

Economic Impact of the Seafood Industry on the Kodiak Island Borough

North Pacific Fisheries Management Council

Garrett Evridge
June 11th, 2016



Prepared for:
Kodiak Island Borough
City of Kodiak

Methods

Compile and analyze secondary data

- Ex-vessel volume and value, COAR
- First wholesale volume and value, AKFIN
- Processing employment, wages, tenure, and residency, AKDOL
- Crewmember residency and ex-vessel prices, ADF&G
- Average and quartile ex-vessel earnings and operator cards, CFEC

Conduct primary research (interviews)

- Fishery crewing and spending patterns
- Processor spending patterns

Methods

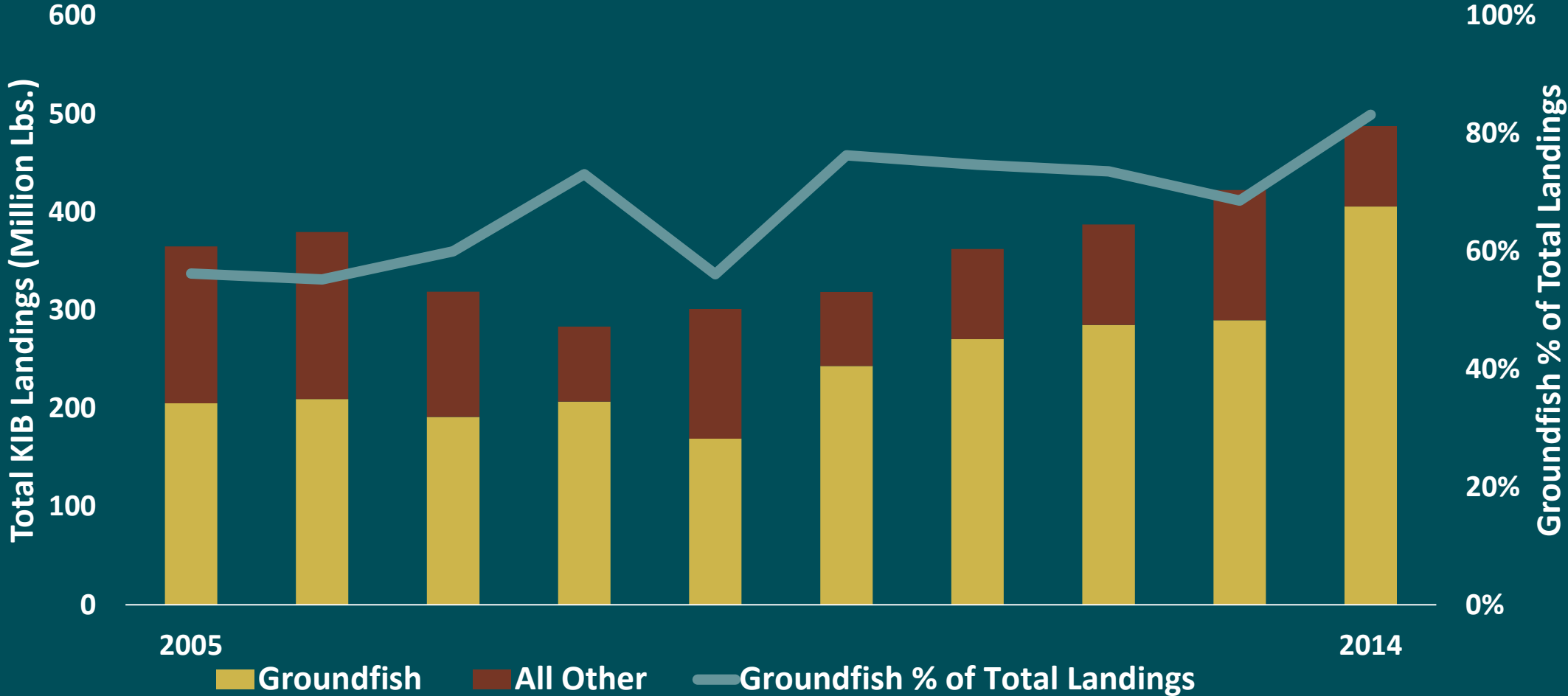
Key assumptions

- Percentage of KIB area fisheries earnings that stay within KIB
- Percentage of other AK fisheries earnings that flow to KIB
- Percentage of KIB processor and fisheries expenditures spent locally

Input-output modeling (2014)

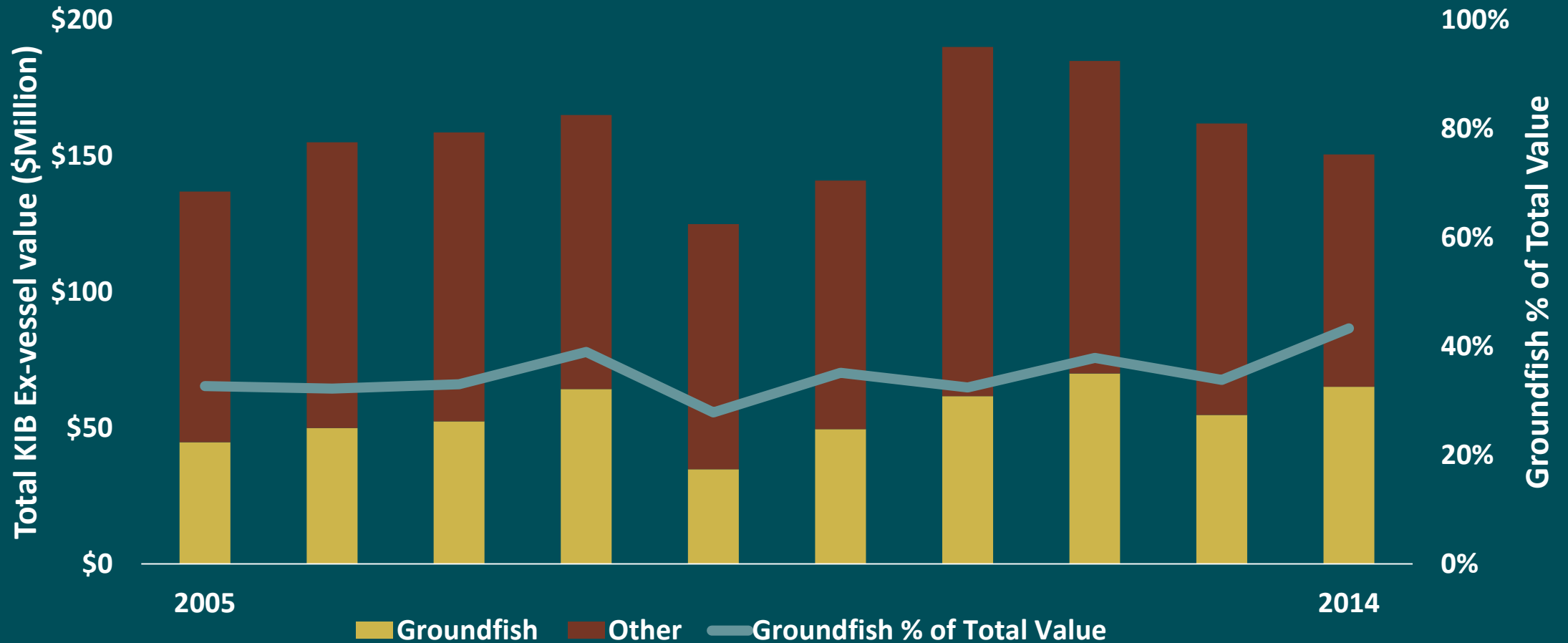
- Non-KIB resident harvesting and processing activity
- KIB resident harvesting activity on non-KIB ports/processing plants
- Capital investment by seafood processors
- Direct, indirect, and induced effects

KIB Ex-Vessel Landings and % of Groundfish, 2005—2014



Source: COAR.

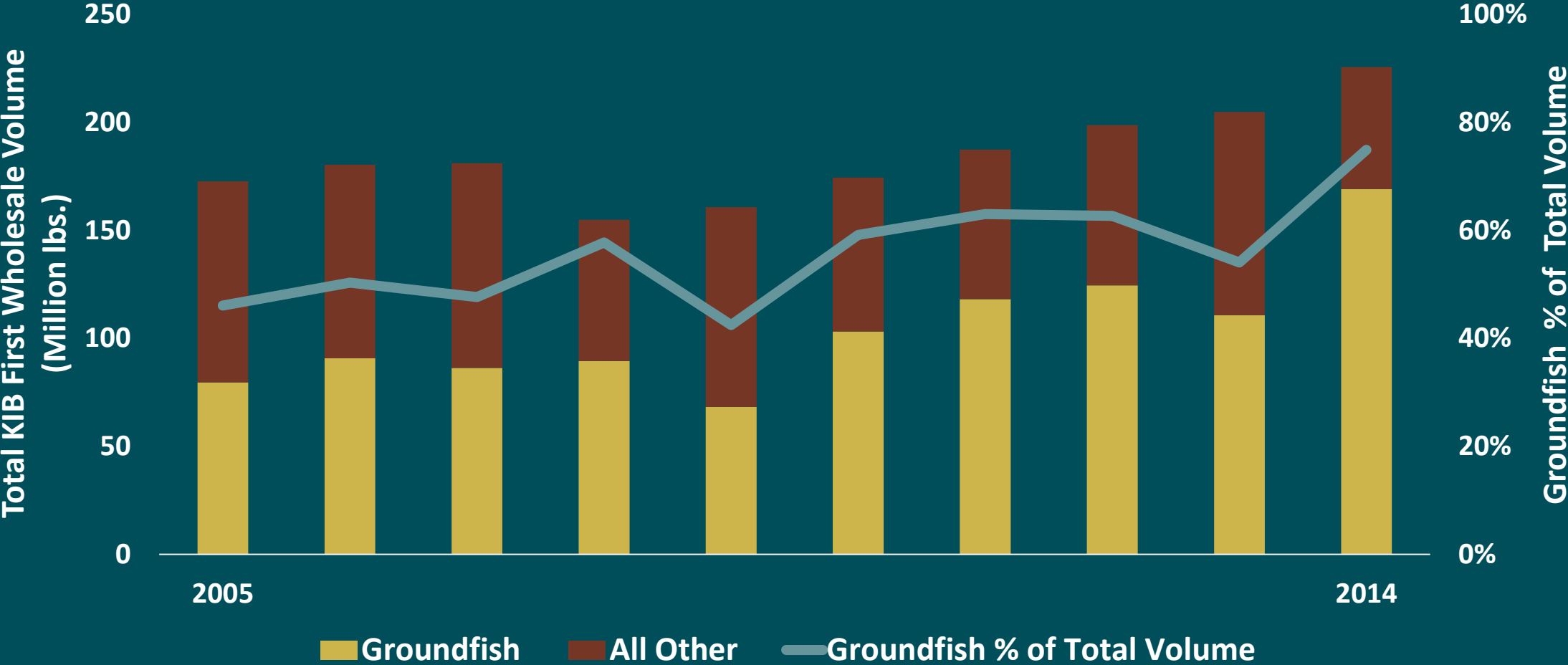
KIB Ex-Vessel Value and % of Groundfish, 2005—2014



Note: Ex-vessel values are inflation-adjusted.

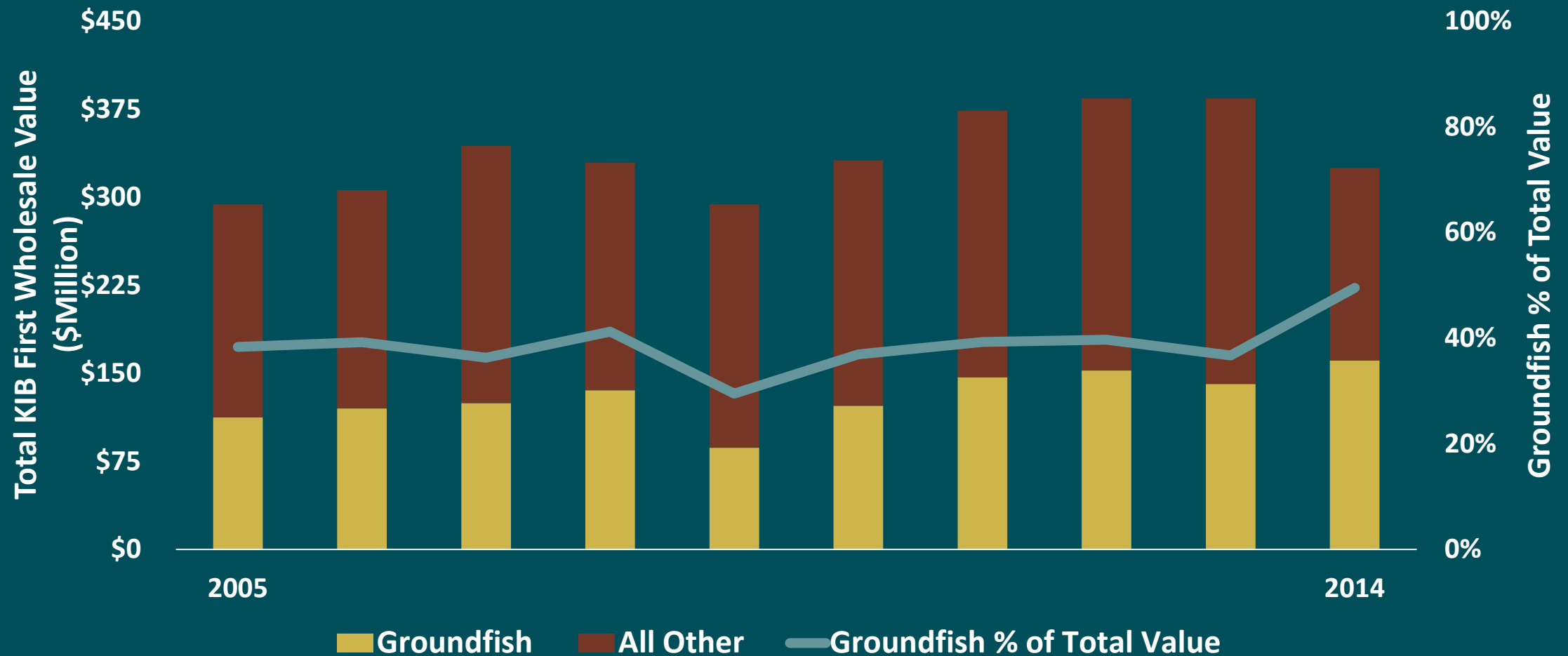
Source: COAR.

KIB First Wholesale Volume and % of Groundfish, 2005—2014



Source: AKFIN.

KIB First Wholesale Value and % of Groundfish, 2005—2014



Note: First wholesale values are inflation-adjusted.

Source: AKFIN.

Results of Economic Impact Analysis (2014)

Commercial fishing economic impacts

- **1,350 jobs** (FTE)
- **\$88 million** in labor income in the KIB
- **\$156 million** in total output (total expenditures in the KIB)

Seafood processing economic impacts

- **2,370 jobs**
- **\$132 million** in labor income
- **\$210 million** in total output

Results of Economic Impact Analysis (2014)

Total commercial fishing, processing, and related economic impacts in 2014

- **3,920 jobs**
- **\$236 million** in labor income
- **\$396 million** in total output
- **1 million lbs.** of groundfish landed = **\$270,000** in local labor income
- **\$1 million** in groundfish ex-vessel value = **\$1.7 million** in local labor income

38% of KIB employment, **30+%** labor income

Community Investment

Processors use one-third of all electricity and half of water in Kodiak

- **\$60 million** in electrical generation and management system
- **\$18 million** in upgrades to water treatment and distribution system

The City of Kodiak operates a variety of marine facilities which serve the seafood industry

- **\$37 million** spent upgrading the City-owned Pier III. A new **\$10 million** crane owned by Matson will operate at the pier
- Pier I is being replaced at a cost of **\$14 million**; **\$30 million** St. Herman Harbor replacement planned
- The city-owned, **\$18 million** Kodiak Shipyard offers the largest Travelift in Alaska

Summary of Findings

Total 2014 economic impact in the KIB

- **3,920** jobs
- **\$236 million** in labor income

Seafood industry accounts for **30%** to **40%** of KIB economy

Significant community investment

Findings based on 2014 harvest and production volume values

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