

Economic Impact of the Seafood Industry on the Kodiak Island Borough



Prepared for:
Kodiak Island Borough
City of Kodiak

McDowell Group

- Multidisciplinary research & consulting firm since 1972
- 17 professionals in Anchorage, Juneau, and Bellingham
- Professional services including:
 - Economic Impact & Development
 - Cost/Benefit studies
 - Market Research and Feasibility Studies
 - Program Evaluation
- Core competency in seafood industry related research
 - ASMI's research contractor for 14 years

Project Scope of Work

- Develop detailed baseline of data for future predictive modeling
- Assess the economic impact of the seafood industry in the KIB, including all direct and secondary effects
- Consider the potential effects on the economy of changes in commercial fisheries

Presentation Overview

- Review of key harvest and value data
- Overview of economic impact methodology
- Summary of economic impact analysis
- Questions and next steps

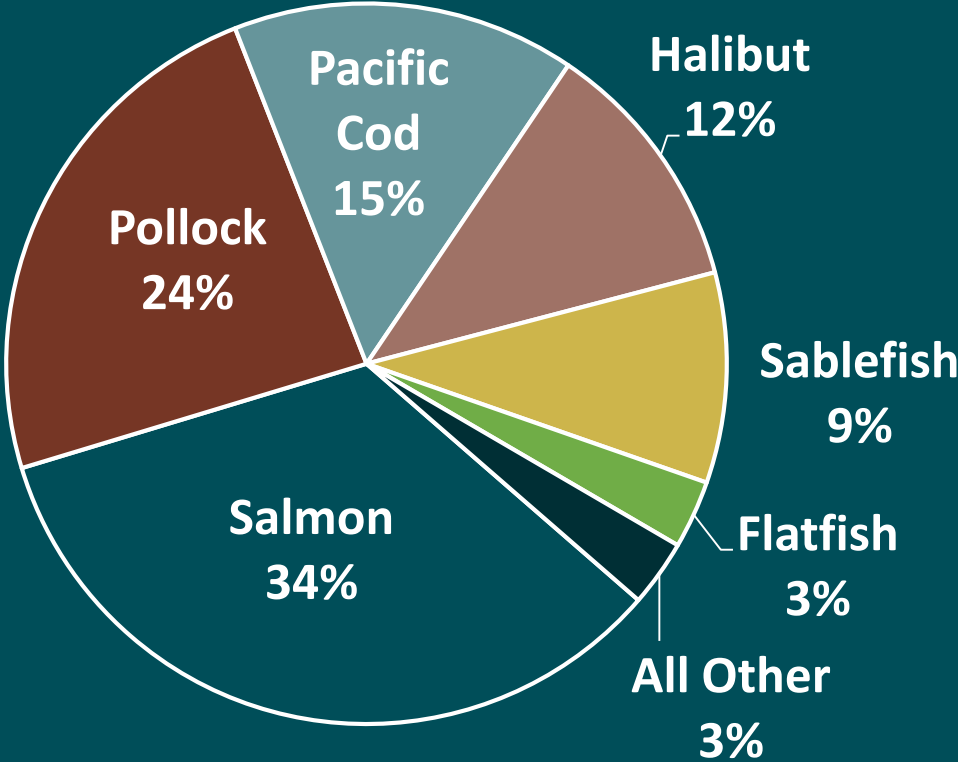
Harvest and Processing Summary

2014 Seafood Industry Overview

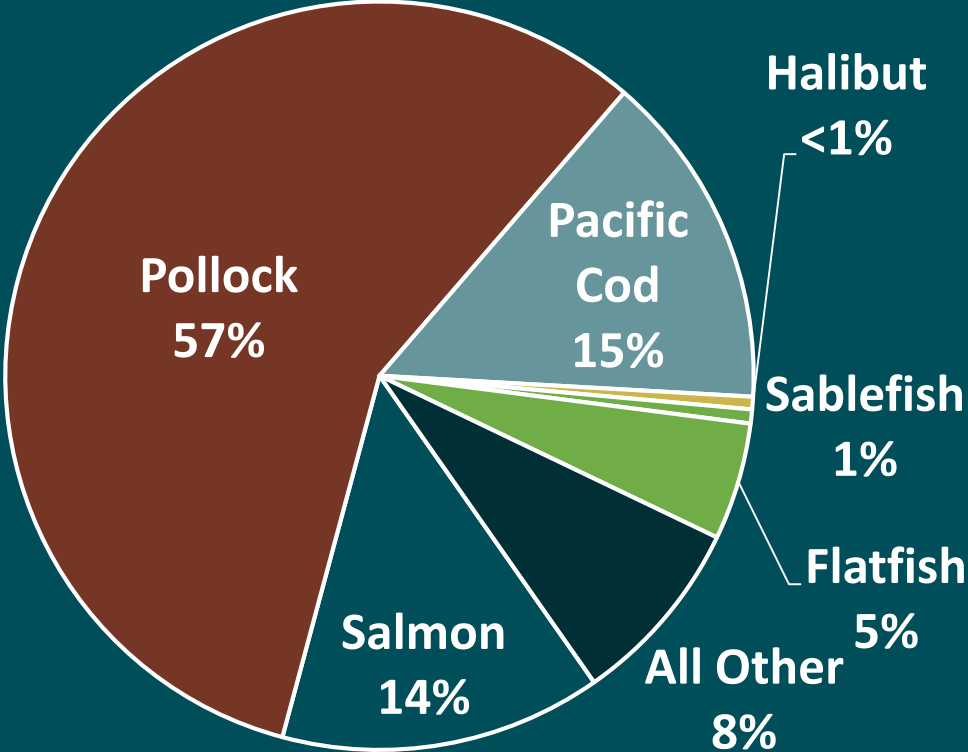
Category	Volume (Million lbs.)	Value (\$Million)
Total KIB Ex-vessel Landings	488	\$151
KIB First Wholesale Production	226	\$325

KIB Landings in 2014

Ex-vessel Value



Ex-vessel Volume

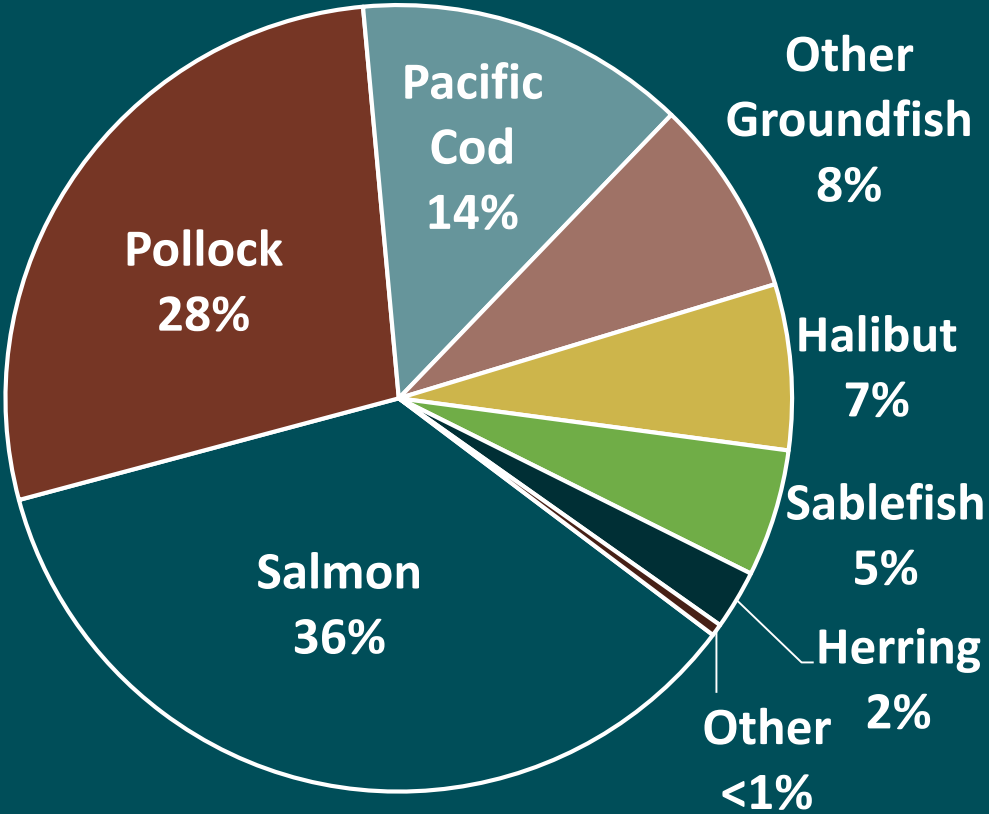


KIB Landings in 2014

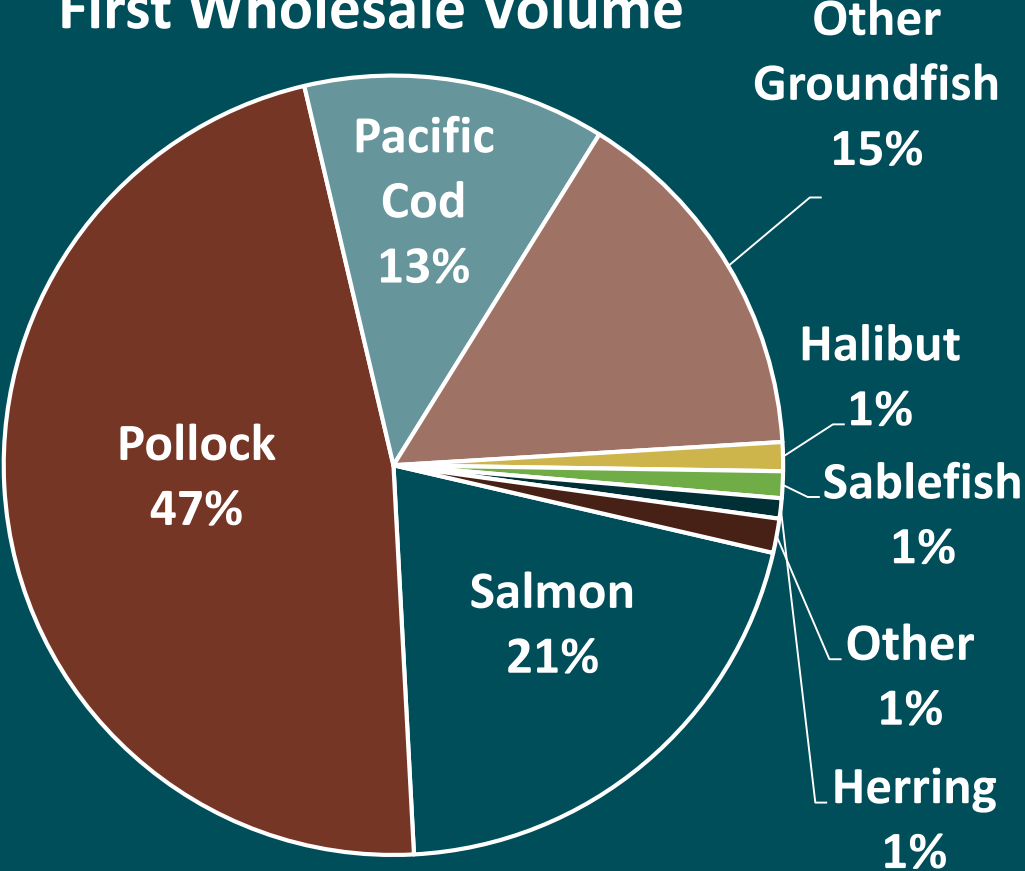
Species	Ex-vessel Value (\$Million)	Ex-vessel Volume (Million lbs.)
Salmon	\$49	66
Pollock	\$34	273
Pacific Cod	\$22	70
Halibut	\$17	3
Sablefish	\$14	3
All other	\$15	73
Total	\$151	488

KIB Processor Production in 2014

First Wholesale Value



First Wholesale Volume

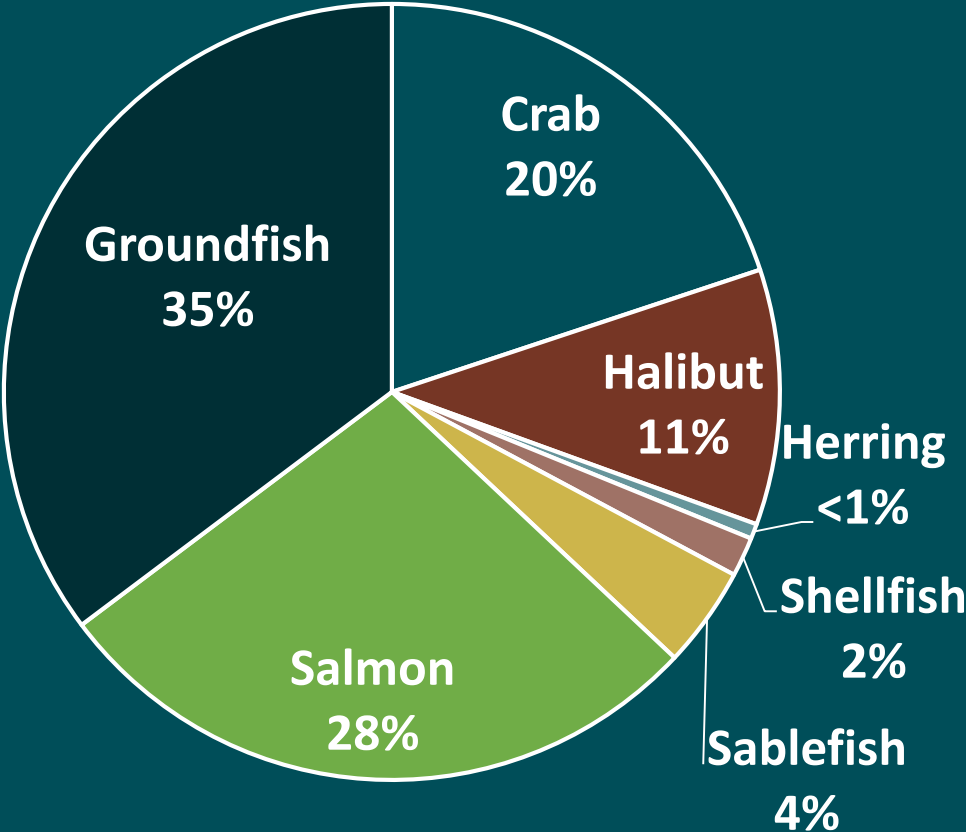


KIB Processor Production in 2014

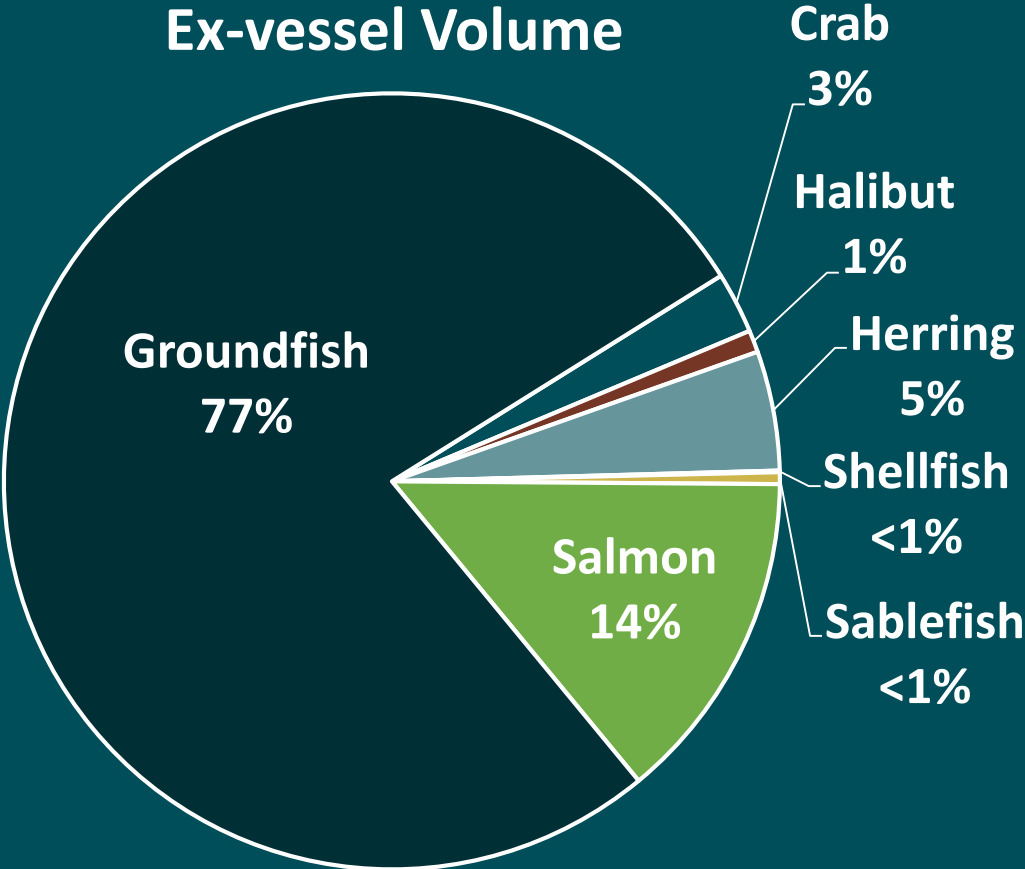
Species	First Wholesale Value (\$Million)	First Wholesale Volume (Million lbs.)
Salmon	\$116	46
Pollock	\$90	107
Pacific Cod	\$44	28
Other Groundfish	\$26	34
Halibut	\$22	3
Sablefish	\$17	3
All other	\$10	5
Total	\$325	226

KIB Resident Landings

Ex-vessel Value



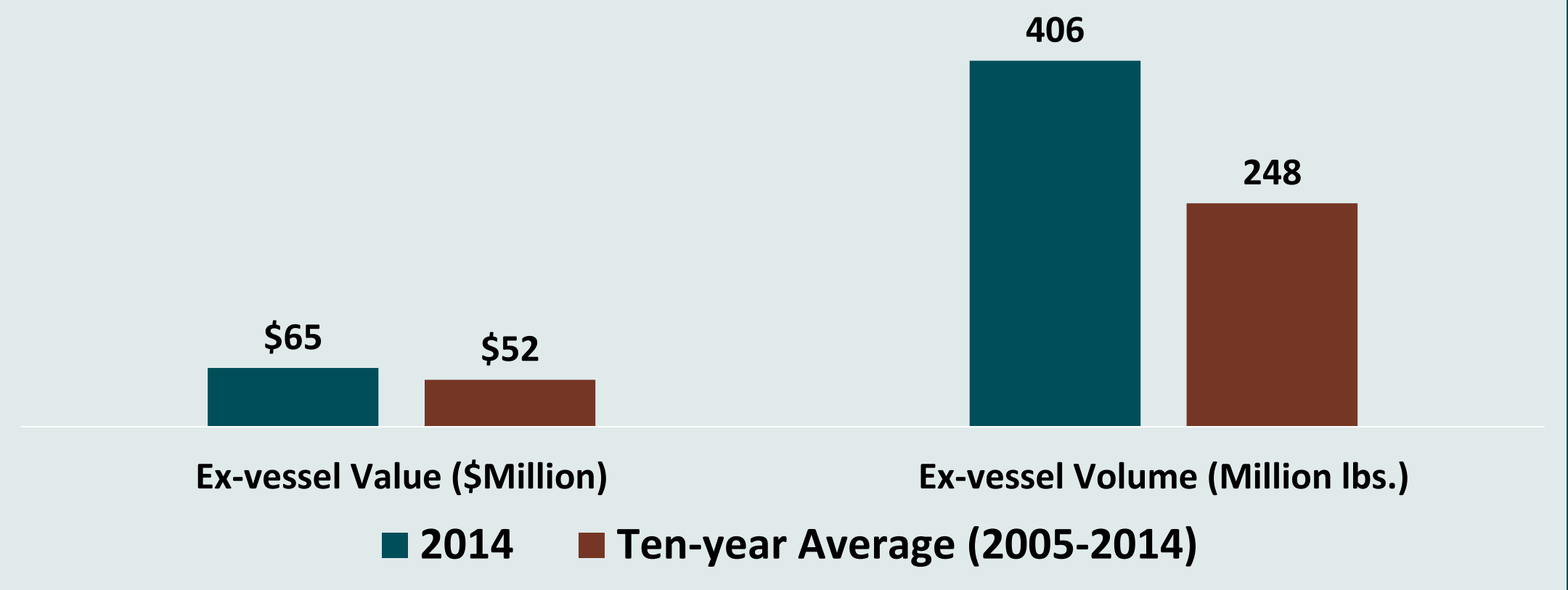
Ex-vessel Volume



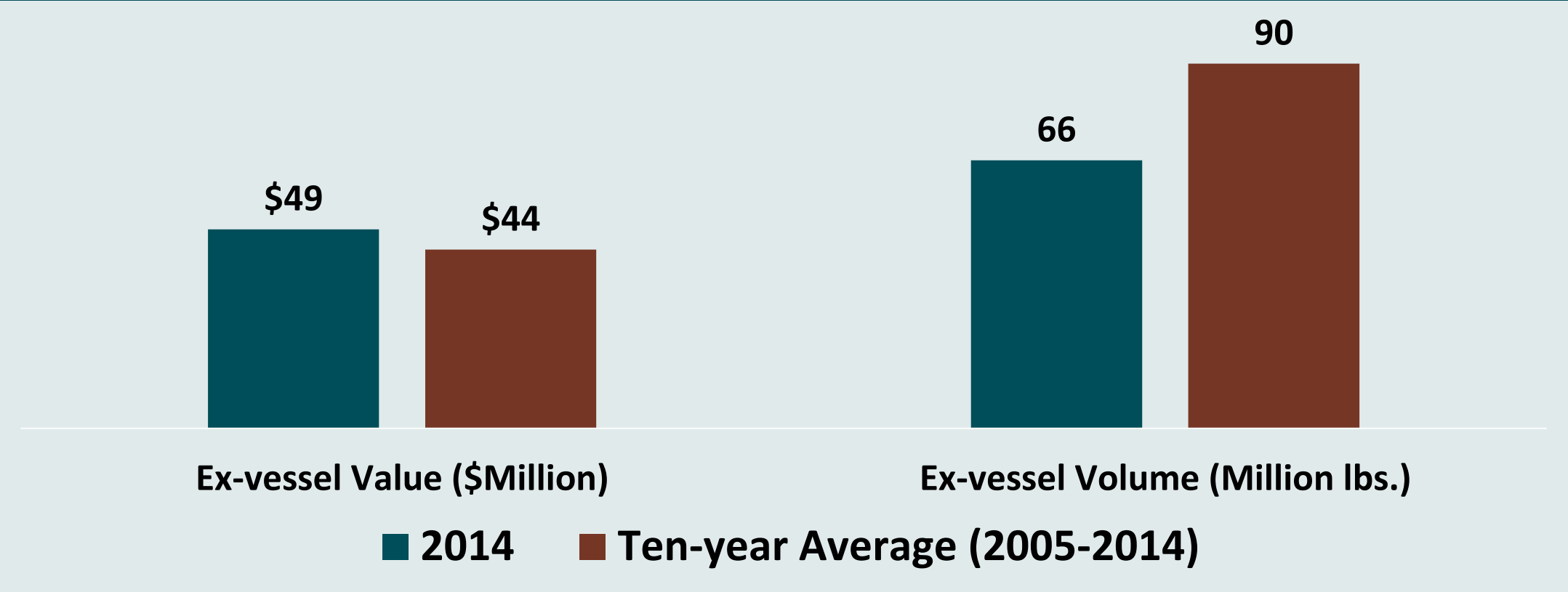
KIB Resident Harvest 2014

Species	Value (\$Million)	Volume (Million lbs.)
Groundfish	\$45	250
Salmon	\$35	45
Crab	\$25	8
Halibut	\$14	3
Sablefish	\$5	2
Other Shellfish	\$2	<1
Herring	\$1	16
Total	\$127	325

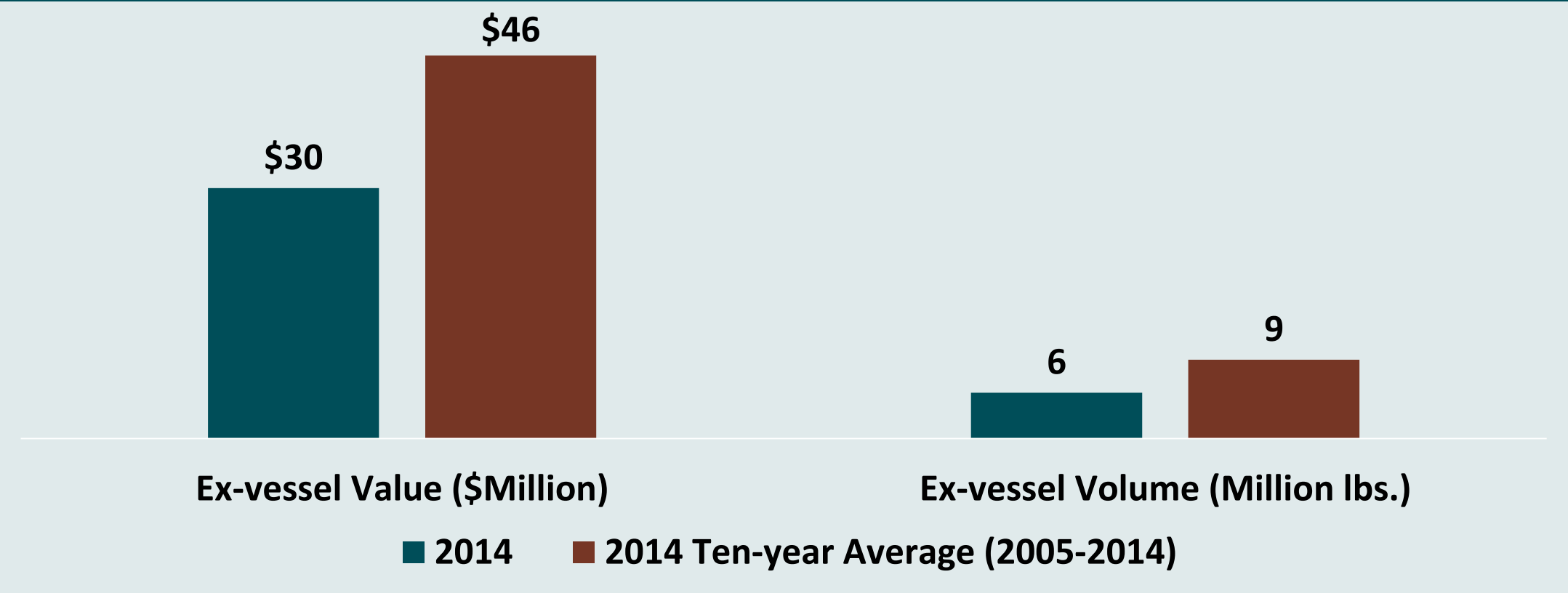
KIB Industry Trends: Groundfish Landings



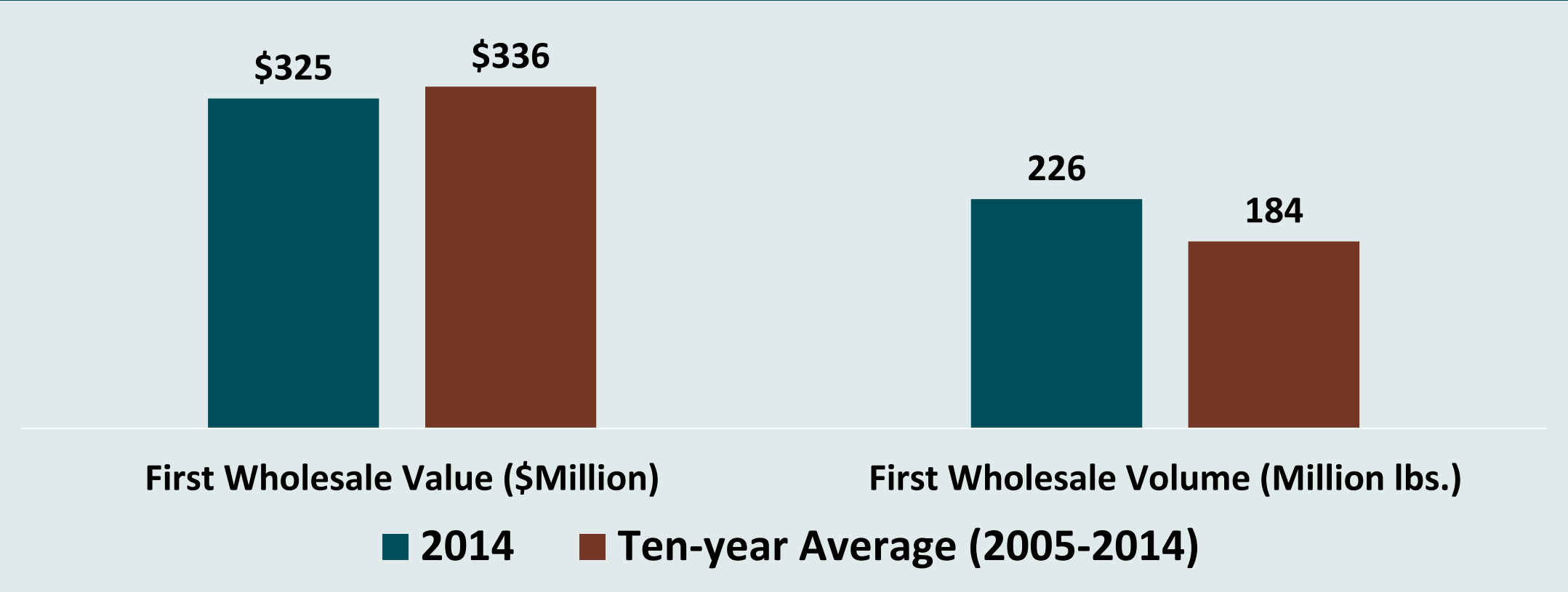
KIB Industry Trends: Salmon Landings



Industry Trends-Halibut and Sablefish Landings



KIB Industry Trends: Processors

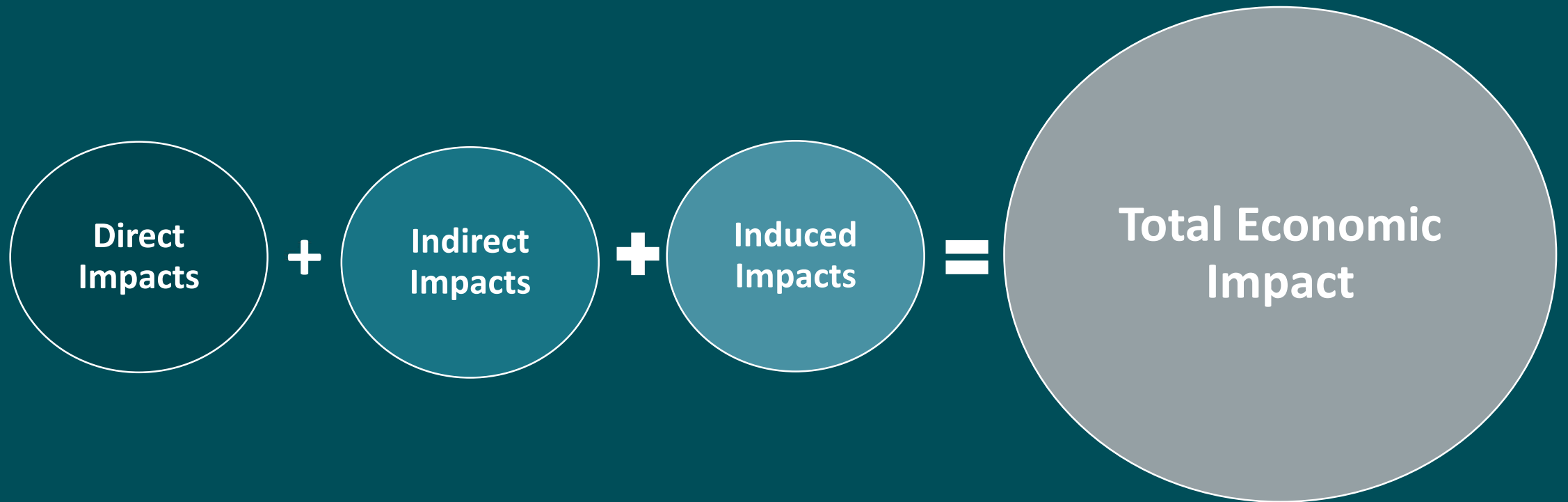


Economic Impact Summary

Economic Impacts in Kodiak -Methods

- Compile and analyze secondary data
 - *Harvest volume and value*
 - *Production volume and value*
 - *Participation and direct employment*
 - *Fishermen and processing sector residency*
- Conduct primary research
 - *Fishery crewing and spending patterns*
 - *Processor spending patterns*
- Modeling of multiplier effects

Multiplier Effects



Results of Economic Impact Analysis

- Commercial fishing economic impacts in 2014
 - *1,350 jobs (full and part-time equivalent)*
 - *\$88 million in labor income in the KIB*
 - *\$156 million in total output (total expenditures in the KIB)*
- Seafood Processing economic impacts in 2014
 - *2,370 jobs*
 - *\$132 million in labor income*
 - *\$210 million in total output*

Results of Economic Impact Analysis

- Total commercial fishing, processing, and related economic impacts in 2014
 - *3,920 jobs*
 - *\$236 million in labor income*
 - *\$396 million in total output*
- 30+% of KIB labor income
- 38% of KIB employment

Predicting future economic impacts

- These are the results of a “snap-shot” analysis
 - *Based on 2014 harvest and market conditions*
- Substantially more research required to develop a “predictive” model
- Provides high-level indications of economic impact in Kodiak of changes in harvest values and volumes
 - *Recognizing multiplier effects unfold over time*

Predicting future economic impacts

- Examples of potential economic consequences in KIB of change in volume and value of KIB landings:
 - 1 million lbs. of salmon landed = \$900,000 in total local labor income (LI)
 - \$1 million paid to fishermen for salmon landed = \$1.22 million in local LI
 - 1 million lbs. of groundfish landed = \$270,000 in total local LI
 - \$1 million paid to fishermen for groundfish landed = \$1.64 million in local LI

Summary of Findings

- Total economic impact in the KIB
 - 3,920 jobs
 - \$236 million in labor income
- Seafood industry accounts for 30% to 40% of KIB economy
 - Accounts for 30%+ of labor income
 - Accounts for nearly 40% of employment
- Findings based on 2014 harvest and production volume values
 - Static analysis in a dynamic industry

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