

SOUND OPPORTUNITIES

Economic Growth for the Prince William Sound Region

Seafood Harvesting, Production, and Processing Cluster

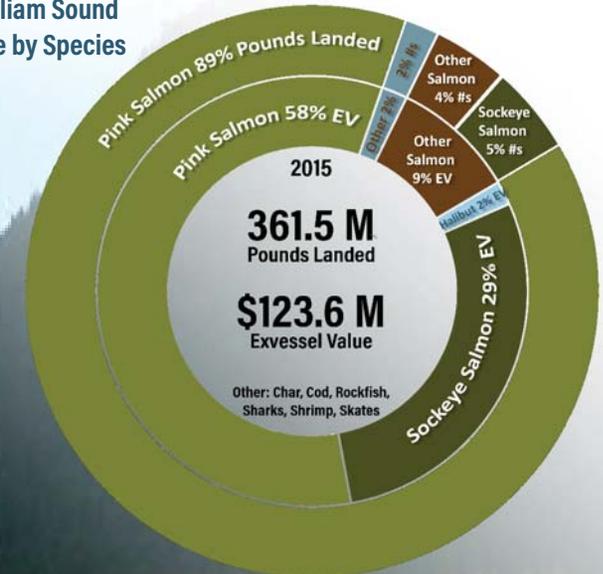
Seafood Harvesting, Production, and Processing

The combined activities of commercial seafood harvesting, production, and processing make up one of the largest sectors of the regional economy. The Cluster Mapping Project captures only a small portion of the total employment in this sector, but it still identifies Fishing and Fishing Products as a strong traded cluster with a location quotient of 261.53 based on 2014 employment.

The Seafood Harvesting, Production, and Processing sector is comprised of three sub-sectors. Harvesting consists of hundreds of permitted fishers that operate as independent small businesses and the crew, hired as independent contractors. The production sub-sector is comprised of aquaculture hatcheries and

mariculture hatcheries and farms. Processing is best represented by the Fishing and Fishing Products data in the U.S. Cluster Mapping Project. It is composed of mostly large shoreside processing plants that buy from harvesters and engage in light manufacturing to produce various seafood product forms.

Figure II.E.9. 2015 Prince William Sound Seafood Landings and Value by Species



Source: COAR Report, Alaska Department of Fish and Game

Cluster Snapshot:	2014
Jobs	1,177
Location Quotient	261.53
Change 1998 - 2014	-349
Change 2010 - 2014	+303
Outlook	↔



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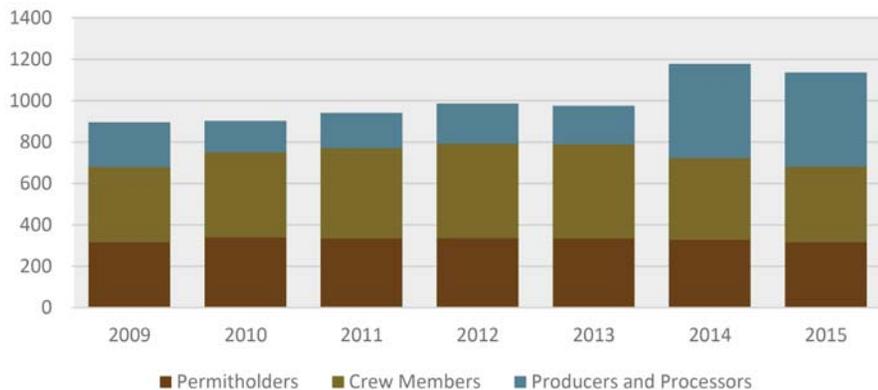
In 2015, the sector landed or produced more than 361.5 million pounds of seafood with a landed value of more than \$123.6 million. Figure II.E.9. outlines this activity by major species or species groups. It does not include mariculture farmgate values due to confidentiality issues. Also missing is the value of landings for Whittier, which are included in Cook Inlet region landings. These numbers would also be suppressed due to confidentiality.

Sector output varies from year to year due to natural variations in fish lifecycles and environmental variables. Between 2009 and 2015, fishery landings ranged from a low of 94.7 million pounds to last year's high of 361.5 million pounds. The average for the period was 221.3 million pounds. Exvessel values ranged from \$55.8 million to \$173.2 million. Figure II.E.10. summarizes PWS fishery landings and exvessel values for the period.

First wholesale net weight for the same period ranged from 50.8 million pounds to 170.9 million pounds. Product values at first wholesale ranged from a low of \$129.6 million to a high of \$387.9 million. Figure II.E.11. provides first wholesale net weight and values..

Employment in the sector can also vary significantly. Overall, employment has increased in the sector between 2009 and 2015. This increase is largely due to a more than doubling of jobs in the production and processing sub-sector. Permitholders that fished have been stable during the period. Crew member employment has declined in the past two years. Figure II.E.12.. demonstrates these trends.

Figure II.E.12.
Seafood Harvesting, Production, and Processing Employment 2009 - 2015



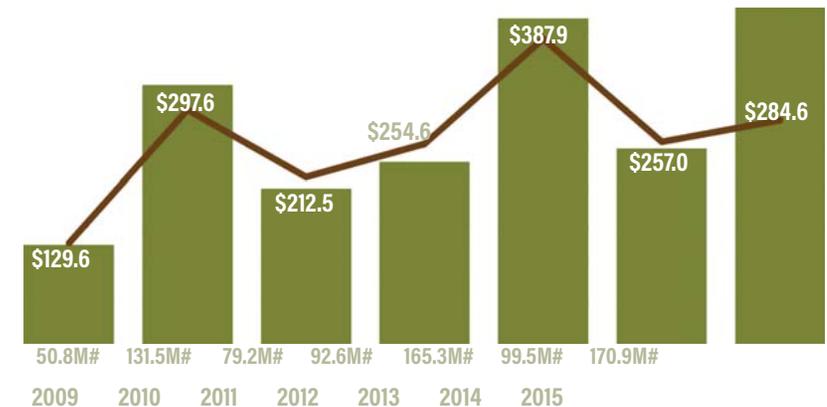
Source: CFEC, U.S. Cluster Mapping

Figure II.E.10. Seafood Harvest and Exvessel Value Prince William Sound 2009 - 2015



Source: COAR Report, Alaska Department of Fish and Game

Figure II.E.11
Seafood Net Weight and First Wholesale Value Prince William Sound 2009 - 2015



Source: COAR Report, Alaska Department of Fish and Game

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Strengths	Weaknesses	Opportunities	Threats
<p>Historically strong fisheries resources</p> <p>Successful salmon enhancement programs</p> <p>Strong brand identity for Alaska Seafood and Copper River salmon; Copper River/Prince William Sound Regional Seafood Development Association</p> <p>Expansion and redevelopment of shoreside processors; interest in more new processing facilities</p> <p>Established mariculture operators and access to seed and required testing facilities</p>	<p>Weak economic connection with floating processors operating in the Sound</p> <p>Higher value fisheries make up only 11% of total landings by weight</p> <p>2016 salmon returns were well below 10-year averages</p> <p>Long-term closure of herring fishery due to nonrecovery after the oil spill</p> <p>Continuing reliance on diesel fuels</p> <p>Aging of the workforce</p> <p>High cost of entry for new entrants</p>	<p>Test fishery for Tanner crab and pollock could re-establish these fisheries for commercial harvest</p> <p>Develop Community Quota Entity capacity in Chenega and Tatitlek</p> <p>Partner with the AFDF on aligning and implementing the Mariculture Initiative in PWS</p> <p>Retain more haul-out and major repair work within the region; create interest incentive for this on state engine energy efficiency loans</p> <p>Analyze sector waste stream volume and utilization for potential efficiencies and new products</p> <p>Partner with Alaska Maritime Works, school districts, and PWSC on applicable CTE curriculum and concentration for this sector</p>	<p>Climate change impacting environmental characteristics and fishery resource abundance</p> <p>Abrupt closure of Whittier-based processor prior to 2016 season</p> <p>State budget impacts on fishery management and research</p> <p>Reduced access to fisheries due to increasing or changing regulations, management regimes, and related legislation (CAA, CWA, MMA, NEPA)</p>

