

The Economic Impact of the Seafood Industry in Southcentral Alaska

The commercial seafood industry generates substantial economic benefits in Southcentral Alaska. The industry **directly employed 10,840 people** in Southcentral Alaska, including 7,660 regional residents, in 2013. Including multiplier effects, the seafood industry created an estimated 8,130 full-time equivalent (FTE) jobs and **\$411 million in annual labor income**. The majority of this economic activity is related to regional commercial fisheries; however, Southcentral also contains many resident fishermen who bring home earnings from other Alaska fisheries and the region benefits indirectly from fisheries in western Alaska.

- ▶ **JOBS: 8,130** full-time equivalent jobs created in Southcentral during 2013
- ▶ **INCOME: \$411 million** in regional labor income
- ▶ **GROWTH: 126 percent** growth in residents' gross fishing earnings since 2004
- ▶ **BACKHAUL: \$70/year** in savings for Southcentral households per year

Prepared by



Prepared for



Southcentral Alaska



Key Findings

- ▶ The seafood industry directly employed 10,840 people in Southcentral Alaska, including 7,660 regional residents, in 2013. Including direct and multiplier effects, the seafood industry created an estimated 8,130 full-time equivalent jobs and \$411 million in labor income.
- ▶ A total of 5,729 commercial fishermen live in Southcentral Alaska and participate in fisheries throughout the state. Each of the region's 2,168 active resident permit holders represents a small business yielding similar economic impacts as other independent, locally-owned businesses.
- ▶ The Southcentral seafood processing sector employed an estimated 4,590 workers in 2013 and paid out \$61 million in wages. The workforce included 1,410 resident workers who earned \$20.3 million. The region contains 35 processing plants.
- ▶ Processing operations are expanding in Valdez and Cordova to further capitalize on Prince William Sound salmon resources.
- ▶ The marine service sector in Homer and Seward continues to add capacity and new capabilities. Overall, the seafood industry indirectly created 1,390 FTE jobs and \$69 million in labor income in 2013, including hundreds of marine service jobs.
- ▶ Southcentral is home to three non-profit salmon hatchery associations, as well as state and federal fishery management agencies. These organizations employed approximately 520 workers and created 300 FTE jobs in 2013.
- ▶ Commercial seafood generated \$1.2 billion in total economic output in Southcentral Alaska in 2013. This includes \$685 million in first wholesale value of seafood products and \$501 million in value added through secondary impacts.



See the full report for more information, available at www.aksalmonalliance.org/



- ▶ Nearly a third (32 percent) of all Alaska resident commercial fishermen live in Southcentral. Its 2,168 active permit holders grossed \$308 million in 2013, accounting for 38 percent of all Alaska resident commercial fishing income.
- ▶ A total of 20 Southcentral communities had collective gross fishing earnings exceeding \$1 million in 2013.



2013 SNAP SHOT Seafood Industry

| | |
|--------------------------------------|----------------|
| Seafood Industry Workers | 10,840 |
| Industry Dependent FTE Jobs | 8,130 |
| Total Area Employment | 279,500 |
| Total Area Population | 463,400 |
| Industry Dependent Labor Income | \$411 M |
| Gross Earnings of Resident Fishermen | \$308 M |
| Value of Local Seafood Assets | \$766 M |
| Resident Commercial Fishermen | 5,724 |
| Local Processing Facilities | 35 |

- ▶ Economies in Cordova, Homer, and the Kenai region each received more than \$50 million in labor income as a result of the seafood industry in 2013; Anchorage/Mat-Su received \$149 million. The majority of these income figures is earned by residents, indirectly benefitting the regional economy.
- ▶ Commercial fisheries create hundreds of millions of pounds of backhaul for regional cargo carriers. It is conservatively estimated that seafood backhaul saves Southcentral households at least \$70 per year in shipping costs by offsetting northbound freight rates.
- ▶ Salmon is the foundation of the region's seafood industry, accounting for 85 percent of total first wholesale value of seafood produced in Southcentral. Sockeye and pink salmon are the most important species in the region.
- ▶ Large processing companies rely on nonresident workers to fill many seasonal positions, but the best processing jobs tend to be held by local, year-round residents.
- ▶ The seafood industry is Alaska's largest private sector employer and most valuable sustainable resource. Southcentral residents and communities are a critical part of it past, present, and future.

Photo Credits: (Clockwise from upper left) Arni Thomson, Copper River Seafoods, and the Sturman Family.



It is estimated that Alaska's seafood industry supported approximately 2,900 FTE jobs and \$149 million in labor income in the Anchorage/Mat-Su economy during 2013 (including multiplier effects). Because the area is a critical hub for fisheries in Southcentral and western Alaska, and home to more than 2,200 commercial fishermen, Anchorage/Mat-Su has more seafood-related jobs than any other Southcentral community. The area benefits from most of the state's commercial fisheries, due to related business and household spending from other regions which eventually flows through Anchorage.

Economic Impact of the Seafood Industry in Anchorage/Mat-Su, 2013

| | FTE Jobs | Labor Income (millions) |
|-------------------------------|--------------|-------------------------|
| Resident Commercial Fishing | 1,050 | \$52.0 |
| Seafood Processing | 340 | \$16.8 |
| Gov. Related & Hatcheries | 150 | \$14.1 |
| Direct Industry Total | 1,540 | \$82.9 |
| Indirect (Business Spending) | 450 | \$22.0 |
| Induced (Household Spending) | 890 | \$43.9 |
| Total Economic Impacts | 2,880 | \$148.8 |

Notes: Figures may not sum due to rounding. Commercial fishing labor income figures include estimated income from tender vessels owned by local residents.

Source: McDowell Group estimates based on ADF&G, DCCED, DOLWD, IMPLAN, NMFS, and industry interviews.



2013 SNAP SHOT Seafood Industry

| | |
|--------------------------------------|------------------|
| Seafood Industry Workers | 3,440 |
| Industry Dependent FTE Jobs | 2,880 |
| Total Area Employment | 239,600 |
| Total Area Population | 396,800 |
| Industry Dependent Labor Income | \$148.8 M |
| Gross Earnings of Resident Fishermen | \$107.5 M |
| Value of Local Seafood Assets | \$228.0 M |
| Local Resident Skippers | 724 |
| Local Processing Facilities | 7 |

The seafood industry directly employs 3,440 workers who reside in Anchorage/Mat-Su year-round or seasonally. Resident commercial fishermen and local processors hold operating assets worth an estimated \$228 million, primarily comprised of fishing permits, vessels, and IFQ's.

For context, seafood generates more FTE jobs for local residents than mining (not including oil and gas) and creates a similar number of local jobs as the University of Alaska system. In addition, seafood provides a boost to the local restaurant and hotel sector.

A Growing Hub

The Anchorage/Mat-Su area plays a large and growing role in Alaska's seafood industry. Consider the following:

Shipping. Anchorage port facilities shipped out 168 million pounds of frozen seafood in 2013, in addition millions of pounds of fresh seafood is flown out of the Ted Stevens Anchorage International Airport each year.

Management. Many commercial fishery management and research activities are coordinated from Anchorage. The city will likely play a key role in expanding Arctic fisheries.

CDQ Groups. All six CDQ groups have executive and managerial offices in Anchorage or Mat-Su. These groups hold nearly \$1 billion in combined net assets will likely play an increasing role in Alaska's seafood industry.

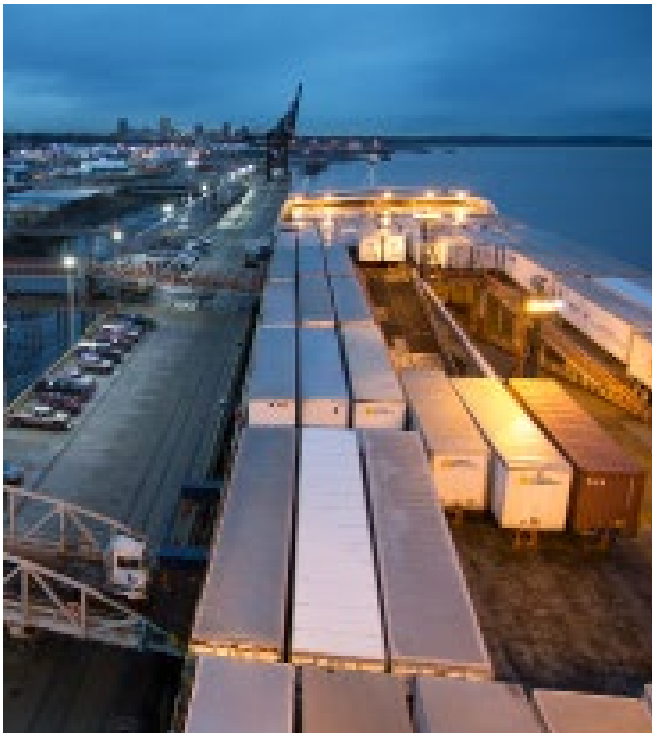


Photo Credit: Totem Ocean.

Local Seafood Business Profiles

Great Pacific Seafoods

Great Pacific Seafoods began processing Alaska seafood in 1989, signing a lease on their Whittier facility the day before the Exxon Valdez oil spill. The company overcame the spill to become one of the largest fresh salmon processors in the state. Great Pacific typically employs a peak workforce of 300 workers, spread evenly between three Southcentral production facilities in Anchorage, Whittier, and Kenai. In addition, Great Pacific has buying operations in Kotzebue and Homer.



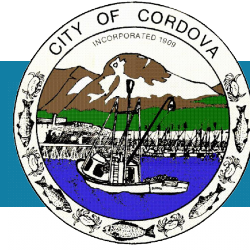
Great Pacific creates secondary economic benefits for airlines, trucking companies, packaging companies, and fuel distributors. "We fly in a couple million pounds of salmon from Kotzebue on Northern Air Cargo. All that product gets processed in our Anchorage plant before being loaded up on planes or trucks to be shipped out to buyers, mostly in the lower 48. We transport a lot of product via truck within Southcentral as well," explains General Manager Roger Stiles.

Copper River Seafoods

Copper River Seafoods is an Alaska-based processing and marketing company with production facilities in Anchorage, Kenai, Cordova, Naknek, Togiak, and Kotzebue. The company employs approximately 180 workers in year-round positions at its Anchorage plant and offices. A variety of workforce development classes are also held at its Anchorage facilities.



Copper River Seafoods relies heavily on nearly every major transportation entity operating in the Anchorage and Mat-Su area, including the Alaska Marine Highway System, Lynden, FedEx, UPS, and Alaska Airlines. In addition, nearly all of the company's operational supplies, such as provisions, bunk house supplies, building materials, and office supplies are purchased in Anchorage and delivered to the primary processing facilities via the Alaska Marine Highway System or air cargo carriers. The company provides local residents with a wide variety of Alaska seafood products via local retailers such as 3 Bears, Costco, Sam's Club, Walmart, and numerous local restaurants.



The seafood industry supported an estimated 1,470 FTE-jobs in Cordova and generated \$73 million in labor income during 2013 (including multiplier effects). Approximately 58 percent of all working age residents were directly employed in the commercial seafood industry at some point during 2013. Cordova ranked 14th among U.S. ports in terms of both ex-vessel value and harvest volume, on average, between 2010 and 2013.

“Virtually every business in Cordova is dependent on the seafood industry,” says Cordova mayor Jim Kacsh.



2013 SNAP SHOT Seafood Industry

Seafood Industry Workers **1,810**

Industry Dependent FTE Jobs **1,470**

Total Area Population **2,300**

Value of 2013 Local Landings **\$91.5 M**

Industry Dependent Labor Income **\$72.8 M**

Gross Earnings of Resident Fishermen **\$56.8 M**

Value of Local Seafood Assets **\$156.6 M**

Local Commercial Fishing Fleet
(Number of Vessels Homeported) **603**

Local Processing Facilities **6**

Economic Impact of the Seafood Industry in Cordova, 2013

| | FTE Jobs | Labor Income (millions) |
|-------------------------------|--------------|----------------------------|
| Resident Commercial Fishing | 630 | \$31.0 |
| Seafood Processing | 310 | \$15.1 |
| Hatchery & Mgmt. | 80 | \$3.8 |
| Direct Industry Total | 930 | \$46.1 |
| Indirect (Business Spending) | 250 | \$12.4 |
| Induced (Household Spending) | 290 | \$14.3 |
| Total Economic Impacts | 1,470 | \$72.8 |

Notes: Figures may not sum due to rounding. Commercial fishing labor income figures include estimated income from tender vessels owned by local residents.

Source: McDowell Group estimates based on ADF&G, DCCED, DOLWD, IMPLAN, NMFS, and industry interviews.

The seafood industry directly employed 1,810 workers who reside in Cordova either year-round or seasonally (including approximately 840 year-round residents). Resident commercial fishermen and local processors hold operating assets worth an estimated \$157 million, the largest per-capita seafood industry asset value of any Southcentral community by a wide margin.

Cordova features five primary processing companies, six production facilities, and a fleet of 603 fishing and tender vessels. Alaska fishermen landed nearly \$92 million worth of seafood in Cordova during 2013 (in ex-vessel terms), ranking 7th in the U.S.

See the full report for more information, available at www.aksalmonalliance.org/

Pink & Red Salmon Foundation

Cordova is synonymous with Copper River salmon. The community is heavily dependent on wild and hatchery-enhanced sockeye and pink salmon runs; these species account for 76 percent of Cordova's landings by value.

PWSAC, a local hatchery association, is a major economic driver in the region. Its hatcheries provide the vast majority of the area's pink salmon and a substantial percentage of Copper River sockeye. The hatchery association has been allowed to expand pink production under its existing permits with ADF&G, which should result in even more resources available to the industry. Local processors continue to invest in Cordova, adding production capacity, housing, and value-added product lines.

Local Fisherman Profile

Ken Jones, F/V Serenity

Ken Jones, a 23-year old Cordova fisherman, exemplifies the potential available to Alaskans in the seafood industry. Jones used a mix of hard work, experience, resourcefulness, and a little good luck to fast track his fishing career.

Jones started seining on his dad's boat at eight-years old. Later in high school he purchased a PWS seine permit and a boat. After finding a spare seine net under a tarp in a friend's yard, he spent \$2,000 on a seine skiff and started fishing for himself. Today he owns two fishing vessels, including a newly constructed 50-foot seiner and a gillnetter that keep him busy from May through October.

Living year-round in Cordova, Ken spends significant amounts of money in the community. "Depending on the year, I spend \$200,000 to \$500,000 annually in the community. This includes fuel, groceries, crew shares, parts, and other expenses. I hire mechanics, welders, net-builders, electricians, and other local businesses to keep my boats in shape," says Jones.



Cordova gillnetters charge out to sea for a fishing opener.



Fishing, both commercial and sport, is the foundation of Homer's economy, which is primarily driven by the seafood and visitor industries. It is estimated that Alaska's commercial seafood industry directly employed 1,280 workers and supported a total of 1,670 FTE-jobs in Homer during 2013 (including direct and secondary effects). The majority of Homer's seafood jobs are held by local residents. The industry generated an estimated \$83 million in labor income during 2013 and ranked second among all Alaska communities (after Kodiak) in terms of total gross fishing earnings by local residents.

Economic Impact of the Seafood Industry in Homer, 2013

| | FTE Jobs | Labor Income (millions) |
|------------------------------|----------|-------------------------|
| Resident Commercial Fishing | 920 | \$45.4 |
| Seafood Processing | 35 | \$1.8 |
| Fishery Mgmt. & Other | 20 | \$1.2 |
| Direct Industry Total | 980 | \$48.4 |
| Indirect (Business Spending) | 350 | \$17.2 |
| Induced (Household Spending) | 350 | \$17.2 |

Total Economic Impacts 1,670 \$82.8

Notes: Figures may not sum due to rounding. Commercial fishing labor income figures include estimated income from tender vessels owned by local residents.

Source: McDowell Group estimates based on ADF&G, DCCED, DOLWD, IMPLAN, NMFS, and industry interviews.



2013 SNAP SHOT Seafood Industry

Seafood Industry Workers **1,280**

Industry Dependent FTE Jobs **1,670**

Total Area Population **5,100**

Value of 2013 Local Landings **\$25.6 M**

Industry Dependent Labor Income **\$83.1 M**

Gross Earnings of Resident Fishermen **\$56.8 M**

Value of Local Seafood Assets **\$184.7 M**

Local Commercial Fishing Fleet
(Number of Vessels Homeported) **487**

Local Processing Facilities or Buying Stations **5**

Homer is known as the halibut fishing capital of the world. However, the community also benefits greatly from other fisheries around the state, as IFQ halibut and black cod fisheries only accounted for 15 percent of total gross earnings by resident commercial fishermen in 2013.

Nearly 500 commercial fishing vessels homeport in the community and local seafood assets totaled \$185 million in 2013. Nearly all seafood assets are held by local resident fishermen. Homer contains four relatively small processing companies and one buying station, underscoring the fleet's reliance on other fisheries and regional ports.

See the full report for more information, available at www.aksalmonalliance.org/

Tailor-made Marine Services



*Nothorn Enterprises Boatyard in Homer
Photo Credit: Homer Tribune.*

Homer features a robust marine support sector including: two boat yards, five boat builders, over a dozen marine repair/maintenance companies, net and marine apparel manufacturers, multiple marine insurance agencies, and a major permit/boat broker. The seafood industry creates approximately 225 FTE jobs in Homer's marine support sector and 125 other indirect jobs in Homer.

Commercial fishing boats built in Homer are tailored to meet the unique demands of Alaska fisheries. After a boat is built, the fishing vessel can be completely outfitted in Homer without making an expensive run to Puget Sound.

The Homer Marine Trades Association also provides courses in marine trades to local high school and college students. "There's always going to be a need for skilled tradespeople and that's an aspect many of our members are struggling with. It's hard to find good talent," says Matt Alward, vice president of the Association.

Local Fishing Family Profile

The Laukitis Family

The Laukitis family lives in Homer and participates in fisheries from Bristol Bay, to the Bering Sea and Gulf of Alaska. The family runs two boats; one boat works seasonally with family members aboard and the other fishes year round in various areas around the state.

The family fishing business got its start setnetting in False Pass 25 years ago. The Laukitis's have wintered in Homer for about 15 years, but travel to where the fish are during the summer. The family is very engaged in the local community and the Alaska seafood industry. In addition to coaching hockey during the winter and local volunteer work, members of the Laukitis family are involved in numerous seafood industry associations/councils at the regional and statewide level.

The Laukitis family usually has at least one boat in Homer in the winter for maintenance and shipyard work. "Just one boat pays out over \$500,000 a year in crew shares; then add \$500,000 in boat expenses for fuel, bait, maintenance and repairs, supplies, insurance, equipment, etc. One fisherman's expenses is another member of the community's income," says Buck Laukitis. "Homer is a major small boat port with potential for more marine support work. I feel like many times commercial fishermen are taken for granted in Homer, but there is still a great deal of potential for Homer's fishing industry and marine trades businesses to grow."



*Teal and Claire (Laukitis) picking salmon
Photo Credit: Scott Dickerson Photography.*

Kenai Area



The seafood and visitor industries are major economic drivers in Kenai. Both sectors rely heavily on Cook Inlet salmon resources.

It is estimated that Alaska's commercial seafood industry directly employed 2,230 workers, supporting a total of 1,030 FTE jobs and \$51 million of labor income in the Kenai area during 2013 (including multiplier effects). The industry directly employs approximately 1,630 local area residents, or about 7 percent of all working age Kenai area residents. More commercial fishermen live in the Kenai area than Cordova, Valdez, and Seward combined.



2013 SNAP SHOT Seafood Industry

Seafood Industry Workers **2,230**

Industry Dependent FTE Jobs **1,030**

Total Area Population **37,400**

Value of 2013 Local Landings **\$40.1 M**

Industry Dependent Labor Income **\$51.0 M**

Gross Earnings of Resident Fishermen **\$29.3 M**

Value of Local Seafood Assets **\$90.4 M**

Fishermen Fishing Permits in Cook Inlet Salmon Fisheries **946**

Local Processing Facilities **10**

Economic Impact of the Seafood Industry in the Kenai Region, 2013

| | FTE Jobs | Labor Income (millions) |
|-------------------------------|--------------|-------------------------|
| Resident Commercial Fishing | 335 | \$16.5 |
| Seafood Processing | 210 | \$10.3 |
| Mgmt. & Hatchery | 55 | \$2.9 |
| Direct Industry Total | 600 | \$29.7 |
| Indirect (Business Spending) | 180 | \$8.9 |
| Induced (Household Spending) | 250 | \$12.4 |
| Total Economic Impacts | 1,030 | \$51.0 |

Notes: Figures may not sum due to rounding. Commercial fishing labor income figures include estimated income from tender vessels owned by local residents.
Source: McDowell Group estimates based on ADF&G, DCCED, DOLWD, IMPLAN, NMFS, and industry interviews.

The Kenai area -- including the communities of Clam Gulch, Kalifornsky, Kasilof, Kenai, Nikiski, Ninilchik, Soldotna, and Sterling -- contains the second-largest number of resident seafood processing workers and commercial fishermen of any other area in Southcentral Alaska (next to Anchorage/Mat-Su).

The Kenai fleet consists primarily of driftnet boats and setnet operations that harvest salmon from Upper and central Cook Inlet waters. Kenai area residents account for 43 percent of total participation in Cook Inlet salmon fisheries while other Southcentral residents account for 30 percent - a high percentage compared to other commercial fisheries in Alaska.

See the full report for more information, available at www.aksalmonalliance.org/

Fresh & Local Sockeye!

Kenai's seafood industry is highly dependent upon sockeye salmon from Cook Inlet. Due to Kenai's proximity to the Anchorage market and airport, most sockeye is brought to market as fresh product. This provides regional consumers with easy access to high-quality, fresh sockeye at lower prices than any other major U.S. market. Fishermen also get higher prices, because fresh salmon often sells at a premium to frozen product.

Cook Inlet sockeye is a win-win for Southcentral consumers and the Kenai economy.



*F/V New Wave of Kasilof, Alaska.
Photo Credit: Alaska Salmon Alliance.*

Local Seafood Business Profiles

Snug Harbor Seafoods

Started by local residents Paul and Brenda Dale in 1990, Snug Harbor Seafoods has grown into a major business with sales of \$25 to \$30 million per year. The company produces standard products such as frozen headed/gutted fish for wholesale clients, as well as fillets and smoked, canned, and jarred products.

They are a key supplier for the region's restaurants, supplying three directly and many more through Favco and 10th & M Seafoods in Anchorage.



The company typically buys fish from about 480 fishermen in the region. These fishermen participate in setnet, driftnet, seine, and longline fisheries in Cook Inlet, Prince William Sound, and the Gulf of Alaska. Snug Harbor employs about 500 seasonal processing workers and maintains a full-time resident staff of 15. The Dales estimate about 40 percent of the seasonal workforce are resident workers.

Pacific Star Seafoods

Pacific Star Seafoods is a wholly-owned subsidiary of E&E Foods. Companies owned by E&E Foods typically employ 350 workers at peak season in Southcentral Alaska. The company buys product from roughly 325 Southcentral fishermen.



Despite significant challenges in Kenai, E&E Foods has invested heavily in the region to build capacity. "This is the most competitive area of the state. We have to pay higher prices for fish because anybody with a truck can come and buy fish," says company president Tab Goto. The location and logistical options available in Kenai are good for fishermen and present more options for processors to add value, but also contributed to Ocean Beauty exiting the region. "We have invested very heavily in the Cook Inlet seafood industry, but all the companies and fishermen need a stable environment in order to grow and keep operations going into the future. Without access to the resource, there is no industry."

Goto notes the important role the commercial seafood industry plays in the regional and broader U.S. economy, "All this wonderful fish we get to catch ends up on somebody's plate; either in the region, the lower 48, or overseas. We share the bounty of Alaska with everybody."



Although Seward is a major seafood port, its strategic role in marine research, vocational training, and expanding marine support services for the greater Alaska seafood industry is even more important. Research efforts, training programs, and port investments based in Seward will greatly benefit the community, the region, and the state for years to come.

Seward's seafood industry supported an estimated 390 FTE jobs and \$19.3 million of labor income in 2013, including direct effects and secondary multiplier impacts. Fishermen from other parts of Alaska and the lower 48 earned an estimated \$33.0 million of labor income landing fish in Seward during in 2013.



2013 SNAP SHOT Seafood Industry

Seafood Industry Workers **670**

Industry Dependent FTE Jobs **390**

Total Area Population **2,500**

Value of 2013 Local Landings **\$69.7 M**

Industry Dependent Labor Income **\$19.3 M**

Gross Earnings of Resident Fishermen **\$11.8 M**

Value of Local Seafood Assets **\$50.7 M**

Local Commercial Fishing Fleet (Number of Vessels Homeported) **67**

Local Processing Facilities **10**

Economic Impact of the Seafood Industry in Seward, 2013

| | FTE Jobs | Labor Income (millions) |
|-------------------------------|------------|-------------------------|
| Resident Commercial Fishing | 140 | \$6.9 |
| Seafood Processing | 110 | \$5.4 |
| Direct Industry Total | 250 | \$12.3 |
| Indirect (Business Spending) | 80 | \$4.1 |
| Induced (Household Spending) | 60 | \$2.9 |
| Total Economic Impacts | 390 | \$19.3 |

Notes: Figures may not sum due to rounding. Commercial fishing labor income figures include estimated income from tender vessels owned by local residents.

Source: McDowell Group estimates based on ADF&G, DCCED, DOLWD, IMPLAN, NMFS, and industry interviews.

Seward and Cordova are Southcentral's top commercial fishing ports, in terms of landed value. Over the past four years, each port has averaged about \$70 million in seafood landings. Increasing hatchery production of PWS pink salmon and a potential change to Gulf of Alaska groundfish management could present local fishermen and processors with new opportunities in coming years.

Nineteen percent of Seward's working age residents are estimated to have been directly employed in the seafood industry at some point in 2013. Seafood-related jobs make up about 27 percent of local employment (including multiplier effects).

See the full report for more information, available at www.aksalmonalliance.org/

Building a Bright Future

Emerging Shipyard Capacity

The Seward Marine Industrial Center (SMIC) has initiated work on a \$65 million expansion project which will add moorage and service capacity for large vessels, improve freight logistics on Alaska's road system, and significantly improve Seward's ability to service large fishing, tour, cruise, research, oil/gas, and shipping vessels operating in Alaska.

Vigor Alaska, a major shipyard operator in the Pacific Northwest, recently purchased the adjacent Seward Ship's Drydock facility and intends to invest heavily in the local workforce and facility.

Workforce Development & Training: AVTEC

AVTEC is state-run technical school located in Seward, serving roughly 1,300 students per year (some through remote learning programs). Nearly all AVTEC programs support Alaska's maritime and commercial seafood industry in some way.

Marine Research: ASLC & APSH

The Alutiiq Pride Shellfish Hatchery is working on a king crab enhancement program that could rebuild stocks which were overfished during the 1970s and 1980s. Meanwhile, the Alaska SeaLife Center provides visitors with a fun and educational tour of Alaska's marine wildlife and industry.

Local Seafood Business Profile

Icicle Seafoods

Icicle Seafoods has operated the Seward Fisheries facility since 1978. The plant processes salmon, halibut, black cod, and Pacific cod, and features four canning lines. The company employs up to 350 workers in Seward during peak summer months and employs an average of 120 workers per month throughout the entire year. Icicle provides on-site housing to accommodate seasonal workers. Although most workers are seasonal hires the plant employs approximately 30 Seward residents, primarily in managerial, administrative, and higher-skilled technical or production positions.

Icicle Seafoods is by far the largest processor in Seward, providing a market for hundreds of commercial fishermen participating in seine, gillnet, and longline fisheries. The company and fishermen serviced by the plant spend over \$4 million a year in the local economy, indirectly creating jobs in Seward. Seward's position on the road system, proximity to Anchorage, and access to substantial seafood resources present opportunities for growth.



Photo Credit: Seward Phoenix Log.



Valdez is a growing seafood port and pink salmon is the primary resource. It is estimated that Alaska's seafood industry directly employed 740 workers and supported a total of 340 FTE-jobs in Valdez during 2013 (including direct and secondary effects). The industry contributed about \$620,000 in fisheries tax revenue to the City in 2013.

The oil industry drives the local economy, but seafood and the tourism industry are becoming increasingly important segments. It is estimated that 10 percent of working age residents worked in the seafood industry at some point in 2013 (not including those who lived in group quarters).



2013 SNAP SHOT Seafood Industry

| | |
|--|-----------------|
| Seafood Industry Workers | 740 |
| Industry Dependent FTE Jobs | 340 |
| Total Area Population | 4,100 |
| Value of 2013 Local Landings | \$28.7 M |
| Industry Dependent Labor Income | \$16.7 M |
| Gross Earnings of Resident Fishermen | \$5.4 M |
| Value of Local Seafood Assets | \$19.6 M |
| Local Commercial Fishing Fleet (Number of Vessels Homeported) | 56 |
| Local Processing Facilities | 3 |

Economic Impact of the Seafood Industry in Valdez, 2013

| | FTE Jobs | Labor Income (millions) |
|-------------------------------|-------------|----------------------------|
| Resident Commercial Fishing | 70 | \$3.4 |
| Seafood Processing | 180 | \$8.8 |
| Hatchery & Mgmt. | 20 | \$0.9 |
| Direct Industry Total | 260 | \$13.0 |
| Indirect (Business Spending) | 40 | \$2.1 |
| Induced (Household Spending) | 35 | \$1.7 |
| Total Economic Impacts | 340 | \$16.7 |

Notes: Figures may not sum due to rounding. Commercial fishing labor income figures include estimated income from tender vessels owned by local residents.

Source: McDowell Group estimates based on ADF&G, DCCED, DOLWD, IMPLAN, NMFS, and industry interviews.

Valdez is home to 102 local resident commercial fishermen, while the processing sector and VFDA salmon hatchery employ roughly 100 Alaska residents. Despite the significant number of jobs created for Alaska residents, many seafood jobs in Valdez are currently filled by residents of other states. As the seafood industry grows and matures in Valdez, substantial career opportunities will be available to local residents.

The commercial fishing fleet consists of 56 vessels which homeport in Valdez, as well as numerous seiners that homeport elsewhere but deliver fish to Valdez's two large processing plants. Many of these boats also participate in longline IFQ fisheries for halibut and black cod.

See the full report for more information, available at www.aksalmonalliance.org/

Tapping a New Source of Growth

The seafood industry is growing faster in Valdez than any other Southcentral community. Both Peter Pan Seafoods and Silver Bay Seafoods, the two main processors in the community, have plans for significant expansion in the near-term. These projects are related to increased pink production from the two regional salmon hatcheries (VFDA and PWSAC). The City of Valdez is working to relieve marine congestion through a major harbor expansion project, including 320 new slips. These projects will present significant economic opportunities for residents of Valdez and other Southcentral communities.

Local Profile

Peter Pan Seafoods



In a unique joint venture, Peter Pan Seafoods and Trident Seafoods plan to build a salmon oil plant adjacent to the current Peter Pan facility in Valdez. When complete, the addition will be capable of processing salmon heads (and potentially other unused fish parts) into high quality salmon oil suitable for human consumption.

The fish oil plant would be built and owned by Peter Pan and leased to Trident Seafoods, which would operate the plant and supply necessary equipment. Trident Seafoods sells salmon oil capsules under its Pure Alaska Omega brand. The product is sold in all Costco locations and most Sam's Club stores.



Photo Credit: Garrett Evridge.

The Alaska Salmon Alliance would like to thank the following companies for their support in sponsoring this landmark research project:



The Alaska Salmon Alliance contracted with McDowell Group to analyze the seafood industry's economic impact in Southcentral Alaska. This report quantifies the direct, indirect, and induced economic effects of the commercial seafood industry in Southcentral as a whole, and examines impacts at community or sub-region level for six areas in the Southcentral region. Analyses of the industry's impact on the shipping sector and a profile of salmon harvests by user group are also included in this report.



Download the full report at www.aksalmonalliance.org!