

THE TAKU RIVER ECONOMY: AN ECONOMIC PROFILE OF THE TAKU RIVER AREA

FINAL REPORT

***PREPARED FOR:
United Southeast Alaska Gillnetters***



Research-Based Consulting

Juneau
Anchorage

September 2004

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EXECUTIVE SUMMARY

The major commercial, recreational, and cultural activities in the Taku River area benefit residents of both Southeast Alaska and British Columbia. The key economic impacts of Taku River activities are summarized below:

- The ex-vessel value of the commercial harvest of Taku River salmon has been between \$603,000 and \$2.9 million since 1994. The ten-year average is approximately \$1.3 million. Sockeye accounted for about 86 percent of the total US commercial harvest value in 2003.
- The first wholesale value of the US commercial harvest of Taku River salmon has ranged from \$2 million to \$7.4 million since 1994. The ten-year average value is approximately \$3.4 million. About 80 percent of the first wholesale value of Taku River salmon was from the sockeye harvest in 2003.
- The total economic impact of the US commercial harvest and processing of Taku River salmon includes 80 jobs, \$1.4 million in labor income, and \$5.4 million in total regional economic output.
- Approximately 400 people earn income from the commercial harvest of Taku salmon, including permit holders and their crew, processing employees and others.
- Taku River chinook account for a significant portion of the total sport catch from Juneau waters. For example, the percentage of chinook salmon from the Taku River has ranged from 56 to 93 percent of the total spring sport catch volume from the Juneau area since 1994.
- Based on an estimated \$1.5 million in sport fish related expenditures, the total economic impact of sport fishing for Taku River salmon in the Juneau area, including direct, indirect and induced effects is approximately 40 jobs, \$700,000 in labor income, and \$2 million in total economic output.
- There were 123 personal use permits fished in 2003, and a ten-year average of 130 permits. An annual average of 18 chinook and 1,200 sockeye are caught in the US personal use fishery in the Taku River. Applying a substitution value of \$5.00/pound based on the cost of substitute foods at retail stores, the ten-year average harvest of 1,380 salmon is worth approximately \$44,000 annually.
- The economic activity from the first wholesale value of the Canadian commercial harvest in the Taku River has been between \$478,000 and \$1 million since 1994. The ten-year average first wholesale value is approximately \$734,000.
- Approximately 60,750 visitors participated in some type of flightseeing tour in the Taku River area in 2003. This includes visitors to the Taku Glacier

Lodge, glacier landings, trekking, dogsledding, and other sightseeing activities. Including charter flights, the approximate retail value of all commercial tourism related aircraft activity in the Taku River area was \$13 million in 2003.

- The total direct, indirect, and induced economic impacts of commercial air activity was 150 jobs, \$5.5 million in labor income, and \$18 million in total economic output in 2003.
- Sportsmen visit the Taku River area on both sides of the border on guided and unguided hunts for moose, mountain sheep, mountain goats, grizzly bears, black bears and other game animals. Some game is hunted by members of the Taku River Tlingit First Nation and other Atlin residents, and contributes to the subsistence economy of Atlin. Including the replacement value of these traditional foods, expenditures on non-guided hunts, and the typical cost of guided hunting packages, hunting activities in the Taku River area on both sides of the border are worth approximately \$155,300 annually.
- Approximately 80 people participated in guided river trips on the Taku River in 2003, spending an estimated \$240,000 on trip packages.
- Annual property tax from private parcels in the Taku River area received by the City and Borough of Juneau is approximately \$300,000.

Inventory of Current Economic Activities in the Taku River Area

Fishing Activities	
US Activity	
Total economic impact of US commercial harvest of Taku River salmon	\$5.4 million
Annual average employment from US commercial harvest	80
Total participation in US commercial harvest	400
Total economic impact of sport fishing for Taku River salmon	\$2 million
Annual average employment from sport fishing for Taku River salmon	40
Substitution value of US Taku River personal use fishery	\$44,000
Average number of participants in personal use fishery	130
BC Activity	
First wholesale value of BC commercial harvest of Taku River salmon	\$734,000
Substitution value of BC aboriginal harvest of Taku River salmon	\$29,000
Recreational Activities	
Commercial air activity in Taku River area (total value)	\$18 million
Annual average employment from commercial air activity	150
Guided river excursions (total value)	\$240,000
Average number of participants	80
Hunting activities (total value)	\$155,300
Annual CBJ property tax from private parcels in the Taku River area	\$300,000
Mining Activities	
Value of mining exploration programs	Variable