



**Economic Values of Sport,
Personal Use, and Commercial
Salmon Fishing in Upper Cook Inlet
(Executive Summary)**





Kenai River Sportfishing Association

The Kenai River Sportfishing Association (KRSA) is dedicated to ensuring the sustainability of the world's premier sport fishing river. The association's area of responsibility encompasses the Kenai River watershed, greater Cook Inlet basin, and Alaska. Established in 1984 and incorporated in 1992 as a 501(c)(3) nonprofit organization, KRSA accomplishes its mission through four primary program areas: Habitat, Fisheries Management, Research, and Education.

Mission

HABITAT:

KRSA fosters habitat conservation and rehabilitation to maintain and improve the Kenai River watershed for sustainable fisheries;

FISHERIES MANAGEMENT:

KRSA advocates for predictable and meaningful sport and personal use fishing opportunity;

RESEARCH:

KRSA funds and conducts fishery, economic, and conservation research to advance information for management of sustainable fisheries; and

EDUCATION:

KRSA provides public education, scholarships and outreach to promote stewardship of fisheries resources.



Quick Reference

PARTICIPATION

- 160,000 anglers—Alaskans and visitors—sport fish for salmon, and 20,000 Alaskans harvest salmon for personal use in Upper Cook Inlet recreational salmon fisheries each year.
- 1,375 to 2,500 individuals are seasonally employed in commercial salmon harvesting and processing or have jobs arising indirectly from the effects of commercial harvest and processing activity in Upper Cook Inlet.
- Sport and personal use salmon fishing in Upper Cook Inlet account for well over one-third (37%) of all recreational fishing in Alaska.
- Upper Cook Inlet accounts for 2% of the total statewide commercial salmon catch.
- Cook Inlet commercial salmon fisheries have substantially lower yields and substantially higher rates of permits not fished than comparable fisheries.

ECONOMIC SIGNIFICANCE

- Recreational salmon fishing in Upper Cook Inlet generates 3,400 average annual jobs producing \$104 million (2006 dollars) in income.
- Commercial salmon fishing in Upper Cook Inlet generates between 275 and 500 average annual jobs producing between \$10 and \$18 million (2006 dollars) in income.
- The average commercial salmon harvest size in Upper Cook Inlet from 2002 to 2006 is greater than the average harvests over the past ten and past fifty years.
- The current (2000-2006) value of Upper Cook Inlet commercial salmon harvests is 14% of the highest historic value (1986-1992) and 39% of the most recent decade (1991-2000).

NET ECONOMIC VALUE (NEV)

- The average value over and above expenses that individual Alaskans place on their annual recreational fishing is \$776 (2006 dollars).
- The net economic value of recreational salmon fishing in Upper Cook Inlet to Alaskans and visitors is \$115 million (2006 dollars)—almost half (47%) of the statewide net economic value total—with \$62 million of that total going to Alaskans.
- The net economic value of Upper Cook Inlet commercial salmon fishing to all permit holders—Alaskans and non-residents—is less than \$1 million.

FUTURE TRENDS

- Demand for recreational fishing opportunities in the Cook Inlet boroughs is expected to continue to grow by 2.3% per year through 2011—a net increase of almost 29,000 anglers over 2002-2006 levels.
- Salmon farming and globalization of seafood markets will continue to exert downward pressure on prices and values in all of Alaska's commercial salmon fisheries.

ECONOMIC IMPACTS

- Institute of Social and Economic Research (ISER) study models from the mid-1990s suggest that at current commercial prices and values, increasing sockeye salmon allocations for sport fishing in Upper Cook Inlet would generate overall economic gains in the region.

ALLOCATION

- Commercial fisheries are currently allocated 82% of the Upper Cook Inlet salmon harvest, while sport and personal use fisheries are allocated 18% of the harvest.
- In Alaska 2% of the total salmon harvest is allocated for recreational use. For allocations in Alaska to be comparable with other North American Pacific salmon fisheries, allocation rates for recreational fishing would need to be increased two (200%) to five (500%) times.



ECONOMIC VALUES OF SPORT, PERSONAL USE, AND COMMERCIAL SALMON FISHING IN UPPER COOK INLET

EXECUTIVE SUMMARY

Upper Cook Inlet is unique among all of Alaska's maritime regions in its relative proportions of recreational and commercial fishing. Upper Cook Inlet supports Alaska's largest and most economically valuable recreational fisheries. Sport and personal use fishing is heavily concentrated in the region, and the economic values associated with these activities are very substantial. By contrast, commercial fisheries in Upper Cook Inlet yield a small fraction of the state's commercial harvest and the associated economic values are very modest.

Over the past decade the economic values of sport and personal use salmon fisheries in Upper Cook Inlet have greatly surpassed those of the commercial salmon fisheries

by every available measure. State fisheries management systems—designed primarily to accommodate commercial fisheries—continue to grapple with the profound and ongoing changes in both recreational and commercial salmon fisheries in the region.

To more clearly define the economic importance and relative values of salmon fisheries in Upper Cook Inlet, this report reviews published studies and agency data on participation, economic significance, net economic value, and potential economic impacts of management practices in the region's sport, personal use, and commercial salmon fisheries.

COOK INLET SALMON FISHERIES

Cook Inlet is divided into two fisheries management areas—Upper and Lower Cook Inlet. Anchor Point (near Homer) is the boundary between the two areas. Upper Cook Inlet is divided into two districts—the Central District (from Anchor Point north to Boulder Point) and the Northern District (from Boulder point north). The Central District is the gateway for salmon returning to the Kenai, Matanuska-Susitna, and Anchorage Borough watersheds.

Almost two-thirds (64%) of the total Cook Inlet commercial salmon catch comes from Upper Cook Inlet. An even greater percentage of the total harvest value—about five-sixths (83%)—comes from Upper Cook Inlet. This means that the great bulk of high-value salmon species caught in Cook Inlet are taken in Upper Cook Inlet. Sockeye salmon constitute almost all (93%) of the value of the Upper Cook Inlet commercial salmon harvest with Chinook and coho each constituting 3% and chum 1% and pink less than a half a percent.

Upper Cook Inlet Commercial Salmon Harvest Value by Species

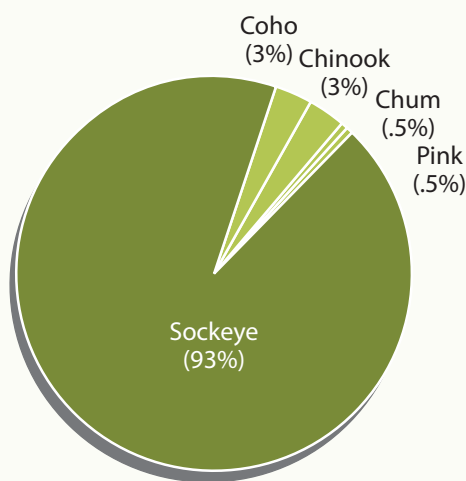


Figure ES 1. From 2002-2006, sockeye salmon averaged 93% of the annual harvest value with Chinook and coho each constituting 3%, chum 1%, and pink less than a half of a percent. Source: ADF&G 2007.

Upper Cook Inlet Commercial Sockeye Salmon Harvest by Gear Type & Location

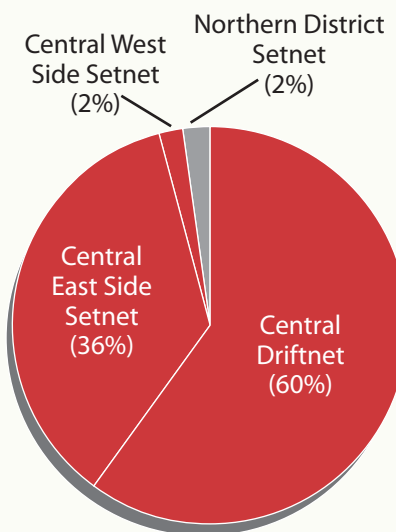


Figure ES 2. Division of Upper Cook Inlet commercial sockeye salmon harvest by gear type and location, 1990-1994. Source: ISER 1996.



While sockeye salmon is by far the most commercially valuable fish species in Cook Inlet, run-timing and migration routes utilized by all salmon species overlap in Upper Cook Inlet to such a degree that the commercial fishery is largely mixed-stock and mixed-species in nature.

Sockeye salmon are one of the most highly valued salmon species and by far the most abundant species in recreational fisheries in Upper Cook Inlet. Chinook salmon is perhaps the most highly valued salmon species in recreational fisheries, but Chinook harvests are by far the smallest of any salmon species in the region. Though less abundant than sockeye, coho salmon are much more abundant than Chinook and are very highly valued in Upper Cook Inlet recreational fisheries.

Essentially all (98-99%) commercially harvested salmon in Upper Cook Inlet are caught in the Central District. Set gillnets take half of the Upper Cook Inlet commercial salmon harvest and more than two-thirds (70%) of these set gillnets are concentrated on the east side of the Central District where the Kenai River watershed is located. Kenai sockeye generally comprise more than half (52%) of the total Upper Cook Inlet commercial salmon harvest.

The Kenai River watershed supports the largest and most intensively used recreational salmon fisheries in the state. Low numbers of salmon passing through the Central District commercial salmon fisheries to the Northern District of Upper Cook Inlet have limited the development of recreational salmon fishing in Matanuska-Susitna Borough watersheds.

Upper Cook Inlet Commercial Fisheries Management Districts

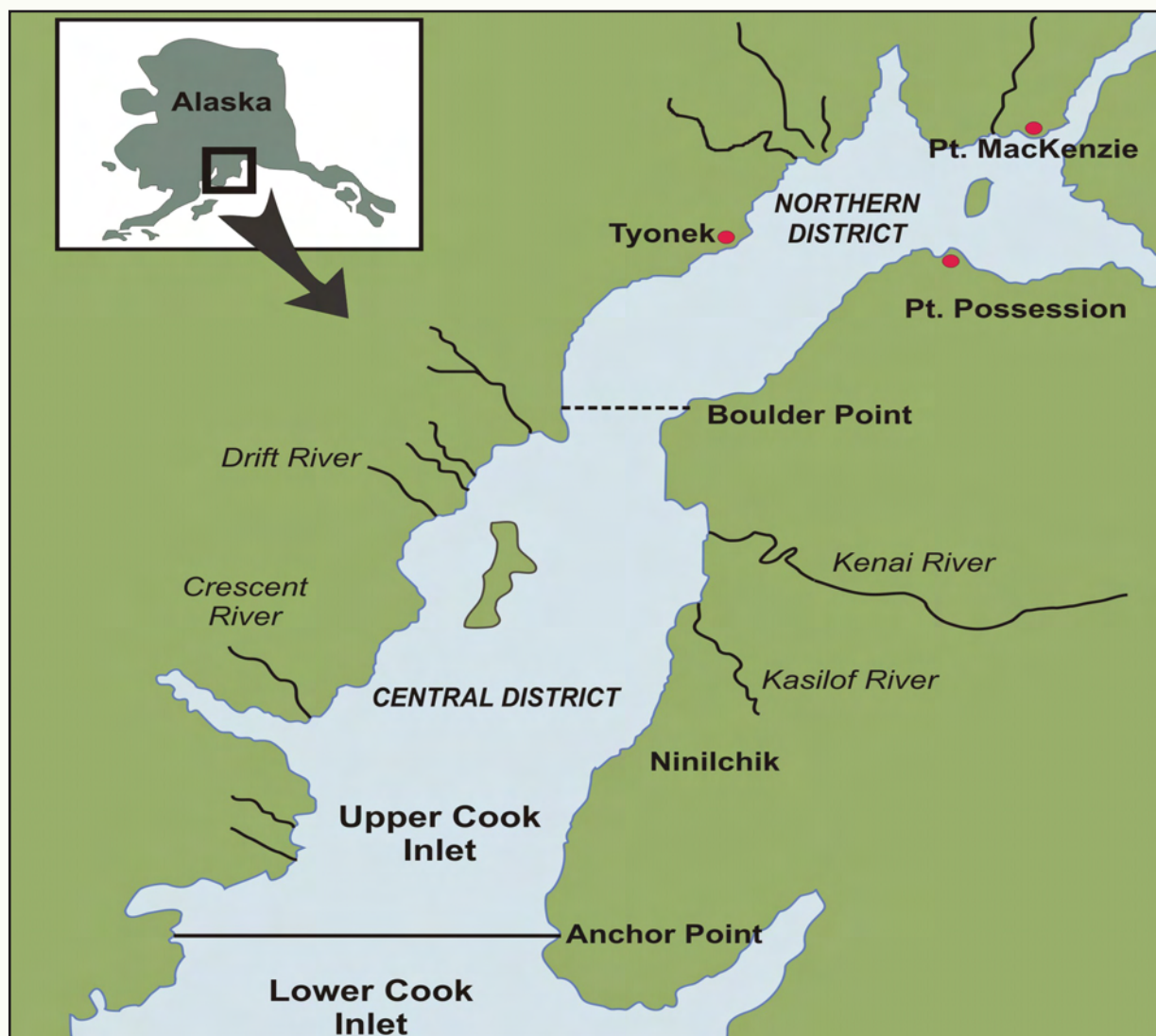


Figure ES 3. Upper Cook Inlet Commercial Management Districts. Source: ADF&G 2004.

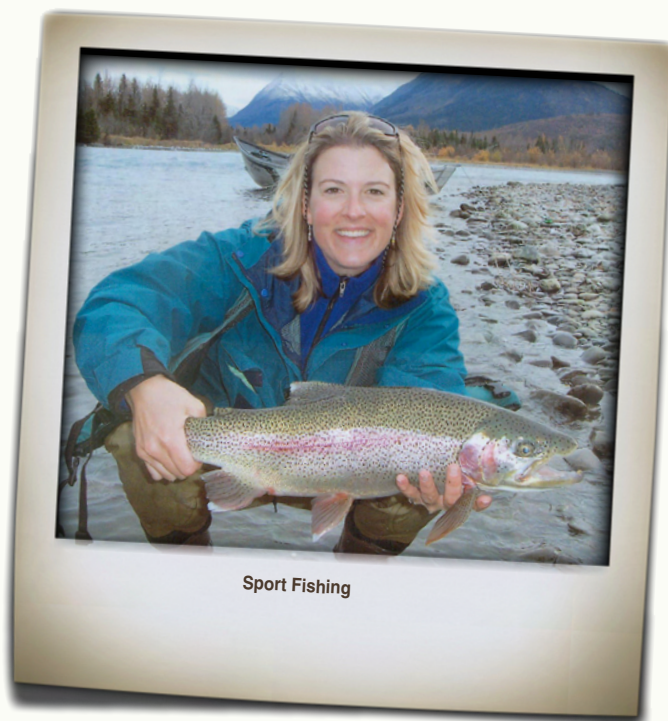


PARTICIPATION

Sport and Personal Use

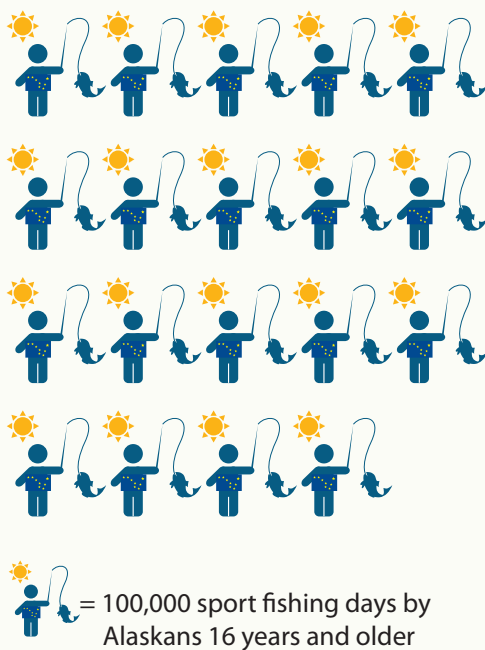
With one out of every three Alaskans active in sport fishing (some 207,000 resident anglers), Alaska has the highest rates of participation in recreational fishing in the nation. The great bulk of sport fishing activity in Alaska is attributable to Alaskans who account for well over two-thirds (70%) of some 2.8 million annual sport fishing days in the state. Moreover, recreational fishing by Alaskans is highly concentrated in the Southcentral region with almost three-quarters (72%) of all established resident anglers living and doing nearly all (95%) of their sport fishing in the region.

More than a quarter of a million anglers—Alaskans and visitors—fish each year in the Cook Inlet boroughs (Anchorage, Matanuska-Sustina and Kenai Peninsula).



Annual Sport Fishing Days in Alaska by Angler Residence (2006)

Alaskan's Fishing Days (70%)



Other U.S. Residents' Fishing Days (30%)

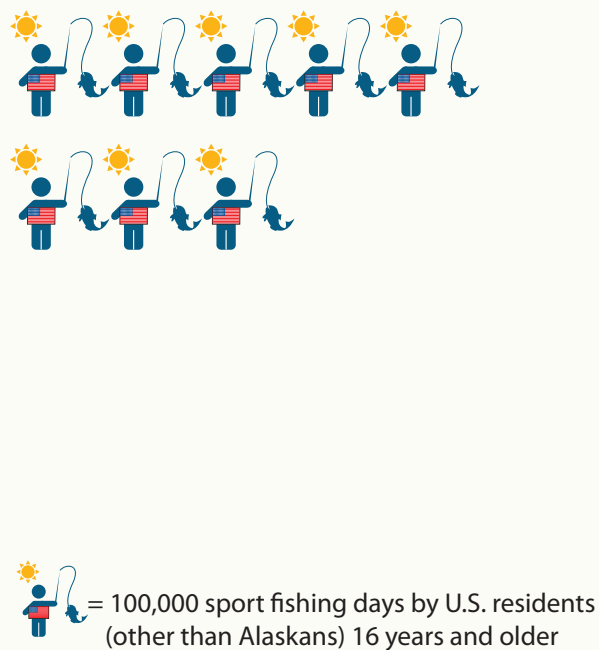


Figure ES 4. US residents 16 years and older spent 2.8 million days sport fishing in Alaska in 2006. Alaskans accounted for 1.9 million days (70% of the total) of those days. Other U.S. residents accounted for 0.8 million days (30% of the total) of those days. Source: USF&WS 2007.



Percentages of Alaskans Who Sport Fish by Region of Residence

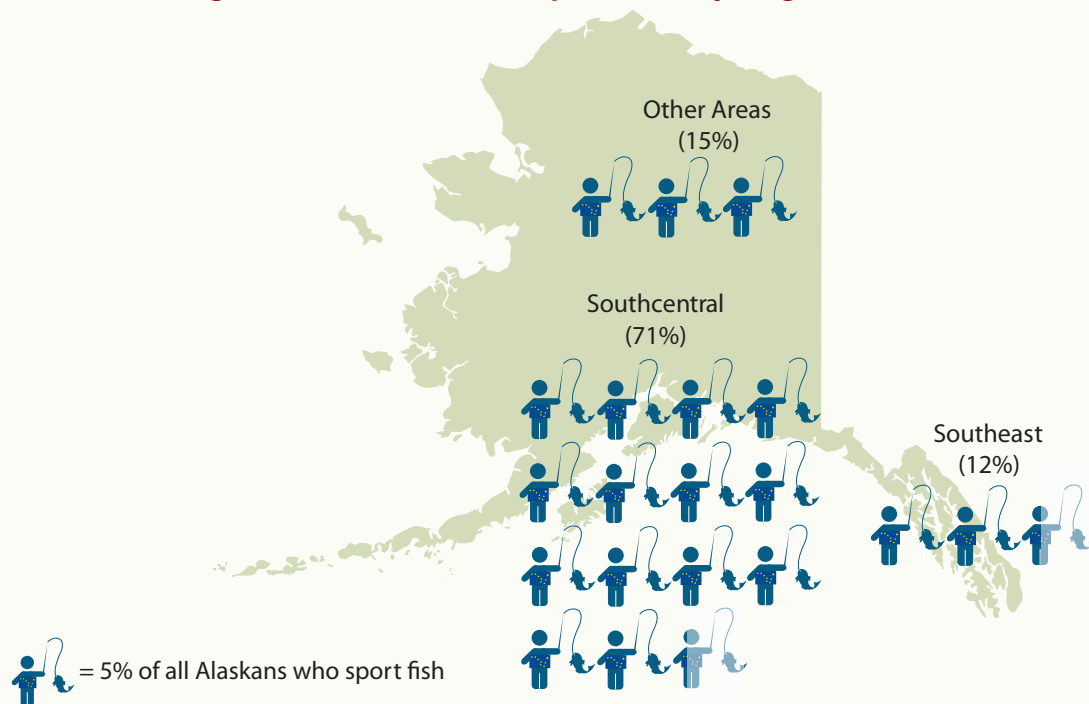


Figure ES 5. Percentage of all Alaskans who sport fish by region of residence, 2002-2006. (2% of anglers are of unknown residence.) Source: ADF&G 2007.

More than half (51%) of all summer fishing trips in the state—by Alaskans and visitors—are in Upper Cook Inlet. Salmon fishing in Upper Cook Inlet accounts for almost three-quarters (73%) of all fishing trips in the area and well over one-third (37%) of all recreational fishing in the state.

More than a quarter of a million (261,000) anglers—Alaskans and visitors—fish each year in the Cook Inlet boroughs. Of these, some 160,000 anglers fish for salmon in Upper Cook Inlet. In addition, some 20,000 Alaskans

obtain personal use permits to net Upper Cook Inlet salmon to feed their households. Alaskans with personal use permits harvest about the same number of sockeye salmon (~300,000) in Upper Cook Inlet each year for household use as all anglers—Alaskans and visitors—take in the Upper Cook Inlet sport fisheries. Alaskans with personal use permits take about one-third and sport anglers—Alaskans and visitors—take about two-thirds of the total Upper Cook Inlet recreational (non-commercial) salmon harvest of all species.

Proportion of All Alaska Fishing Trips Occurring in Upper Cook Inlet

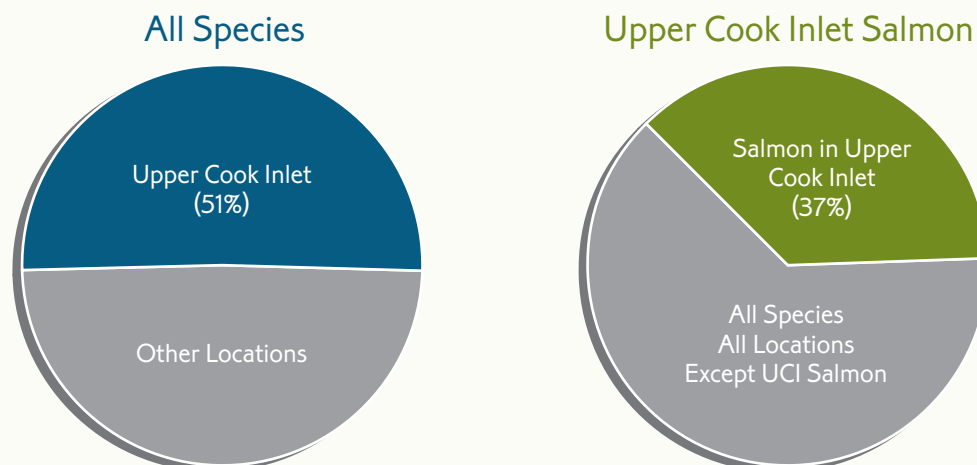


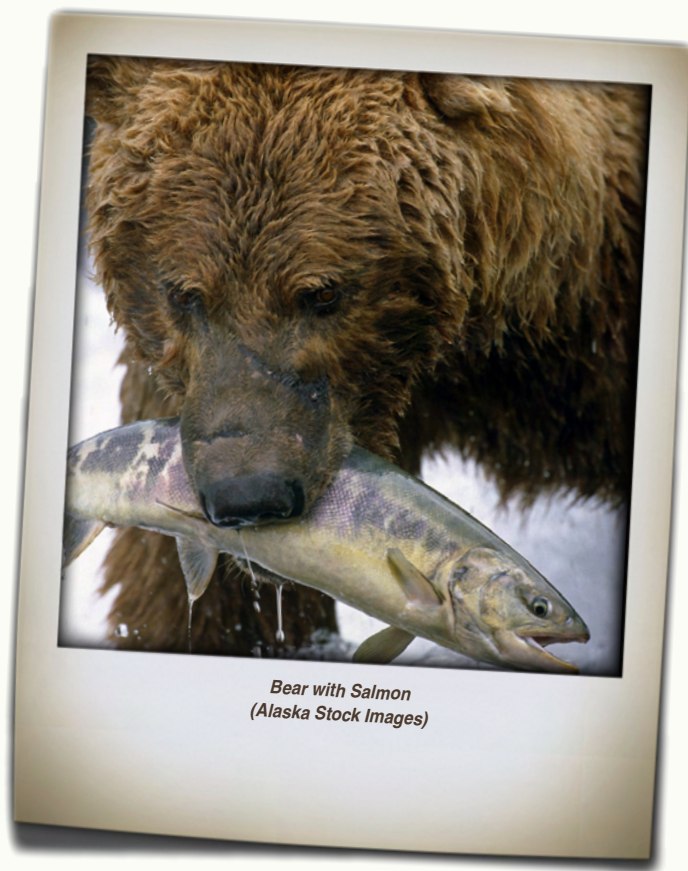
Figure ES 6. Proportion of all Alaska fishing trips (by Alaskans and visitors) occurring in Upper Cook Inlet and proportion of all state fishing trips targeting salmon in Upper Cook Inlet, 1993. Source: Tabulation of site-specific trip data in Haley et al. 1999.



Wildlife Watching

Salmon runs also play a critical role in wildlife watching in Alaska, an activity with even greater rates of participation than recreational fishing and hunting combined. Salmon runs draw marine mammals—such as orcas, belugas, and Steller sea lions—and terrestrial mammals and birds—such as bears, eagles, and land otters—into concentrations and locations where it is both possible and attractive for Alaskans and visitors to view them. Both private and commercial wildlife watching in Cook Inlet rely on access by small plane, motorized and non-motorized boats, conventional and off-road vehicles, and foot to areas where wildlife is concentrated in sufficient numbers to engage participants. Ultimately the spawn and decomposing bodies of salmon provide the critical nutrients in a terrestrial food web extending from insects and plants to a broad host of birds and animals that support more extended wildlife watching opportunities.

Not quite half of all adult Alaskans (42%) and over half of all U.S. summer visitors (56%) actively engage in wildlife watching—in trips away from the home—for a total of more than a half million participants (514,000) and well over 4.2 million days of activity annually.



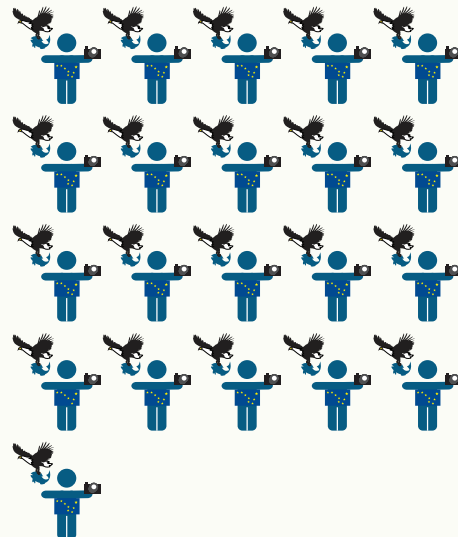
Alaskans Active in Hunting, Sport Fishing & Wildlife Watching (2006)

Hunting and/or Fishing



 = 10,000 Alaskans 16 years and older who went hunting and/or fishing in 2006

Wildlife Watching



 = 10,000 Alaskans 16 years and older who went wildlife watching in-state away from the home in 2006

Figure ES 7. In 2006 some 208,000 Alaskans age 16 and older—42% of all Alaskans in this age category—went wildlife watching in-state away from the home. About 150,000 Alaskans of the same ages—30% of Alaskans in this age category—went hunting and/or fishing in 2006. Source: USF&WS 2007.



Commercial

Some 844 commercial permit holders reported a catch in the Upper Cook Inlet management area in 2006. One out of five (22%) commercial permit holders in Cook Inlet are nonresidents. Between 1,375 and 2,500 individuals are estimated to be seasonally employed in commercial harvesting and processing or have jobs arising out of the indirect economic effects of commercial salmon harvests in Upper Cook Inlet.

The Upper Cook Inlet commercial salmon catch accounts for 2.2% of the total statewide commercial salmon harvest.

Comparisons of commercial salmon harvest yields in Cook Inlet with yields in other commercial salmon fisheries in the state indicate that commercial salmon fishing effort is disproportionately concentrated in Cook Inlet. Cook Inlet commercial salmon fisheries have substantially lower yields and substantially higher rates of permits not fished than comparable fisheries. In Cook Inlet there are 25 commercial salmon permits fished for every 100,000 fish harvested, compared to three permits fished for every 100,000 fish harvested in the rest of the state. Comparison of Upper Cook Inlet percentages of commercial salmon caught and permits fished statewide indicate that commercial salmon fishing effort is disproportionately concentrated in Upper Cook Inlet.

Upper Cook Inlet Proportion of Statewide Commercial Salmon Harvest

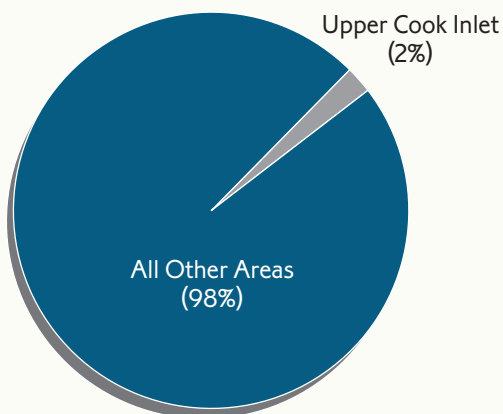


Figure ES 8. Average annual proportions of statewide commercial salmon catch by area 2000-2006. Source: ADF&G 2007.



Upper Cook Inlet Percentages of Commercial Salmon Caught & Permits Fished Statewide (2006)

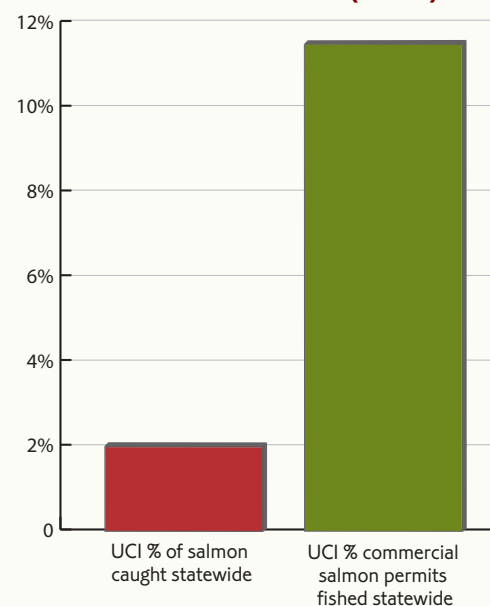


Figure ES 9. In 2006 Upper Cook Inlet accounted for 11.5% of all actively fished commercial salmon permits but only 2.0% of the statewide salmon catch. Source: ADF&G 2007, CFEC 2007. (From 2000-2006 the Upper Cook Inlet commercial salmon catch averaged 2.2% of the statewide harvest total. Source: ADF&G 2007.)



ECONOMIC SIGNIFICANCE

Sport and Personal Use

Sport and personal use fishing in Southcentral Alaska generate direct annual spending of some \$453 million (2006 dollars) and total sales of \$581 million that support 6,100 “full-time equivalent” or “average annual” jobs that produce \$186 million in income. Sport and personal use salmon fishing in Upper Cook Inlet generates total annual sales of some \$316 million (2006 dollars) that support 3,400 average annual jobs producing \$104 million in income in the region.

Recreational salmon fishing in Upper Cook Inlet generates 3,400 average annual jobs producing \$104 million (2006 dollars) in income.



Salmon Charter Fishing
(Greg Syverson/Accent Alaska.com)

Commercial

Estimates based on high ex-vessel (commercial catch) values of the mid-1990s attribute 500 average annual jobs and \$18 million (2006 dollars) in annual income to harvesting, processing, and indirect and induced employment from commercial salmon harvests in Upper Cook Inlet. At current (2000-2006) average annual commercial harvest values for salmon in Upper Cook Inlet, employment arising from commercial harvesting and processing as well as indirect and induced employment is

estimated to be between 275 and 500 average annual jobs, and average annual income is estimated to be between \$10 and \$18 million (2006 dollars).

Commercial salmon fishing in Upper Cook Inlet generates between 275 and 500 average annual jobs producing between \$10 and \$18 million (2006 dollars) in income.

Though the size of wild salmon runs fluctuates from year to year, the recent average annual commercial salmon harvest in Upper Cook Inlet is greater than long-term averages. The average commercial salmon harvest in Upper Cook Inlet over the most recent five-year period (2002-2006) of 4.34 million is greater than the average harvests in the region over the past ten years (1996-2005) of 3.70 million and past fifty years (1966-2005) of 4.27 million. By contrast, the inflation adjusted average annual value (in 2006 dollars) of Upper Cook Inlet commercial salmon harvests from 2000-2006 of \$16 million is one-seventh (14%) of the highest historic average annual value for an equivalent time period (1986-1992) of \$108 million and about one-third (39%) of the average annual value of the most recent decade (1991-2000) of \$40 million.



Salmon Row Processor
(Terry Chick/Accent Alaska.com)



Average Annual Jobs and Income Generated by Salmon Fishing in Upper Cook Inlet by Harvest Type



Figure ES 11. Commercial salmon fishing in Upper Cook Inlet generates between 275 and 500 average annual jobs producing between \$10 and \$18 million (2006 dollars) in income. Recreational salmon fishing in Upper Cook Inlet generates 3,400 average annual jobs producing \$104 million (2006 dollars) in income. Source: Calculations based on data reported in ADL&WD 2007, ADF&G 2007, ADF&G 2006, ADF&G 2005(b), Colt 2001, Haley et al. 1999, ISER 1996.

Upper Cook Inlet Commercial Salmon Ex-Vessel Values by Decade & Most Recent Period (Inflation Adjusted)

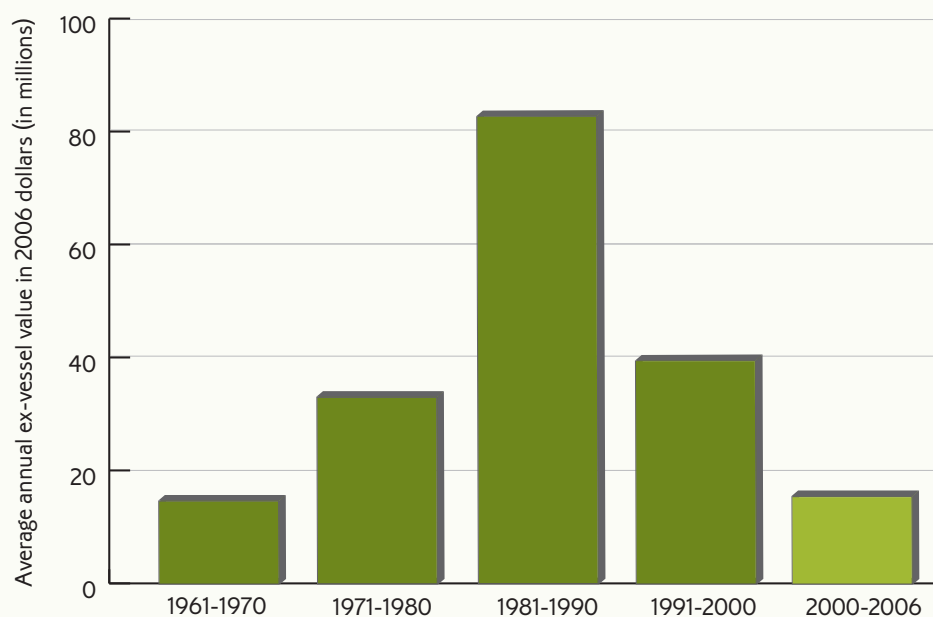


Figure ES 12. Average annual ex-vessel value of commercial salmon harvests in Upper Cook Inlet by decade and most recent period. Source: ADF&G 2007, ADL&WD 2007.



NET ECONOMIC VALUE (NEV)

Both commercial and recreational fishing have economic worth in addition to the value created in local economies from sales, jobs, and income. Measurements of the collective economic gains of all individual participants in an activity—characterized technically as “net economic value” (NEV) assessments—consider the collective benefits that participants in an activity receive over and above their costs or expenses of participation.

Permit holders in commercial fisheries expect to receive profits or returns on their investments that are over and above the amounts they need to meet their expenses. The collective economic gains or net economic value realized by all permit holders is generally assessed by measures most closely associated with collective profits or collective return on investment to permit holders. Expectations about these gains in turn determine the market value of commercial fishing permits as well as the willingness of permit holders to remain active in a fishery.

Recreational fishing participants also realize an economic “profit” from sport and personal use fishing if they value their experience more than the amount they actually have to pay to go fishing. Economists can measure the amount of this “profit” by determining the extra amount that a recreational fishing participant would be willing to pay in addition to the actual costs of going fishing. The collective total of the “extra” value obtained

by each participant is characterized by economists as the net economic value of recreational fishing. Participants’ expectations about this “extra” value determine the willingness of anglers to continue to make certain levels of expenditures on recreational fishing and to remain active in particular recreational fisheries.

Sport and Personal Use

Alaskans place an average value on their annual recreational fishing, over and above their expenses, of \$776 (2006 dollars). The net economic value (NEV) of sport and personal use fishing to participants in Southcentral Alaska is four-fifths (80%) of the statewide NEV total. The net economic value of recreational salmon fishing in Upper Cook Inlet is estimated at \$115 million (2006 dollars)—almost half (47%) of the statewide total—with \$62 million of that total going to Alaskans.

Commercial

The net economic value of Upper Cook Inlet commercial salmon fishing to Alaskan and nonresident permit holders is less than \$1 million. As a result of low ex-vessel prices and correspondingly low net economic value, current values of commercial salmon permits in Cook Inlet are about one-tenth (10%) of the all-time high values in the late 1980s and early 1990s.

Regional Proportions of Total Net Economic Value of Alaska’s Recreational Fishing

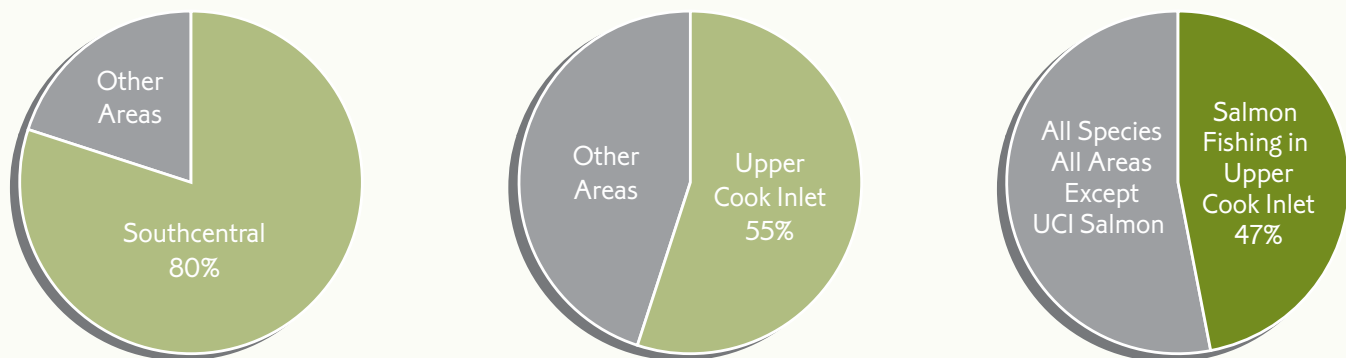


Figure ES 13. Regional proportions of the total net economic value of Alaska’s recreational fishing and proportion of statewide net economic value of salmon fishing in Upper Cook Inlet, 1993. Source: Tabulation of data reported in Haley et al. 1999.



FUTURE TRENDS

Sport and Personal Use

Demand for recreational fishing opportunities in the Cook Inlet boroughs is expected to grow by 2.3% per year through 2011—a net increase of almost 29,000 anglers over 2002-2006 levels. From 2002 to 2006, ADF&G issued an average 20,000 permits for Upper Cook Inlet personal use fishing. A record 21,910 personal use permits were issued in Upper Cook Inlet in 2004. Increases in sport and personal use harvests in Upper Cook Inlet will be determined by administrative allocation rather than underlying demand for fishing opportunities.

Commercial

Comparisons of historical harvest data show that the size of the current commercial salmon catch in Upper Cook Inlet cannot be used as the explanation for current low commercial salmon harvest values. The size of the average annual commercial salmon harvest in Upper Cook Inlet in recent years is greater than the average harvest sizes in the region over the past ten and past fifty years, yet the current average market value of the harvest is lower than any decade since the 1960s.

This fundamental change in price regimes for Alaska salmon has resulted from dramatic increases in production of farmed salmon and globalization of world seafood markets. Salmon farming and globalization of seafood markets will continue to exert downward pressure on prices and values in Alaska's commercial salmon fisheries and act as a driving force for changes in salmon fisheries management.

In this new economic environment, the exceptional values of commercial salmon harvests in Upper Cook Inlet from the late 1980s to the early 1990s can no longer realistically be used to set benchmarks for fisheries management goals and objectives. To match the historic financial yields of Upper Cook Inlet commercial salmon permit holders under current market conditions, the average annual commercial salmon harvest in Upper Cook Inlet would have to be increased by two (200%) to five (500%) times and exceed the highest average annual harvest of any decade on record.

ECONOMIC IMPACTS

In 1996, the Institute of Social and Economic Research (ISER) published a study assessing the potential economic impacts of increasing management targets for late-run Kenai sockeye by 200,000 fish thus making more fish available in-river for sport and personal use fishing on the Kenai River while potentially reducing commercial harvests and profits. The study modeled scenarios projecting ranges of sockeye run sizes and salmon prices—reflective of values in the early 1990s—ranging from a low of \$1.00 per pound to a high of \$1.75 per pound.

The study found that during high runs there would be no economic impacts, at medium runs and low prices sport gains would exceed commercial losses, and at low runs commercial losses would probably exceed sport gains. The study's authors noted that "given the range of uncertainty in our estimates, we can't definitely conclude that actual commercial losses would be larger than sport gains." The study noted but failed to assess the gains that would accrue to Northern District (Matanuska-Susitna and Anchorage boroughs) recreational fisheries from the increased number of sockeye salmon that would escape through the Central District under the higher management target.

The real (inflation adjusted) price per pound values of commercially caught sockeye salmon modeled in the ISER study are much higher than the nominal (non-

inflation adjusted) values stated in the study. Characterized in constant value 2006 dollars, ISER effectively modeled commercially harvested sockeye salmon at a high value of \$2.37 per pound, a low value of \$1.35 per pound, and a median value of \$1.94 per pound. The nominal values paid for commercially harvested sockeye salmon in Upper Cook Inlet from 2000-2006 were between \$1.10 and \$0.60 per pound. The average annual price per pound from 2000-2006—calculated in constant 2006 dollars—was \$0.83 per pound. This means that the ISER study used price assumptions almost one and two-thirds times (163%) greater at the low end and almost three times (286%) greater at the high end than the current average annual price per pound. Moreover, commercial permit values, harvesting and processing jobs and income, and commercial fisheries net economic values are now fractions of the values used in the ISER study.

This suggests that under current commercial salmon fishery price regimes and values the ISER study model would show economic gains in sport fisheries in Upper Cook Inlet that would exceed regional losses in the commercial fisheries in essentially all of the critical harvest level study scenarios. This would indicate that increasing salmon allocations for recreational fishing in Upper Cook Inlet would generate overall economic gains in the region.



ALLOCATION AND MANAGEMENT

Commercial fisheries are allocated about five-sixths (82%) of the Upper Cook Inlet salmon harvest, while sport, personal use, and subsistence fisheries are allocated about on-sixth (18%) of the catch. The percentage of the total salmon harvest that is allocated for recreational use in British Columbia is 11%, in the Pacific Northwest it is 4%, and in Alaska it is 2%. For Alaska to be comparable with proportionate distributions in other North American Pacific salmon fisheries, allocations for recreational salmon fishing in the state would need to be increased by two (200%) to five and a half (550%) times. Since Alaska's recreational salmon fishing is so heavily concentrated in Cook Inlet, this would mean that allocations in the region would need to be substantially increased.

The success of recreational fisheries relies not only on receiving an appropriate share of the salmon harvest but also on receiving those fish in a way that is meaningful to recreational users. Recreational fisheries management is based on providing anglers predictable opportunities to harvest a meaningful number of fish incrementally over the entire course of the fishing season. Management practices that optimize commercial fisheries harvests in Upper Cook Inlet often negate management practices that sustain recreational fisheries.

Percentage of Pacific Salmon Harvest Allocated for Recreational Fishing by Region

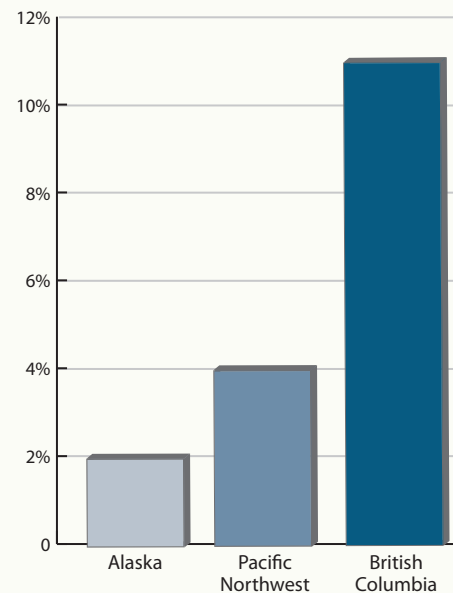


Figure ES 14. Upper Cook Inlet annual average harvest share by species for commercial and recreational (sport and personal use) fishing from 2002-2006. Source: Knapp et al, 2007.

Upper Cook Inlet Salmon Harvest Allocation by User Group & Species, 2002-2006

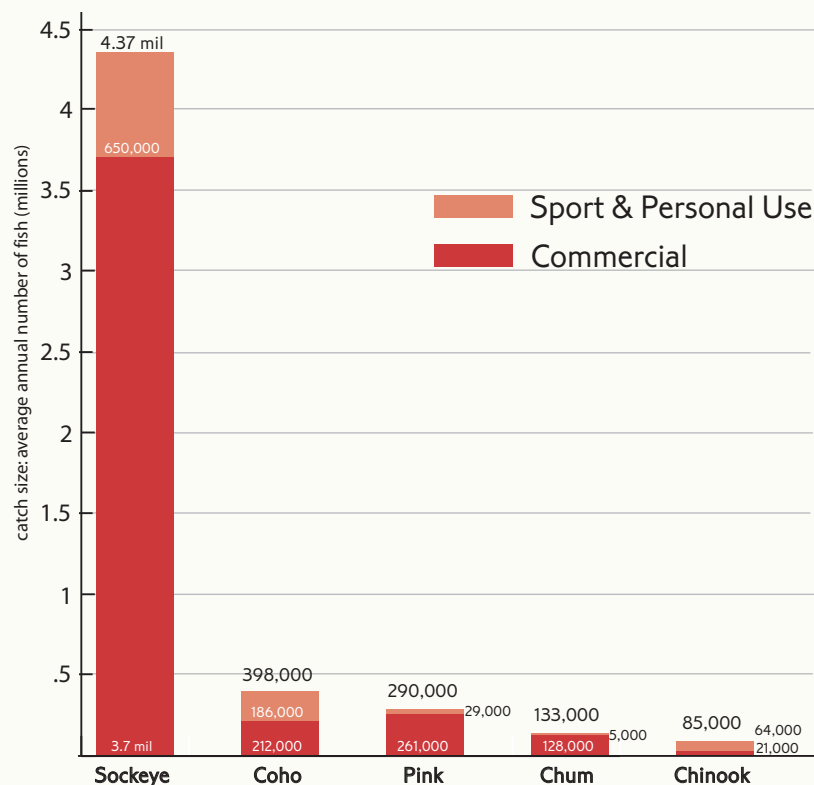


Figure ES 15. Upper Cook Inlet annual average harvest share by species for commercial and recreational (sport and personal use) fishing from 2002-2006. Source: ADF&G 2007.



CONCLUSION

The significant economic differences between commercial and recreational salmon fishing in Upper Cook Inlet are not generally understood or widely recognized. Because participation levels in recreational salmon fishing in Upper Cook Inlet are so much greater than those in commercial salmon fishing, recreational fishing produces much greater activity in local economies than does a comparable commercial harvest.

There are about eight to 15 times (800-1,454%) as many Alaskans who obtain personal use permits to harvest salmon in Upper Cook Inlet as there are individuals—Alaskans and nonresidents—who are employed in or have jobs arising out of commercial salmon harvests in Upper Cook Inlet. There are about 32 to 59 times (3,240-5,890%) as many Alaskans who sport fish for salmon in Upper Cook Inlet as there are individuals—Alaskans and nonresidents—who are employed in commercial salmon harvesting and processing or have jobs arising indirectly out of commercial salmon harvests in Upper Cook Inlet.

Recreational salmon fishing in Upper Cook Inlet generates about 7 to 12 times (680-1,236%) as many average annual jobs and 6 to 10 times (577-1,040%) as much average annual income in the region as commercial salmon fishing.

Recreational fishing also attracts visitors from outside of Alaska who bring wealth into the state in the form of new dollars spent in local economies. There are about 31 to 57 times (3,120-5,670%) as many visitors to Alaska who sport fish for salmon in Upper Cook Inlet as there are individuals—Alaskans and nonresidents—who are employed in commercial salmon harvesting and processing or have jobs arising indirectly out of commercial salmon harvests in Upper Cook Inlet.

In all, there are about 63 to 115 times (6,300-11,560%) as many anglers—Alaskans and visitors—who sport fish for salmon in Upper Cook Inlet as there are individuals—Alaskans and nonresidents—who are employed in commercial salmon harvesting and processing or have jobs arising indirectly out of commercial salmon harvests in Upper Cook Inlet.

Due, in part, to the impact of these vastly greater rates of participation, recreational salmon fishing in

Upper Cook Inlet generates about seven to 12 times (680-1,236%) as many average annual jobs and six to ten times (577-1,040%) as much average annual income in the region as commercial salmon fishing.

Fisheries management in Upper Cook Inlet faces the ongoing challenge of adhering to policies and practices that recognize the central economic importance of sport and personal use fisheries in the region.

The additional worth of commercial and recreational fishing to participants—that is, the value over and above the costs and expenses of participation—is not accounted for by measures of economic activity such as sales, jobs, and income. This additional worth is measured by net economic value (NEV) assessments. The net economic value (NEV) to Alaskans of recreational salmon fishing in Upper Cook Inlet is 62 (6,200%) times greater than the NEV of commercial salmon fishing to permit holders—Alaskans and non-residents—in the region.

Markets for Alaska salmon continue to be impacted by mounting pressures from the globalization of seafood markets and an explosion in aquaculture production. There is no projected abatement of these trends, and they will continue to act as a driving force for changes in salmon fisheries management. Unprecedented commercial fishery values in the late 1980s and early 1990s are no longer realistic benchmarks for fisheries management goals and objectives. It is crucial that the inevitable restructuring of salmon fisheries management in Upper Cook Inlet necessitated by global market forces be fully informed by an awareness of the very significant economic values—both to local economies and to individual participants—of sport and personal use fisheries.

The state agencies that oversee and regulate fisheries were originally designed to address the needs and interests of commercial fisheries. Substantive consideration of the needs of sport and personal use fisheries and informal representation of recreational fishing interests on the Board of Fisheries are relatively recent developments. Fisheries management in Upper Cook Inlet faces the ongoing challenge of adhering to policies and practices that recognize the central economic importance of sport and personal use fisheries in the region.



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