

# Economic Impact of the Seafood Industry on the Kodiak Island Borough

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Prepared for:  
Kodiak Island Borough  
City of Kodiak

# McDowell Group

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- 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

McDowell  
GROUP

# Project Scope of Work

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- 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

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- 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

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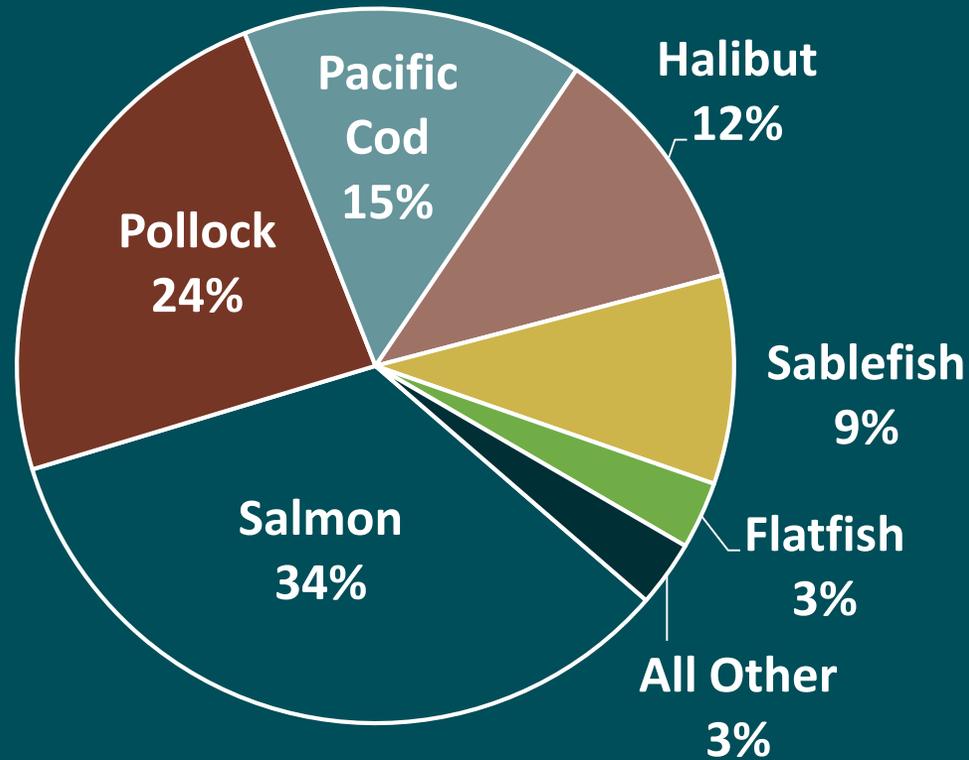
# 2014 Seafood Industry Overview

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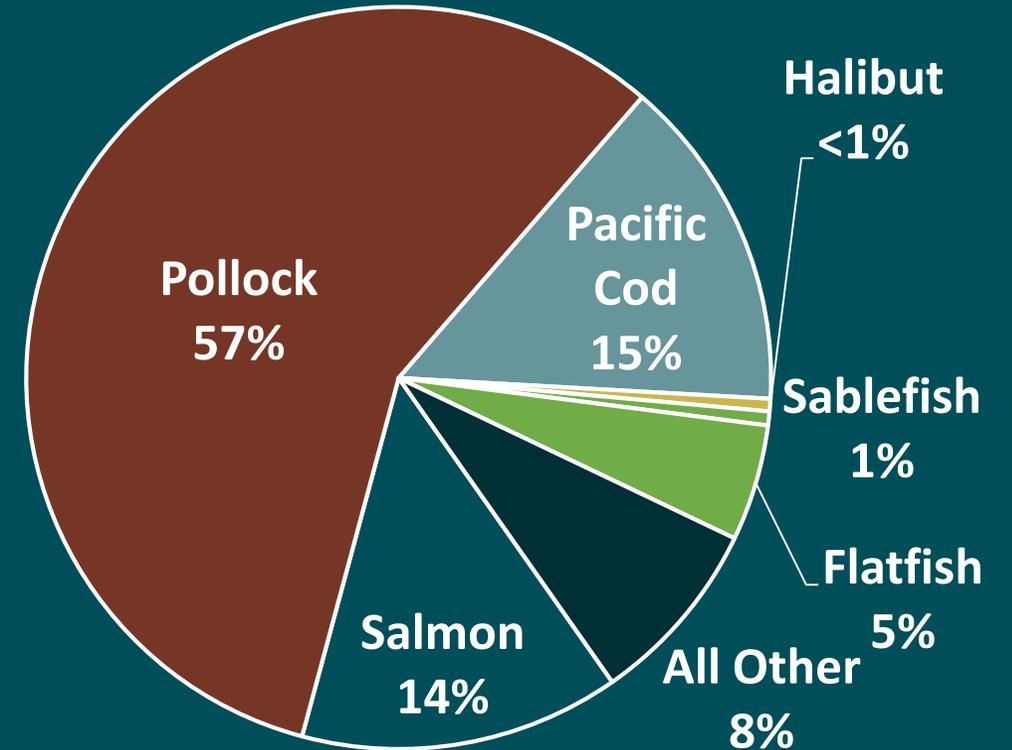
Category	Volume (Million lbs.)	Value (\$Million)
Total KIB Ex-vessel Landings	488	\$151
KIB First Wholesale Production	226	\$325

# KIB Landings in 2014

## Ex-vessel Value



## Ex-vessel Volume

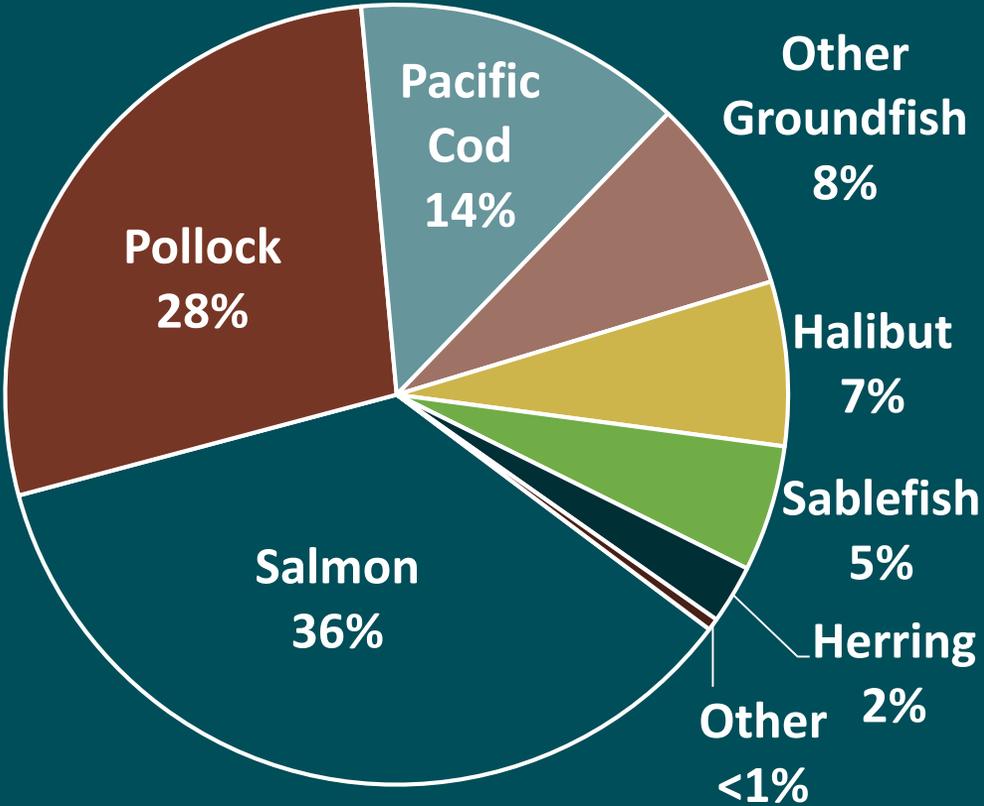


# KIB Landings in 2014

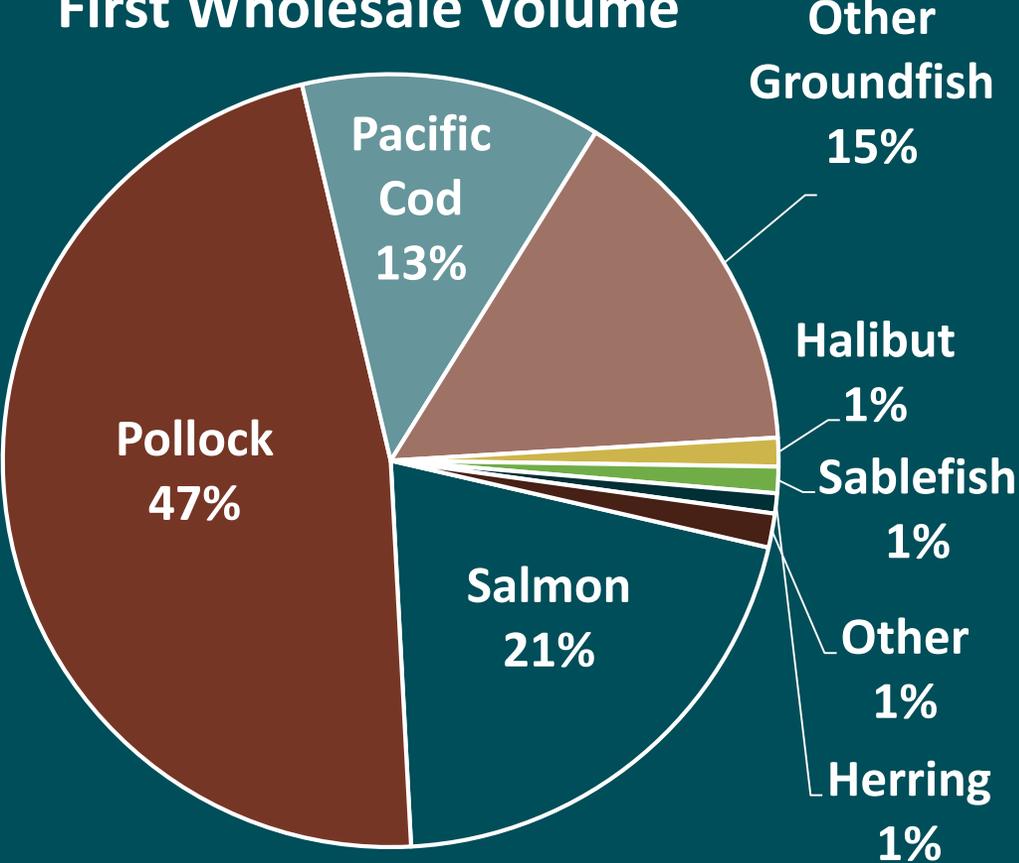
Species	Ex-vessel Value (\$Million)	Ex-vessel Volume (Million lbs.)
Salmon	\$49	66
Pollock	\$34	273
Pacific Cod	\$22	70
Halibut	\$17	3
Sablefish	\$14	3
All other	\$15	73
<b>Total</b>	<b>\$151</b>	<b>488</b>

# KIB Processor Production in 2014

First Wholesale Value



First Wholesale Volume

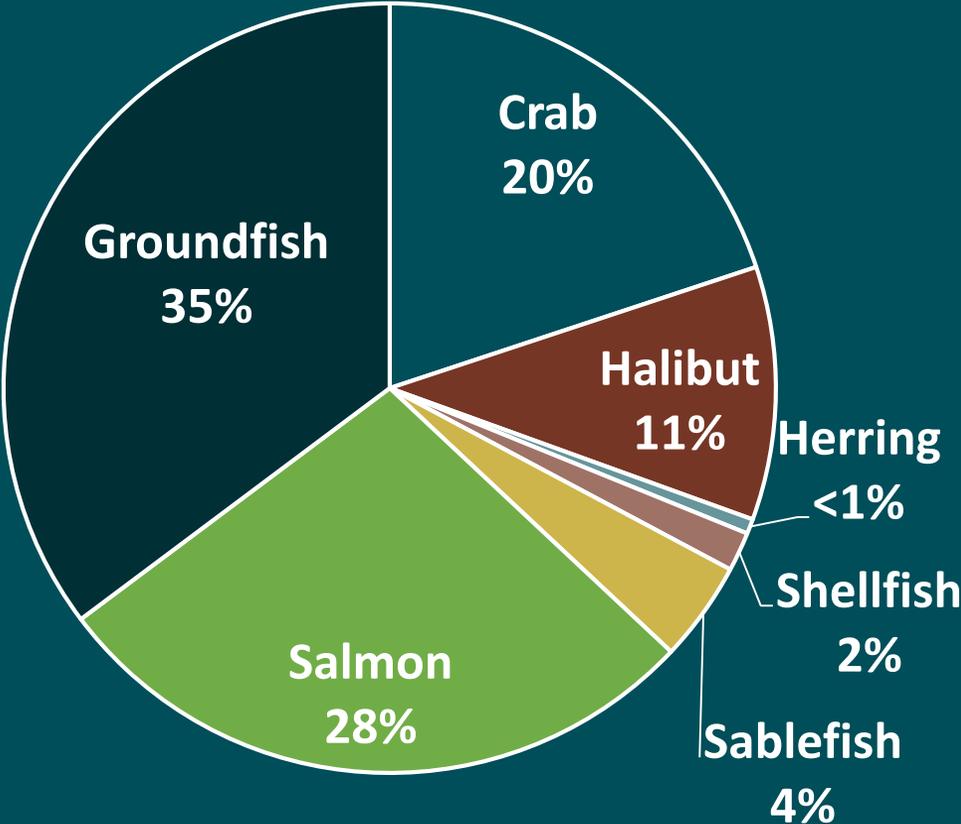


# KIB Processor Production in 2014

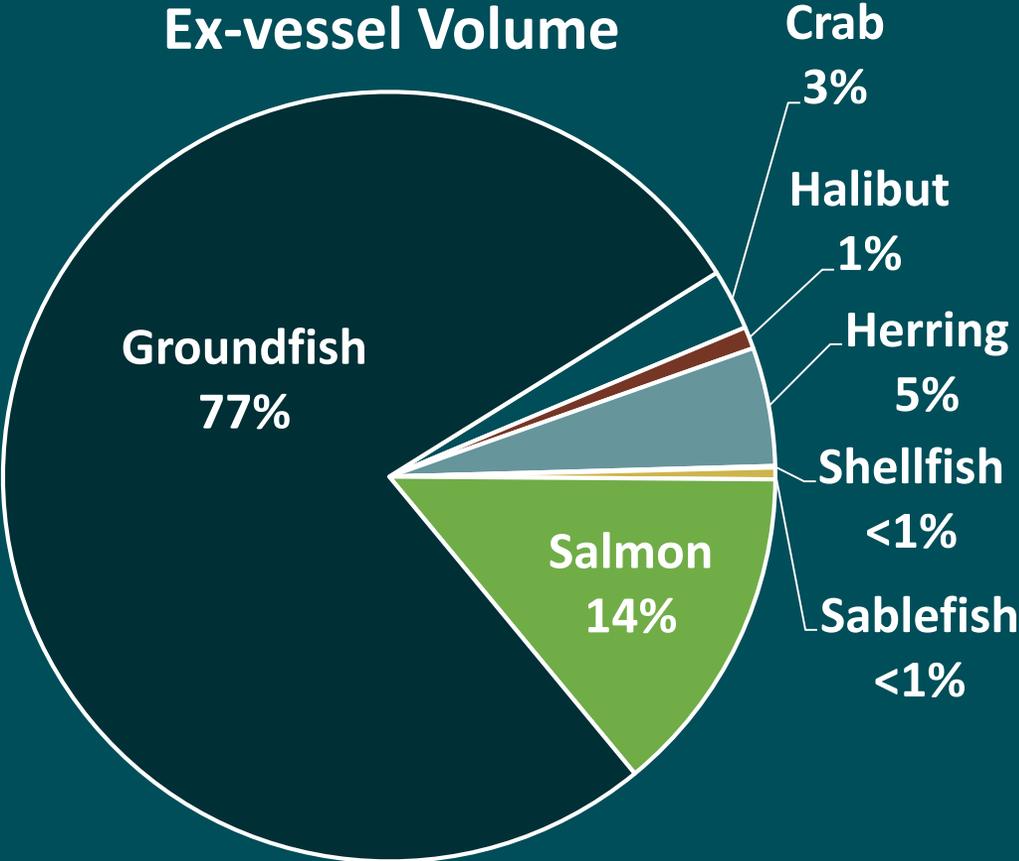
<b>Species</b>	<b>First Wholesale Value (\$Million)</b>	<b>First Wholesale Volume (Million lbs.)</b>
<b>Salmon</b>	<b>\$116</b>	<b>46</b>
<b>Pollock</b>	<b>\$90</b>	<b>107</b>
<b>Pacific Cod</b>	<b>\$44</b>	<b>28</b>
<b>Other Groundfish</b>	<b>\$26</b>	<b>34</b>
<b>Halibut</b>	<b>\$22</b>	<b>3</b>
<b>Sablefish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

# KIB Resident Landings

Ex-vessel Value



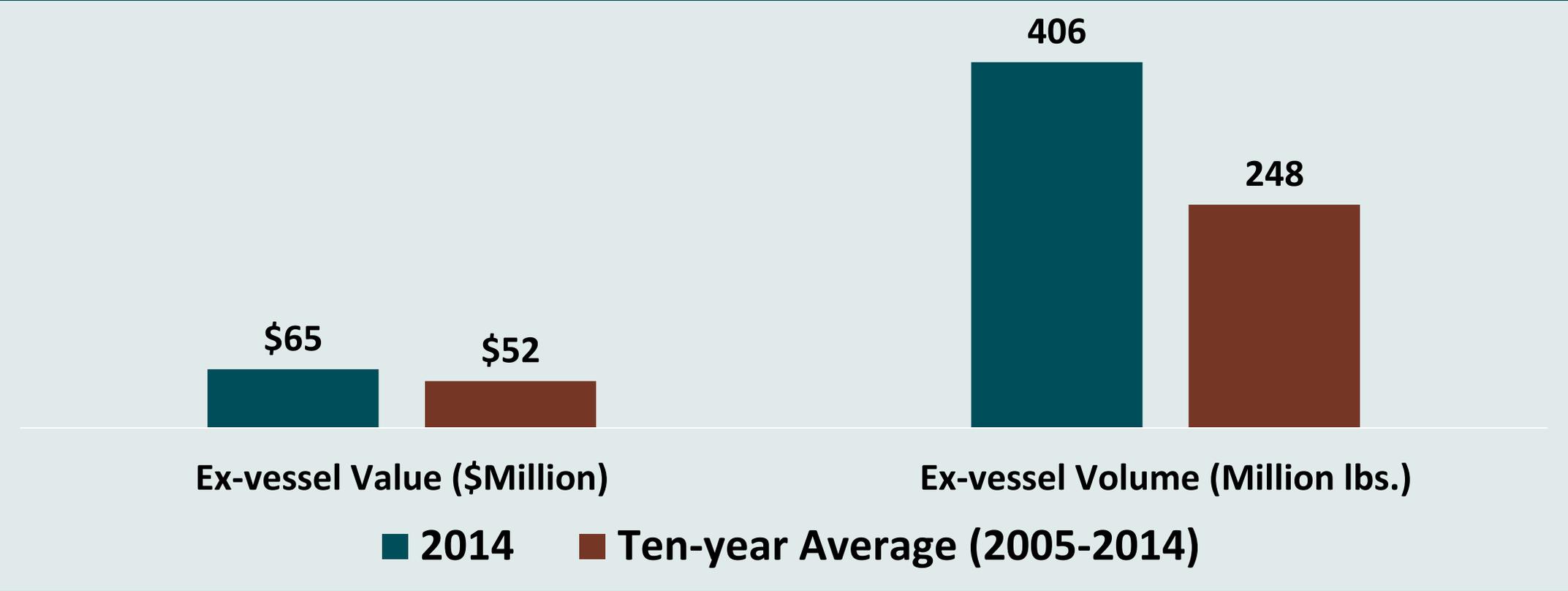
Ex-vessel Volume



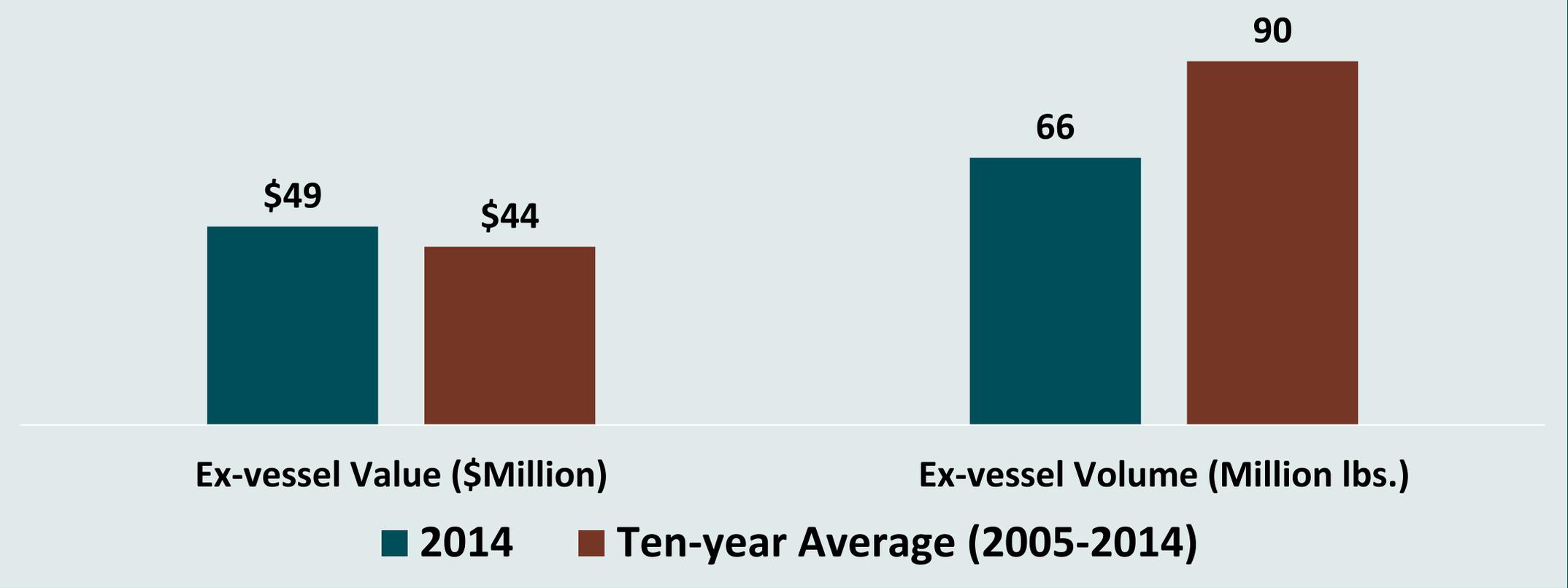
# KIB Resident Harvest 2014

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

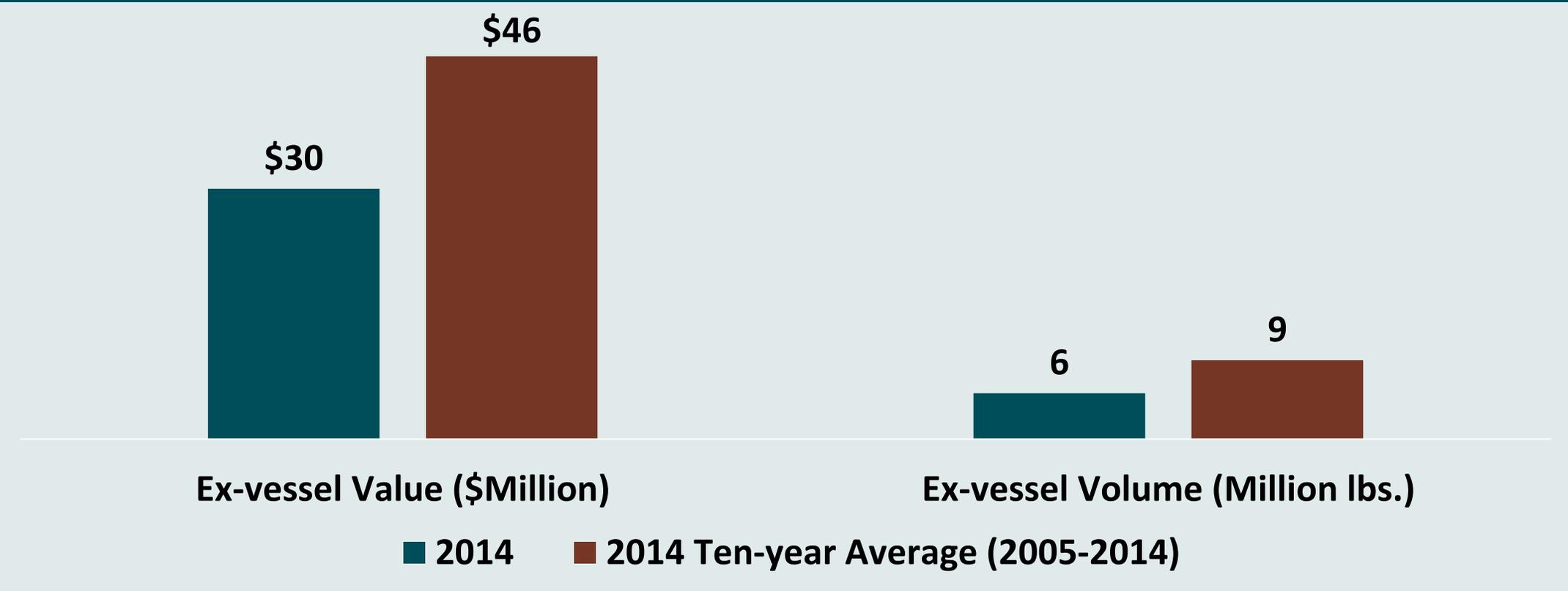
# KIB Industry Trends: Groundfish Landings



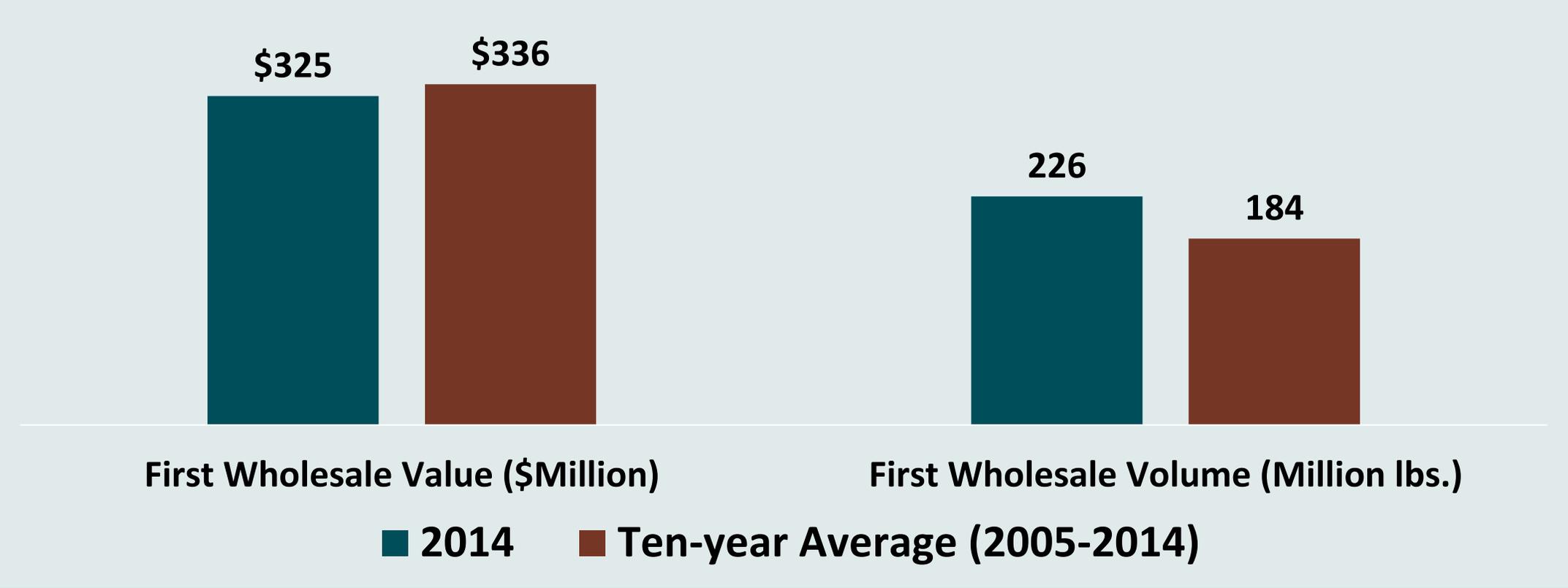
# KIB Industry Trends: Salmon Landings



# Industry Trends-Halibut and Sablefish Landings



# KIB Industry Trends: Processors



# Economic Impact Summary

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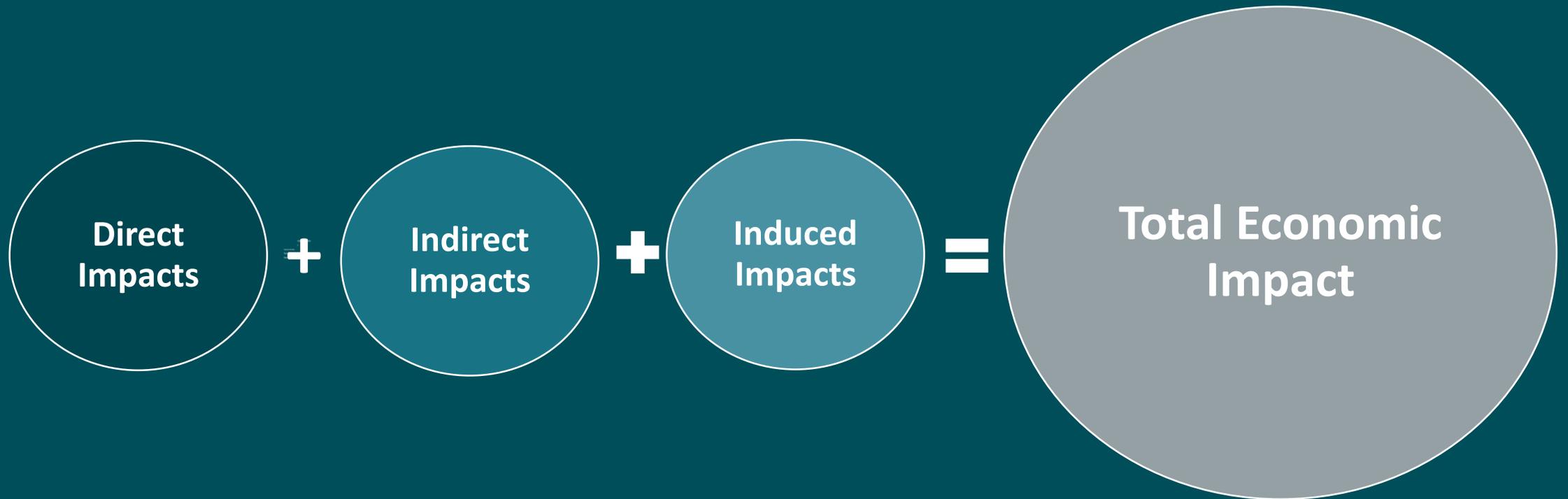
# Economic Impacts in Kodiak -Methods

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- 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

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# Results of Economic Impact Analysis

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- 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

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- 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

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- 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

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- 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

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- 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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