

02/13/14  
Presentation:  
Alaska  
Seafood  
Marketing  
Institute

<TARGET><BILL></BILL><SUBJECT>02-13-14 Presentation Alaska  
Seafood Marketing  
Institute</SUBJECT><COMM>HEDT28</COMM></TARGET>

## **Ginger Blaisdell**

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**From:** Apache <apache@wwwjnu04.akleg.gov>  
**Sent:** Monday, February 10, 2014 1:59 PM  
**To:** LIO Juneau; Ginger Blaisdell  
**Subject:** Teleconference Order Form

**Meeting:** new

**Sponsor and/or Committee Name:** Economic Development Trade and Tourism

**Date of Teleconference:** February 13, 2014

**Start Time:** 11:15am

**End Time:** 12:45pm

**Chairing Site:** capitol

**Juneau Room:** 124

**Bill Information:**

**Streamed to akl.tv:** yes

**Executive Session:** no

**Contact Person:** Ginger Blaisdell

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**Email Address:** [ginger.blaisdell@akleg.gov](mailto:ginger.blaisdell@akleg.gov)

**LIO Sites:**

**May other LIO's add:** yes

**Offnet Name(s):**

no one is expected to call in

**Other Information:**



## Wild, Natural & Sustainable®

February 26, 2014

The Honorable Shelly Hughes  
Chairwoman  
House Economic Development Trade and Tourism  
State Capitol, Room 409  
Juneau, AK 99811

Dear Representative Hughes;

Thank you for giving the Alaska Seafood Marketing Institute (ASMI) the opportunity to present at House Economic Development Trade and Tourism on February 13, 2014. Below are the responses to some questions that came up during our presentation.

Q1 “Regarding the out of state workers, how many are non US residents?”

*There is no exact data collected on how many Alaska processing workers are not U.S. citizens. Up until last year, processing companies were able to hire foreign students under the J-1 Visa program. Alaska typically gets about 4,000 J-1 workers per year, and while many work in processing plants, they are also employed in other seasonal industries (such as hotels/ lodges). However, the J-1 program was altered in 2012 and processors were not allowed to hire J-1's in 2013. Senators Begich and Murkowski recognize the need for seasonal workers in the processing industry and have introduced language into an immigration bill (S. 722) that would allow the seafood industry to recruit and hire seasonal workers from foreign countries. Alaska's processors employ roughly 25,000 processing workers per year. The State of Alaska, through the University of Alaska, the Department of Labor and Workforce Development, and the Marine Advisory Program, offer several programs that place and train Alaskans in seafood processing jobs. The seafood industry requires a large number of line workers to process fish for a few months during the busy summer months. In less populated areas, it can be difficult or even impossible to find enough local residents to fill those seasonal positions.*

Q2 Where are the majority of seasonal workers located at? How long are they in the state?

*See attachment 1*

Q3 “Can I get a one page highlight of the McDowell Group report?”

*See attachment 2*

# Economic Value of the Alaska Seafood Industry

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A brief summary of the McDowell Group report *The Economic Value of the Alaska Seafood Industry* is presented below. The full report can be found online at: <http://pressroom.alaskaseafood.org/wp-content/uploads/2013/08/AK-Seafood-Impact-Report.pdf>.

## IMPACT ON ALASKA'S ECONOMY

- The commercial seafood industry employed an estimated 77,400 workers who earned \$2.17 billion in 2011. It is the state's largest private sector employer (in terms of direct employment).
- Alaska produces over five billion pounds of seafood each year and over 90 percent of it comes from regions containing less than 10 percent of Alaska's population. As a result, the industry relies heavily on nonresident or transient labor in some areas. However, it is estimated the industry creates jobs for 41,500 Alaska residents – who make up over half of the workforce – and earn 59 percent of the labor income. Commercial fishing accounts for two-thirds of Alaska resident employment created by the industry.
- In western Alaska, the seafood industry directly employs more than 40 percent of working age residents (ages 20–69) at some point during the year. Despite the obvious impact in western Alaska, the state's Southcentral region (including Anchorage and Mat-Su) actually contained more residents working directly in the industry (7,500 workers) than any other region in 2011.
- It is estimated the Alaska seafood industry employs 8 percent of all working age Alaska residents (through direct and secondary impacts), and accounts for 7 percent of all Alaska resident earnings from private sector industries. Including nonresidents and adjusting worker totals to monthly averages, it is estimated the seafood industry creates 9 percent of all jobs in Alaska.
- Alaska's seafood industry also benefits Alaskans in many other ways. Seafood backhaul lowers northbound shipping rates, which lowers the cost of living in coastal Alaska communities. A major Alaska shipper estimates northbound rates would be 10 percent higher in Alaska if not for seafood. The industry funds six CDQ groups who created over 2,400 jobs for western Alaska residents and funded 1,600 scholarship/training opportunities in 2011. In addition, the industry paid out over \$135 million in taxes, fees, and self-assessments in FY2012; with \$54 million going to local governments as unencumbered revenue.
- The Alaska seafood industry creates more labor income and employs more workers in Alaska than the visitor industry and mining industry combined. The commercial seafood industry is the state's most valuable renewable (natural) resource.

## IMPACT ON U.S. ECONOMY

- Alaska produced 56 of the total U.S. commercial fishery harvest volume in 2011, but since most seafood consumed by Americans is imported Alaska only accounted for 10 percent of the U.S. seafood supply. Roughly two-thirds of Alaska seafood is exported, but it is still the largest source of domestically caught seafood for American consumers.
- Alaska seafood created 165,800 U.S. jobs and \$15.7 billion in economic output in 2011.

Q4 "Do we know where the volume is caught for sockeye and pink?"

<b>Commercial Salmon Harvest by Region and Species, 2012</b>						
<i>in Thousands of Fish</i>	Chinook	Sockeye	Coho	Pink	Chum	Total
Southeast Alaska	278	945	2,084	21,302	12,375	36,983
Prince William Sound	12	3,690	209	27,232	3,818	34,961
Cook Inlet	3	3,328	107	726	326	4,490
Kodiak	15	2,235	209	16,873	866	20,198
AK Pen & Chignik	13	4,565	157	789	1,067	6,590
Bristol Bay	19	20,915	116	906	679	22,636
Arctic, Yukon & Kuskokwim	8	93	255	205	1,054	1,615
<b>Total</b>	<b>347</b>	<b>35,769</b>	<b>3,137</b>	<b>68,035</b>	<b>20,185</b>	<b>127,473</b>

*Source: Alaska Department of Fish and Game, compiled by McDowell Group.*

Q5 "What is the share of Alaska seafood on the world market, and is there room for growth in volume?"

*There are few fisheries in Alaska that are not fully utilized. Some species such as flatfish and herring have some unexploited biomass that could be harvested if markets were developed. On any given year, Alaska represents between 1 and 2 percent of global supply and the North Pacific Fisheries Management Council has a 2 Million Metric Ton limit to the amount of fish harvested from Alaska's federal fisheries. The combined factors which limit volume show how marketing is vital to capture the maximum economic benefit from Alaska's fisheries.*

Please don't hesitate to let me know should you have any further questions about the ASMI.

Sincerely,



Tyson Fick  
Communications Director

Enclosures

cc Mike Cerne, Director ASMI

**ASMI Legislative Response Worksheet - Feb2014**

Avg. Monthly Employment in Seafood Processing - 2012

<u>Month</u>	<u>Workers</u>	
Jan	7,506	10198
Feb	9,589	10198
Mar	10,004	10198
Apr	8,882	10198
May	8,187	10198
Jun	13,589	10198
Jul	19,472	10198
Aug	16,779	10198
Sep	11,397	10198
Oct	7,653	10198
Nov	5,671	10198
Dec	3,648	10198
Month Avg.	10,198	

Source: DOLWD.

Avg. Monthly Empl

<u>Month</u>
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Month Avg.

Source: DOLWD.

Residency in Alaska's Seafood Processing Industry - 2012

	<u>Workers</u>	<u>Wages/Salaries (\$Millions)</u>
Resident	7,668	137.6
Nonresident	17,308	227.4
Total	24,976	365.0

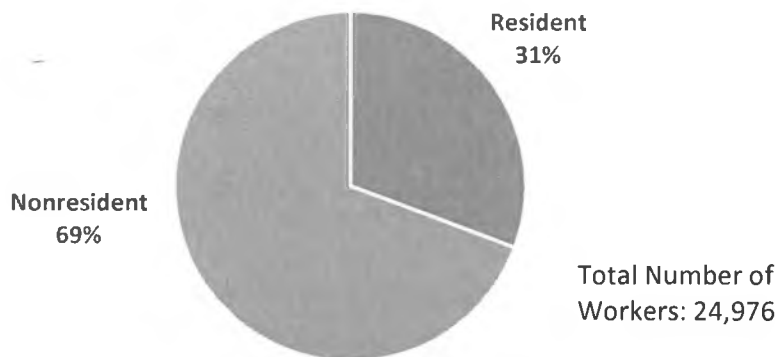
Source: DOLWD.

Residency in Alaska

Resident
Nonresident
Total

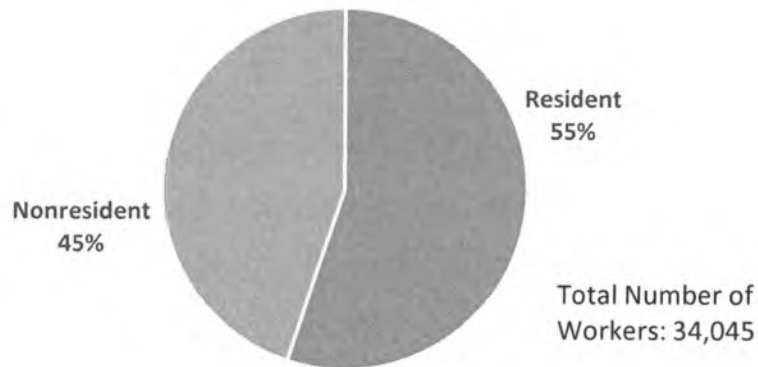
Note: Gross earning  
gross earnings for 2  
Source: ADFG and C

**Alaska Seafood Processing Employment by Residency - 2012**



Source: Alaska Dept. of Labor and Workforce Development, compiled by McDowell Group.

## Alaska Commercial Fishing Employment by Residency - 2012



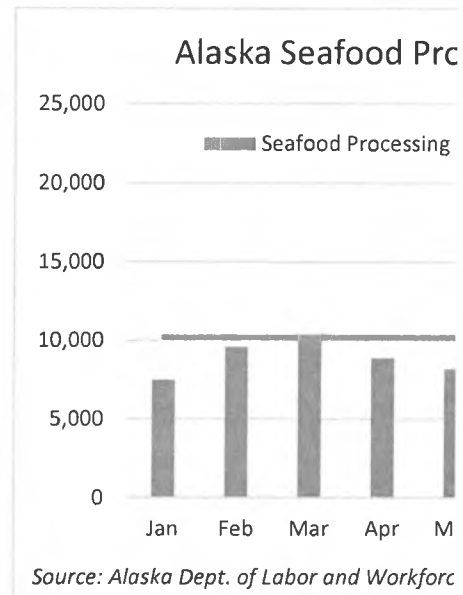
Source: Alaska Dept. of Fish and Game, compiled by McDowell Group.

*Notes about Seafood Processing Data: residency is based on PFD applications for the 2012 and information can be found at <http://labor.alaska.gov/research/seafood/seafood.htm>*

*Notes about Commercial Fishing Data: Monthly average worker counts have been estimated by only count fishermen in months when they made a landing, as a result pre/post/offseason work tends to understate commercial fishing employment (in terms of monthly average employment comparison to other industries because many fishermen only fish for a few months during the year). fishing employment estimates compiled by McDowell Group in their "Economic Value of the Alaska Commercial Fishing Industry" report. monthly employment was calculated by dividing estimated profit by the average earnings for a monthly employment of 16,500 in 2011. This figure is more comparable to industries where workers tend to be more difficult to compile and has not been calculated for other years (besides 2011).*

**Payment in Commercial Fishing - 2012**

Workers	
2,923	8,189
3,409	8,189
4,609	8,189
5,402	8,189
6,163	8,189
19,237	8,189
24,761	8,189
16,191	8,189
6,988	8,189
5,453	8,189
2,274	8,189
853	8,189
8,189	

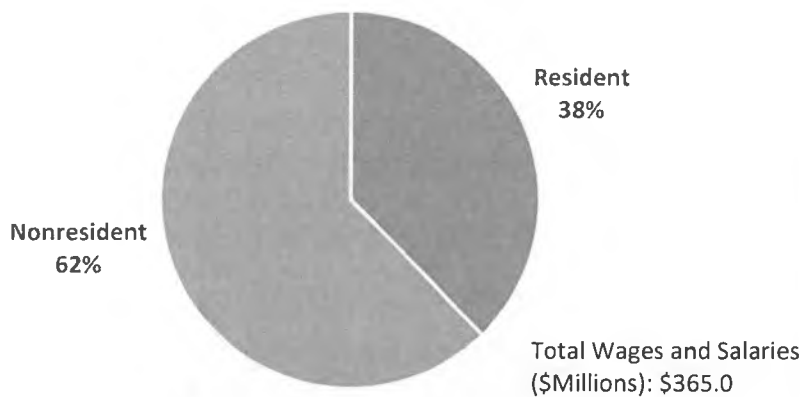


**'s Commercial Fishing Industry - 2012**

Active Permit Holders	Crew	Total	Gross Earnings (\$Millions)
7,162	11,598	18,760	728.0
2,793	12,492	15,285	1,152.9
9,955	24,090	34,045	1,881.0

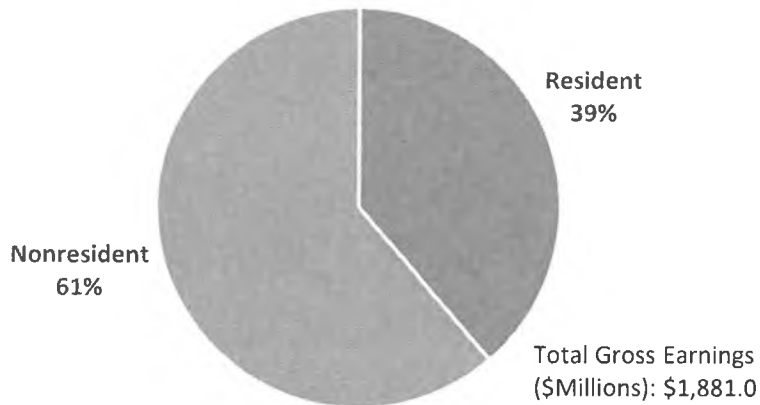
is may not include some harvest caught in federal fisheries or cost recovery harvests, total '012 were \$2.1 billion. :FEC.

**Alaska Seafood Processing Wages and Salaries by Residency - 2012**



Source: Alaska Dept. of Labor and Workforce Development, compiled by McDowell Group.

## Alaska Commercial Fishing Gross Earnings by Residency - 2012



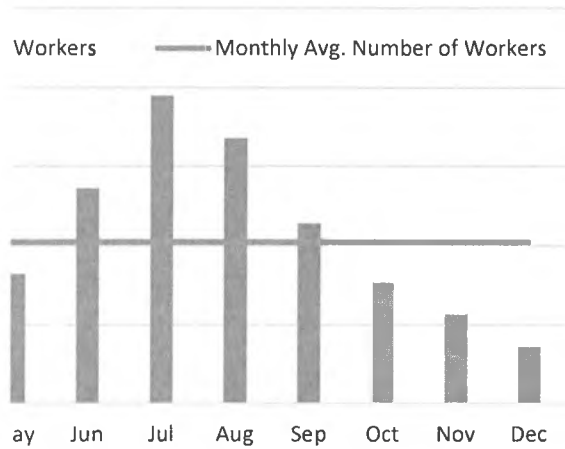
*Note: Gross earnings from some federal fisheries and cost recovery fisheries are not reflected in these data, total ex-vessel value in 2012 was estimated to be \$2.1 billion.*

*Source: Alaska Dept. of Fish and Game, compiled by McDowell Group.*

2013 calendar years. Earnings do not include profits made from the sale of product. More

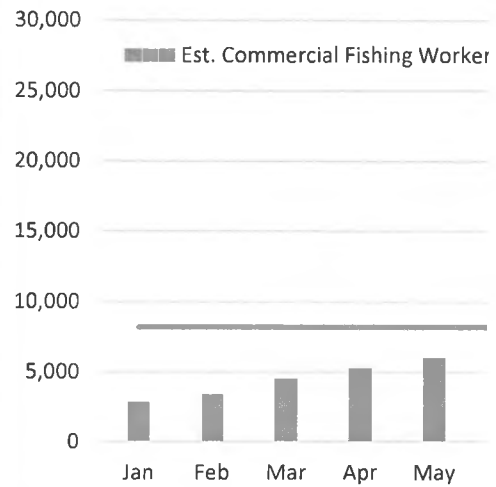
✓ DOLWD based on fish tickets and other landing records. These employment estimates  
k is not reflected in these data. Using this approach for commercial fishing employment  
(). However, counting the total number of workers may be somewhat misleading in  
year, using the industry as a way to supplement income from other jobs. Commercial  
Alaska Seafood Industry" report took a different approach. In the MG report, the equivalent  
All Alaska industries based on BEA/IMPLAN data. This approach yielded an equivalent  
id to work full-time for an entire calendar year. However, the MG approach is considerably

### Processing Employment - 2012



Source: Alaska Dept. of Labor and Workforce Development, compiled by McDowell Group.

### Alaska Commercial Fishing

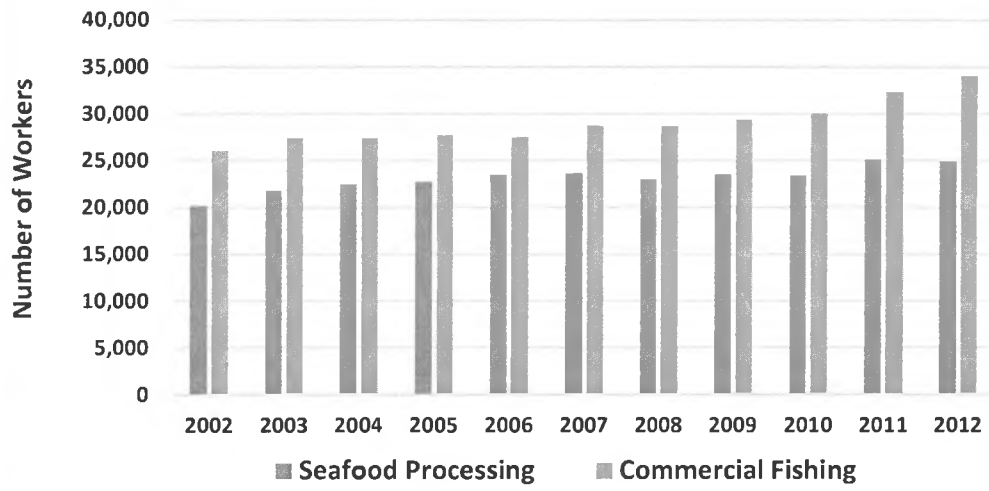


Source: Alaska Dept. of Labor and Workforce Development

### Historical Commercial Seafood Employment

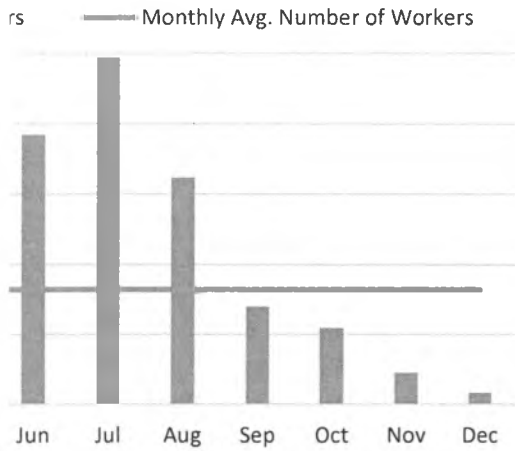
SP	2001	2002	2003	2004
Resident	7,764	6,815	7,576	7,560
Nonresident	14,807	13,347	14,257	14,939
Total	22,571	20,162	21,833	22,499
Wages/Salaries (\$M)	226.0995	214.2799	247.9381	256.3787
Pct. NR	0.656	0.662	0.653	0.664
Pct. NR\$	0.568	0.587	0.614	0.623
CF	2001	2002	2003	2004
Resident	17,632	16,188	17,048	16,655
Nonresident	N/A	9,871	10,395	10,782
Total	N/A	26,059	27,443	27,437
<b>Commercial Seafood Total Workers</b>		<b>46,221</b>	<b>49,276</b>	<b>49,936</b>

### Commercial Seafood Employment (2002-2012)



Source: ADFG and AKDOLWD, compiled by McDowell Group.

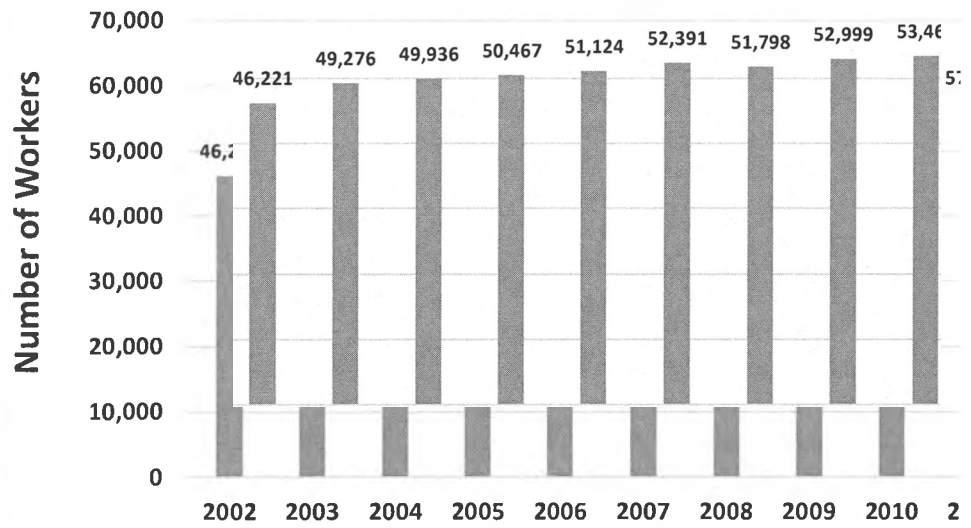
## Shipping Employment - 2012



Employment, compiled by McDowell Group.

2005	2006	2007	2008	2009	2010	2011	2012	2013
7,477	6,762	7,074	7,055	6,880	6,912	6,830	7,668	
15,248	16,800	16,586	16,002	16,683	16,520	18,282	17,308	
22,725	23,562	23,660	23,057	23,563	23,432	25,112	24,976	
279.2332	292.344	306.7756	295.4883	288.4665	313.5537	349.5679	365.0211	
0.671	0.713	0.701	0.694	0.708	0.705	0.728	0.693	
0.635	0.658	0.642	0.614	0.601	0.628	0.634	0.623	
2005	2006	2007	2008	2009	2010	2011	2012	2013
17,047	16,866	17,199	17,102	16,798	17,371	18,287	18,760	
10,695	10,696	11,532	11,639	12,638	12,666	14,136	15,285	
27,742	27,562	28,731	28,741	29,436	30,037	32,423	34,045	
50,467	51,124	52,391	51,798	52,999	53,469	57,535	59,021	

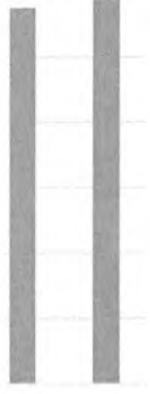
## Commercial Seafood Employment (2002-2012)



Source: ADFG and AKDOLWD, compiled by McDowell Group.

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7,535 59,021



2011 2012