

Economic Impact of Alaska Salmon Hatchery Programs

Prepared for:

2012 Northeast Pacific Pink & Chum
Workshop, Juneau AK

Presented by:

McDowell Group, Inc.

February 14, 2012

McDowell Group Studies

- Over two dozen economic impact studies for Alaska salmon hatchery operators
 - SSRAA
 - NSRAA
 - Armstrong Keta
 - DIPAC
 - PWSAC
 - VFDA

Economic Output of Alaska Salmon Hatcheries

Salmon Value Measures

- Ex-vessel Value
 - Payment to harvesters for raw fish
- First Wholesale Value
 - First sale by an Alaska processor to a buyer outside their affiliate network

First Wholesale Value

- First Wholesale captures the full spectrum of economic activity associated with salmon harvest & processing in Alaska
 - Payment to harvesters
 - Tender vessels
 - Goods and services associated with processing
 - Processor labor cost
 - Utility usage
 - Taxes & fees

Salmon First Wholesale Value \$1.35 Billion in 2010

Remaining
First
Wholesale
\$745 M



Ex-vessel
\$605 M

2010 Hatchery Salmon Harvest

Contribution to Common Property Fisheries

	<u>Fish</u>	<u>Ex-vessel \$</u>
• Pink	66,032	\$ 101,253
• Chum	8,374	\$ 44,901
• Coho	1,939	\$ 16,959
• Sockeye	731	\$ 5,158
• Chinook	50	\$ 2,556
• Total	87,609	\$ 170,828

2010 Hatchery Salmon First Wholesale Value

	<u>Ex-vessel ratio</u>	<u>First Whlsl \$</u>
• Pink	36%	\$ 282,871
• Chum	47%	\$ 96,002
• Coho	52%	\$ 32,783
• Sockeye	50%	\$ 10,368
• Chinook	72%	\$ 3,551
• Total	45%	\$ 425,573

Measuring Economic Output

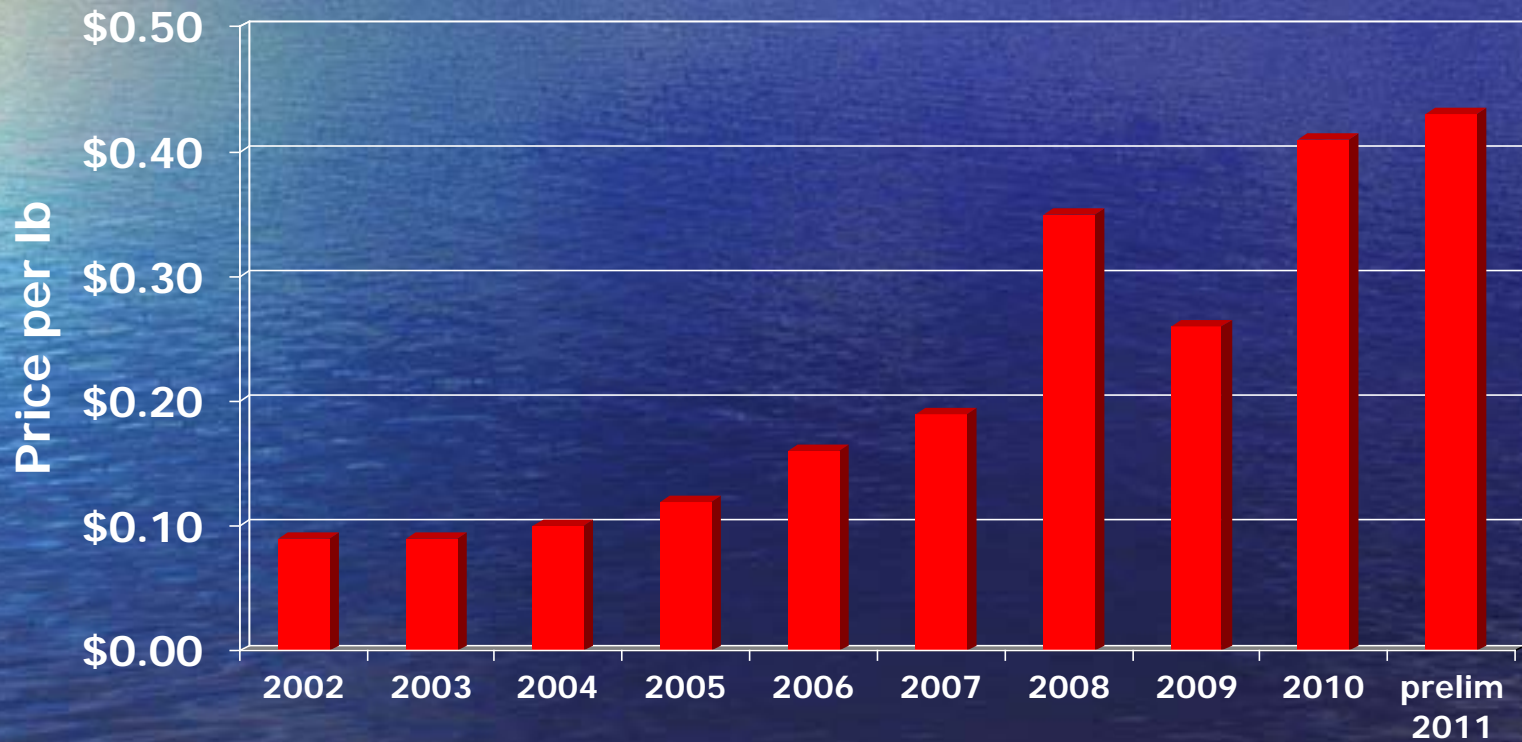
- Direct Impacts
 - Hatchery Employment & Payroll
- Indirect Impacts
 - Harvester and processor earnings
- Induced Impacts
 - Recirculation of money in local economies
- Typical Economic Output
 - 1.3 to 1.5 times First Wholesale Value

2010 Economic Output

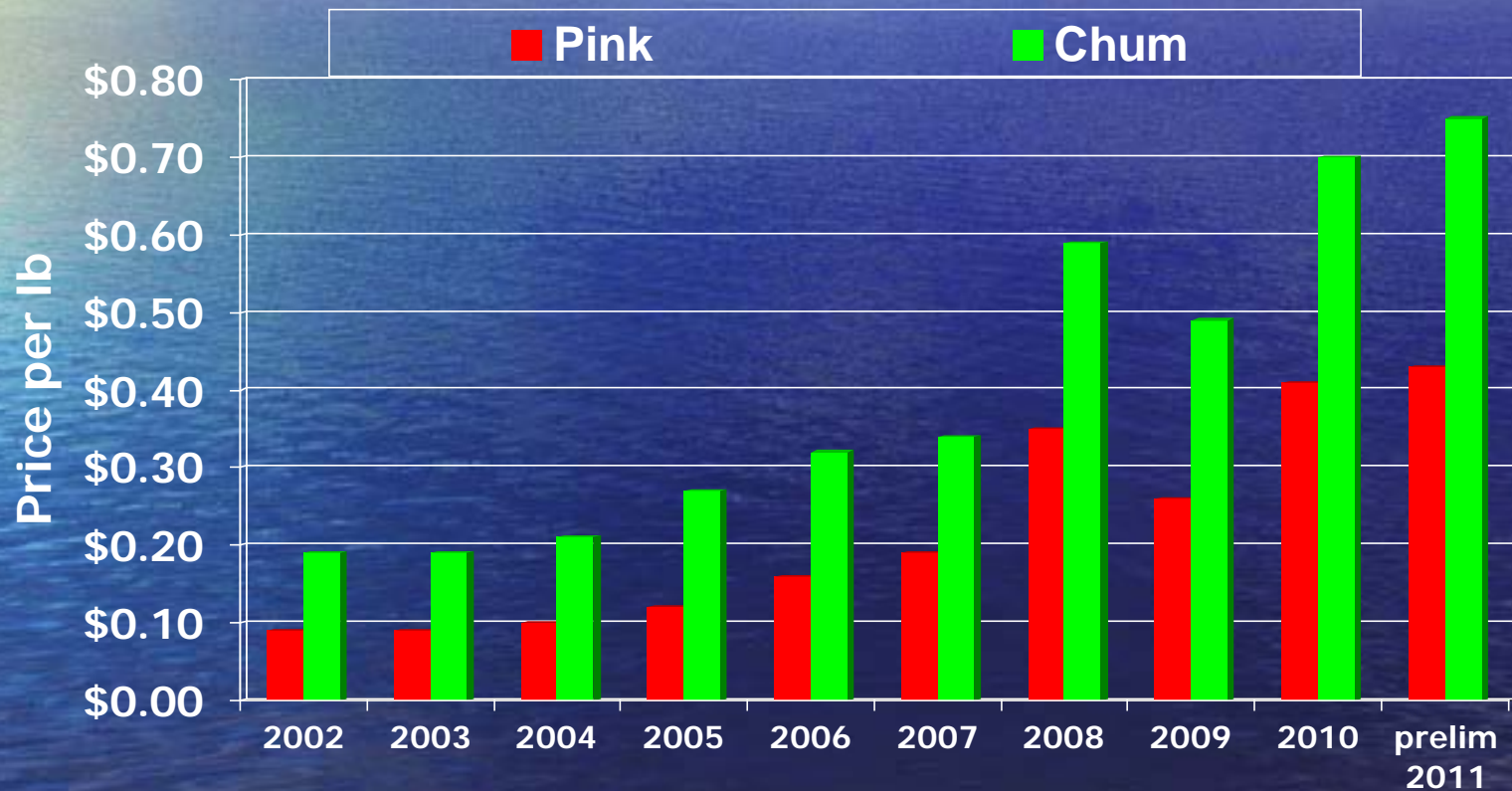
- Typical economic output 1.3 - 1.5 times First Wholesale Value
- 2010 First Wholesale value of Common Property Alaska hatchery salmon \$425 million
- Total Economic Output on the order of \$600 million

Pink & Chum Value History

Pink Salmon Ex-vessel Value 2002 - 2011 Nominal Value



Pink & Chum Ex-vessel Price 2002 - 2011 Nominal Value



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