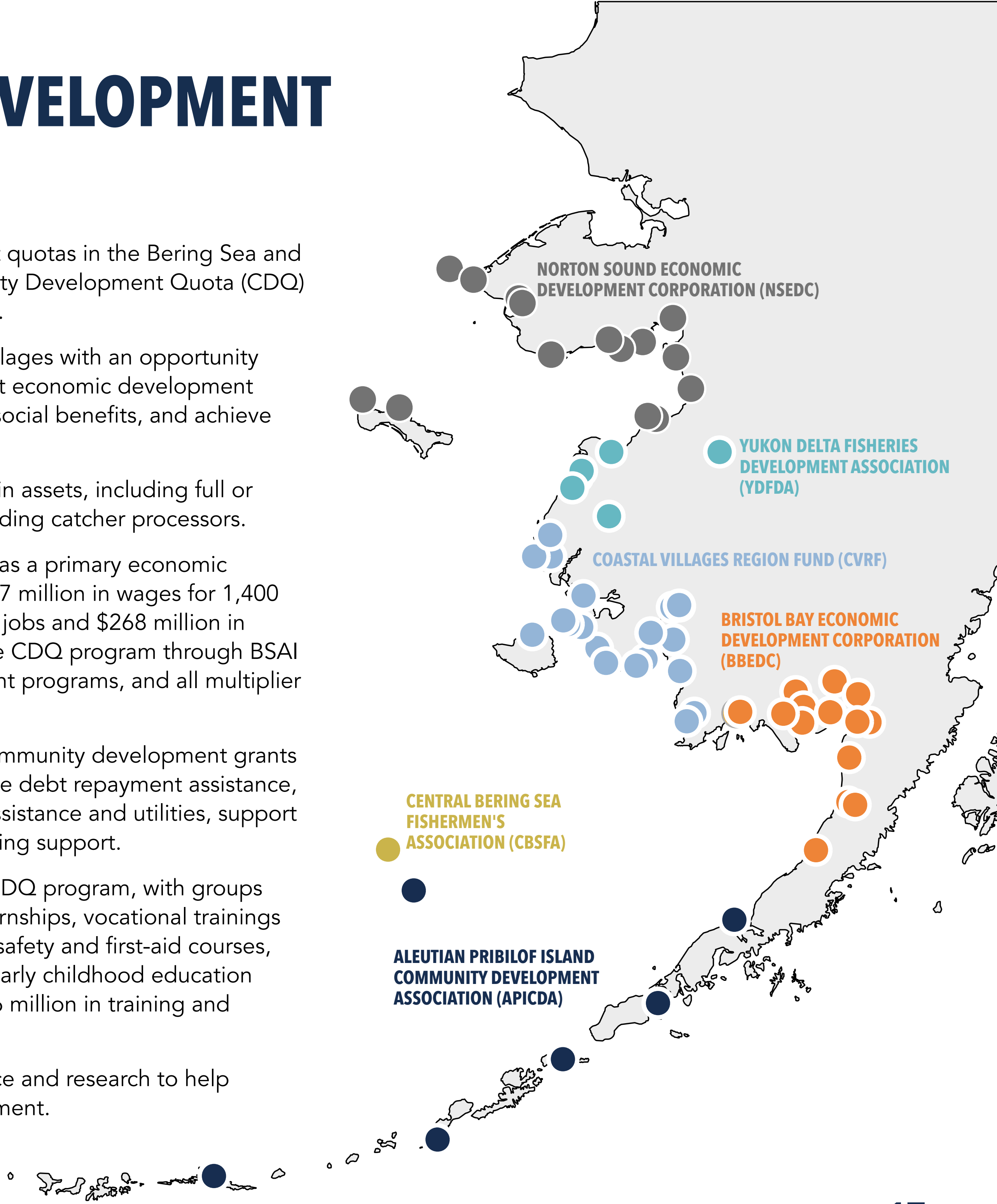
In 2020, the six groups owned a combined $1.3 billion in assets, including full or partial ownership of nearly 60 commercial vessels, including catcher processors.

CDQ groups provide direct employment opportunities as a primary economic development initiative. In 2020, groups generated $19.7 million in wages for 1,400 Western Alaska residents. In total, approximately 5,060 jobs and $268 million in annual labor income can be measured and linked to the CDQ program through BSAI seafood industry jobs, jobs connected with development programs, and all multiplier effects.

CDQ groups issue more than $30 million annually in community development grants to leverage state, federal, and private resources, provide debt repayment assistance, plan large-scale infrastructure projects, help with fuel assistance and utilities, support elder programs, and assist with technical and grant writing support.

Training and education support is foundational to the CDQ program, with groups providing funding for a wide range of scholarships, internships, vocational trainings in partnership with state and nonprofit entities, marine safety and first-aid courses, fisheries education, culture camps, school grants, and early childhood education programs. The CDQ program invested more than $25.6 million in training and education from 2011-2020.

CDQ groups fund $5 million annually in essential science and research to help support sustainable state and federal fisheries management.



TAX REVENUE IMPACTS

Commercial fishing and processing businesses incur substantial costs to operate in Alaska, including taxes, fees, and self-assessments of more than $161 million in fiscal year 2022. These expenses include:

TAXES: Unencumbered taxes are used to fund local, state, and federal government. The State of Alaska Fisheries Business Tax is the largest of these taxes in terms of annual collections and is paid by shore-based processors based on a percentage of value.

AGENCY FEES AND COST RECOVERY: Agency fees and cost recovery collections are designed to pay for specific services provided by state/federal agencies and nonprofit hatchery operators. Fees imposed by state/federal agencies on permits, leases, and vessels are generally used to pay for administrative costs associated with commercial fishery management. Salmon hatcheries, which benefit commercial, sport, personal use and subsistence fisheries, are funded almost entirely through cost recovery harvests and enhancement taxes derived from the commercial fishing industry.

INDUSTRY SELF-ASSESSMENTS: 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.

Fishery-related government revenues not included due to a lack of data include property taxes and federal income taxes, among others, as well as fees including business licensing, port and harbor fees, vessel documentation fees, and federal fishery endorsements.

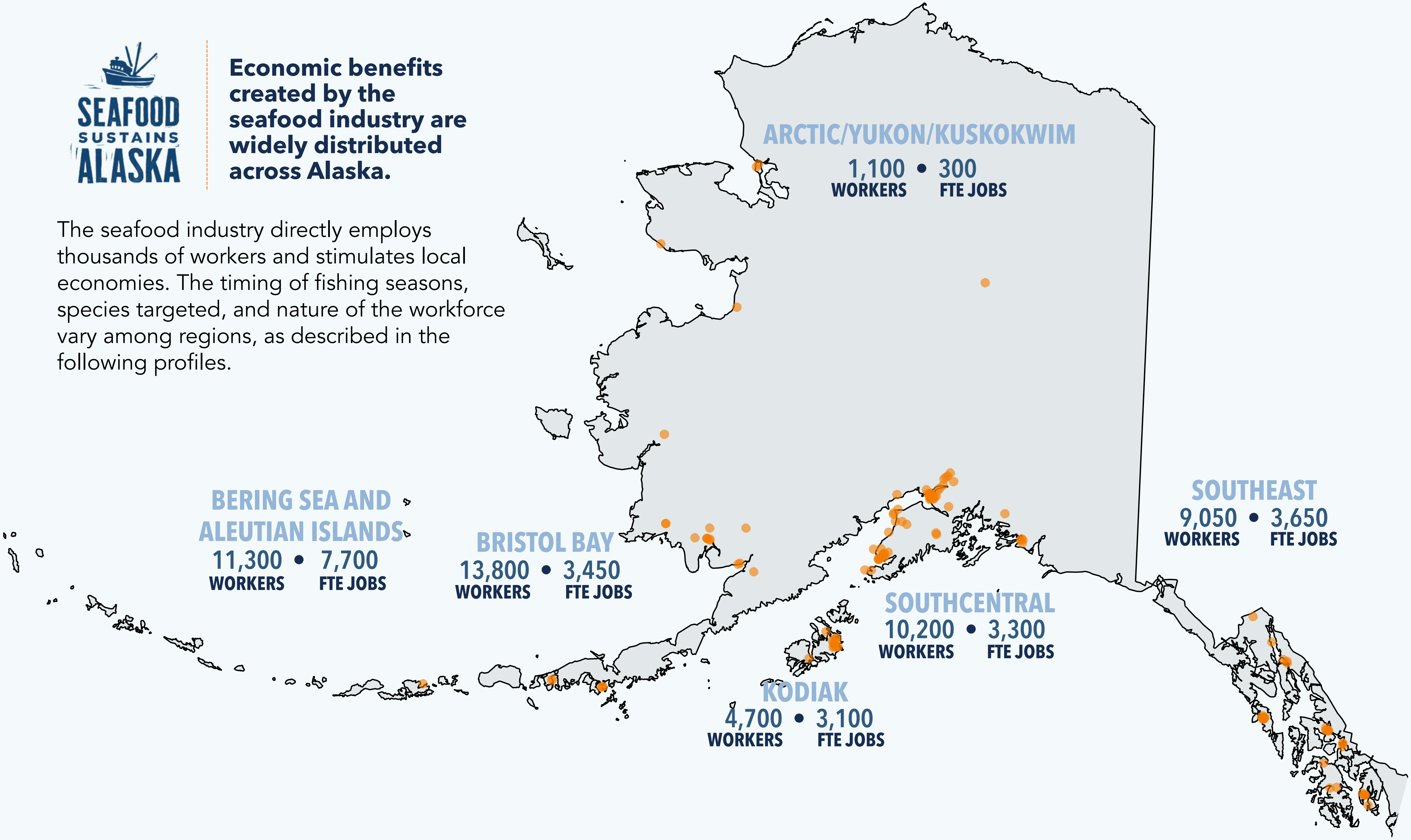
	FY2022 ($ MILLIONS)
Taxes	**$97.2**
Fisheries Business Tax	$54.7
Fisheries Resource Landing Tax	$9.3
Local Raw Fish & Other Taxes	$27.0
Marine Motor Fuel Tax	$2.7
Corporate Income Tax	$3.4
Agency Fees & Cost Recovery	**$41.2**
Federal Cost Recovery Fees-Federal Share	$7.8
Federal Cost Recovery Fees-State Share	$1.4
Federal Observer Program	$3.1
Salmon Hatchery Cost Recovery	$8.0
CFEC Permit and Vessel Fees	$7.6
Processing/Mariculture/Other Fees	$7.1
Crew License Sales	$2.8
Test Fishery Receipts	$3.4
Industry Self-Assessments	**$22.6**
Seafood Marketing Assessment (ASMI)	$10.3
Salmon Enhancement Tax	$8.6
Regional Seafood Development Tax	$3.2
Dive Fishery Management Assessment	$0.6
TOTAL	**$161.1**

Total excludes other fishery-related government revenues include property taxes and federal income taxes, among others, as well as fees such as business licensing, port and harbor fees, vessel documentation fees, and federal fishery endorsements. Columns may not sum to totals due to rounding.

REGIONAL EMPLOYMENT IMPACTS, 2021/2022

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

The seafood industry directly employs thousands of workers and stimulates local economies. The timing of fishing seasons, species targeted, and nature of the workforce vary among regions, as described in the following profiles.



Note: Regional labels denote the estimated number of direct seafood workers employed on average in 2021/2022. The total FTE jobs figure represents the number of full-time equivalent jobs supported by seafood, excluding multiplier effects.

The dots show the broad geographic extent of commercial crewmember residency. Each dot shows a location where 50 commercial crewmembers live.

ARCTIC/YUKON/KUSKOKWIM

KEY PORTS: Emmonak, Nome, Quinhagak, Savoonga, Unalakleet

SEAFOOD INDUSTRY IMPACT ON REGIONAL ECONOMY, 2021-2022 AVG.

	Number of Workers	FTE Jobs	Labor Income ($ millions)	Output ($ millions)
Commercial Fishing	600	30	$3	$4
Processing	400	200	$2	$4
Management/Other	100	70	$4	-
Direct Total	1,100	300	$8	$8
Secondary Total	-	200	$7	$12
TOTAL IMPACTS	-	500	$16	$19

The AYK region experienced a larger drop in commercial fishing and harvesting employment compared to other Alaska regions between 2019 and 2021, driven by fisheries closures on the Yukon and Kuskokwim rivers.

Total annual seafood industry-related labor income in the AYK region is estimated at $16 million and the total regional economic impact at $19 million.

Commercial fisheries are an important source of cash income in remote Western Alaska communities, helping support subsistence lifestyles for many AYK families.

Commercial fishing is prohibited on federal waters north of the Bering Strait under a federal moratorium, although some fisheries take place in state Arctic waters.

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. This is the only region in the state where lamprey are commercially harvested.

AYK's three CDQ entities, described on page 17, hold assets worth more than $650 million, with significant investments in fishing vessels and infrastructure to support participation in both commercial fisheries and to support residents' participation in subsistence fisheries.

AYK region includes: Bethel Census Area, Denali Borough, Fairbanks North Star Borough, Kusilvak Census Area, Nome Census Area, North Slope Borough, Northwest Arctic Borough, Southeast Fairbanks Census Area, and Yukon-Koyukuk Census Area.

2022 FIGURES

HARVESTING

235 Resident-owned Fishing Vessels

893 Resident Fishermen

$6.3 Million Harvest Value **(0.3%** of Alaska Total)

5 Million Pounds of Seafood Harvested

PROCESSING

4 Shore-based Processing Facilities

395 Shoreside Processing Workers

$11.9 Million Wholesale Value **(0.2%** of Alaska Total)

2.1 Million Pounds of Seafood Produced

REGIONAL ECONOMIC TRENDS IN SEAFOOD INDUSTRY

	2018	2019	2020	2021	2022
Resident Commercial Fishermen	2,475	2,176	1,478	983	893
Gross Earnings ($ millions)	$23	$16	$8	$13	$19
Avg. Processing Employment	370	306	273	203	145
Peak Processing Employment	1,097	1,082	1,078	846	667
Wages and Salaries ($ millions)	$23	$23	$22	$20	$19
Regional Ex-Vessel Value ($ millions)	$13	$6	$2	$2	$6
First Wholesale Value ($ millions)	$24	$12	$5	$4	$12

BERING SEA & ALEUTIAN ISLANDS

KEY PORTS: Adak, Akutan, Atka, Dutch Harbor, False Pass, King Cove, Sand Point

SEAFOOD INDUSTRY IMPACT ON REGIONAL ECONOMY, 2021-2022 AVG.

	Number of Workers	FTE Jobs	Labor Income ($ millions)	Output ($ millions)
Commercial Fishing	3,500	3,400	$459	$1,031
Processing	7,400	4,100	$264	$1,573
Management/Other	400	200	$23	-
Direct Total	11,300	7,700	$746	$2,603
Secondary Total	-	800	$47	$98
TOTAL IMPACTS	-	**8,500**	**$793**	**$2,701**

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 (68%) in 2021/2022.

BSAI commercial fisheries employed 11,300 people (across commercial fishing, processing, and management sectors) and generated $794 million in labor income annually in 2021/2022.

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 many seafood workers come from elsewhere in Alaska, the Lower 48 or other countries.

Dutch Harbor is consistently the nation's top seafood port by volume, and one of the largest in terms of ex-vessel value. In 2022, 613 million pounds of seafood was landed in Dutch Harbor, an average of nearly 12 million pounds per week.

The BSAI region is home to two (of the six) Community Development Quota program entities, described on 17.

BSAI region includes: Aleutians East Borough and Aleutians West Census Area.

2022 FIGURES

HARVESTING

247
Resident-owned Fishing Vessels

517
Resident Fishermen

$996.7
Million Harvest Value
(49%
of Alaska Total)

3,730
Million Pounds of Seafood Harvested

PROCESSING

15
Shore-based Processing Facilities

5,357
Shoreside Processing Workers

$2,672.8
Million Wholesale Value
(52%
of Alaska Total)

1,555
Million Pounds of Seafood Produced

REGIONAL ECONOMIC TRENDS IN SEAFOOD INDUSTRY

	2018	2019	2020	2021	2022
Resident Commercial Fishermen	586	597	528	484	517
Gross Earnings ($ millions)	$58	$39	$35	$23	$55
Avg. Processing Employment	3,331	3,600	3,212	3,345	3,299
Peak Processing Employment	4,982	5,528	4,356	4,853	5,305
Wages and Salaries ($ millions)	$196	$213	$199	$215	$253
Regional Ex-Vessel Value ($ millions)	$1,085	$1,101	$939	$1,065	$997
First Wholesale Value ($ millions)	$2,571	$2,684	$2,298	$2,534	$2,673

BRISTOL BAY

KEY PORTS: Dillingham, Egegik, Ekuk, Naknek, Port Moller, Togiak

SEAFOOD INDUSTRY IMPACT ON REGIONAL ECONOMY, 2021-2022 AVG.

	Number of Workers	FTE Jobs	Labor Income ($ millions)	Output ($ millions)
Commercial Fishing	8,400	2,400	$275	$416
Processing	4,700	900	$63	$328
Management/Other	700	150	$9	-
Direct Total	13,800	3,450	$347	$744
Secondary Total	-	800	$83	$100
TOTAL IMPACTS	-	**4,250**	**$430**	**$844**

Commercial fisheries in the Bristol Bay region directly employed 13,800 people and generated $430 million in labor income in 2021/2022.

The 2022 Bristol Bay sockeye salmon harvest totaled 303 million pounds with a total ex-vessel value of $419 million, a record volume and value.

In 2022, Bristol Bay accounted for 42% of the Alaska salmon harvest in terms of pounds landed and 50% 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%.

Bristol Bay is home to the Bristol Bay Economic Development Corporation, of the CDQs described on page 17.

Bristol Bay region includes: Bristol Bay Borough, Dillingham Census Area, and Lake and Peninsula Borough (less Chignik area communities).

2022 FIGURES

HARVESTING

367
Resident-owned Fishing Vessels

1,487
Resident Fishermen

$454 Million
Harvest Value
(23%
of Alaska Total)

348 Million
Pounds of Seafood Harvested

PROCESSING

27
Shore-based Processing Facilities

4,763
Shoreside Processing Workers

$822 Million
Wholesale Value
(16%
of Alaska Total)

204 Million
Pounds of Seafood Produced

REGIONAL ECONOMIC TRENDS IN SEAFOOD INDUSTRY

	2018	2019	2020	2021	2022
Resident Commercial Fishermen	1,635	1,702	1,560	1,529	1,487
Gross Earnings ($ millions)	$59	$58	$26	$49	$53
Avg. Processing Employment	1,393	1,203	1,073	935	922
Peak Processing Employment	5,460	5,029	3,964	4,159	3,997
Wages and Salaries ($ millions)	$66	$61	$57	$57	$69
Regional Ex-Vessel Value ($ millions)	$380	$385	$237	$378	$454
First Wholesale Value ($ millions)	$736	$741	$527	$665	$822

KODIAK

KEY PORTS: Chignik, Kodiak, Larsen Bay, Old Harbor

SEAFOOD INDUSTRY IMPACT ON REGIONAL ECONOMY, 2021-2022 AVG.

	Number of Workers	FTE Jobs	Labor Income ($ millions)	Output ($ millions)
Commercial Fishing	1,900	1,200	$94	$188
Processing	1,800	1,100	$54	$175
Management/Other	1,000	800	$95	n/a
Direct Total	4,700	3,100	$243	$362
Secondary Total	-	1,300	$87	$212
TOTAL IMPACTS	-	**4,400**	**$331**	**$574**

Kodiak's seafood processors employ the highest percentage of local residents of any major production region in Alaska. In 2021, 50% of processor workers were year-round residents of Kodiak.

Kodiak was the sixth largest commercial fishing port in the U.S. by volume landed and in terms of ex-vessel value in 2022. The seafood industry drives the regional economy and supports much of the region's population base.

The region's fishermen target a diversity of fisheries that occur nearly year-round. Kodiak residents fished a total of 541 permits in 51 different fisheries, harvesting 303 million pounds worth $128 million in 2022.

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.

Kodiak region includes: Kodiak Island Borough and the communities of Chignik, Chignik Lake, Chignik Lagoon, and Perryville.

2022 FIGURES

HARVESTING

570
Resident-owned Fishing Vessels

1,116
Resident Fishermen

$206 Million
Harvest Value
(10%
of Alaska Total)

397 Million
Pounds of Seafood Harvested

PROCESSING

11
Shore-based Processing Facilities

1,819
Shoreside Processing Workers

$360 Million
Wholesale Value
(7%
of Alaska Total)

176 Million
Pounds of Seafood Produced

REGIONAL ECONOMIC TRENDS IN SEAFOOD INDUSTRY

	2018	2019	2020	2021	2022
Resident Commercial Fishermen	1,164	1,231	1,071	1,071	1,116
Gross Earnings ($ millions)	$112	$110	$87	$121	$128
Avg. Processing Employment	1,373	1,383	1,234	1,091	1,126
Peak Processing Employment	1,829	2,055	1,619	1,864	2,124
Wages and Salaries ($ millions)	$48	$52	$48	$47	$61
Regional Ex-Vessel Value ($ millions)	$149	$173	$107	$107	$206
First Wholesale Value ($ millions)	$256	$324	$266	$365	$360

SOUTHCENTRAL

KEY PORTS: Anchorage, Cordova, Homer, Kenai, Seward, Valdez, Whittier

SEAFOOD INDUSTRY IMPACT ON REGIONAL ECONOMY, 2021-2022 AVG.

	Number of Workers	FTE Jobs	Labor Income ($ millions)	Output ($ millions)
Commercial Fishing	6,400	1,800	$81	$149
Processing	3,300	1,200	$65	$281
Management/Other	500	300	$32	n/a
Direct Total	10,200	3,300	$179	$430
Secondary Total	-	3,400	$159	$355
TOTAL IMPACTS	-	**6,700**	**$338**	**$785**

The seafood industry directly employs 10,200 workers in the Southcentral region and creates approximately 6,700 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 Alaska fisheries in other regions.

One-third 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 2022, and 12 communities with more than $5 million. Residents of Homer earned $119 million, followed by Anchorage ($50 million), and Cordova ($34 million).

Southcentral residents earn a significant portion of their gross fishing income from fisheries outside the region. The Bristol Bay driftnet salmon fishery was the single largest source of income for Southcentral residents in 2022, followed by Prince William Sound purse seine and driftnet salmon fisheries.

Anchorage is a critical hub for fresh seafood shipments, seafood workers, supplies, and fishery management meetings - all of which benefit the regional economy.

Southcentral region includes: Anchorage Municipality, Kenai Peninsula Borough, Matanuska-Susitna Borough, and Valdez-Cordova Census Area.

2022 FIGURES

HARVESTING

2,070
Resident-owned Fishing Vessels

5,172
Resident Fishermen

$129 Million
Harvest Value
(6%
of Alaska Total)

139 Million
Pounds of Seafood Harvested

PROCESSING

41
Shore-based Processing Facilities

3,296
Shoreside Processing Workers

$422 Million
Wholesale Value
(8%
of Alaska Total)

107 Million
Pounds of Seafood Produced

REGIONAL ECONOMIC TRENDS IN SEAFOOD INDUSTRY

	2018	2019	2020	2021	2022
Resident Commercial Fishermen	5,713	5,732	5,281	5,080	5,172
Gross Earnings ($ millions)	$232	$273	$187	$324	$312
Avg. Processing Employment	1,183	1,266	1,129	1,196	1,274
Peak Processing Employment	3,194	3,603	2,840	3,177	3,739
Wages and Salaries ($ millions)	$43	$52	$48	$61	$69
Regional Ex-Vessel Value ($ millions)	$119	$154	$79	$168	$129
First Wholesale Value ($ millions)	$434	$481	$332	$438	$422

SOUTHEAST

KEY PORTS: Craig, Haines, Juneau, Ketchikan, Petersburg, Sitka, Wrangell, Yakutat

SEAFOOD INDUSTRY IMPACT ON REGIONAL ECONOMY, 2021-2022 AVG.

	Number of Workers	FTE Jobs	Labor Income ($ millions)	Output ($ millions)
Commercial Fishing	4,800	1,600	$124	$227
Processing	3,200	1,300	$80	$553
Management/Other	1,050	750	$84	n/a
Direct Total	-	3,650	$288	$780
Secondary Total	-	2,100	$117	$396
TOTAL IMPACTS		**5,750**	**$405**	**$1.2B**

Seafood is the largest private sector industry in Southeast Alaska, in terms of workforce size and labor income. The industry accounts for 12% of regional employment, including multiplier impacts.

The harvest of salmon is particularly important to Southeast. The five species accounted for more than 75% of the region's seafood production value in 2021, led by pink salmon. Salmon production is supported by the region's four hatchery associations and their 15 hatcheries, which supplement sport, subsistence, and personal use harvest in addition to the commercial fleet.

Southeast residents own nearly a third of Alaska's commercial fishing fleet, more than any other region.

In 2022, Southeast included four of the top 10 Alaska communities ranked by resident permit holder gross earnings.

Southeast region includes: Haines Borough, Hoonah-Angoon Census Area, Juneau Borough, Ketchikan Gateway Borough, Petersburg Borough, POW-Hyder Census Area, Sitka Borough, Skagway Borough, Wrangell Borough, and Yakutat Borough.

2022 FIGURES

HARVESTING

2,480
Resident-owned Fishing Vessels

3,806
Resident Fishermen

$225 Million
Harvest Value
(11%
of Alaska Total)

201 Million
Pounds of Seafood Harvested

PROCESSING

44
Shore-based Processing Facilities

3,189
Shoreside Processing Workers

$887 Million
Wholesale Value
(17%
of Alaska Total)

254 Million
Pounds of Seafood Produced

REGIONAL ECONOMIC TRENDS IN SEAFOOD INDUSTRY

	2018	2019	2020	2021	2022
Resident Commercial Fishermen	4,216	4,204	4,014	3,924	3,806
Gross Earnings ($ millions)	$187	$169	$119	$222	$233
Avg. Processing Employment	1,159	1,327	1,184	1,495	1,202
Peak Processing Employment	3,016	3,160	2,490	3,068	2,517
Wages and Salaries ($ millions)	$64	$71	$67	$84	$76
Regional Ex-Vessel Value ($ millions)	$211	$167	$105	$228	$225
First Wholesale Value ($ millions)	$453	$434	$285	$675	$887

Alaska Seafood Marketing Institute

PREPARED BY:

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