State of Alaska
Seafood Economic Strategies
Overview

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McDowell Group, Inc.
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McDowell Group

- 34 years of Alaska economic, business, and policy studies
- 150+ seafood industry studies around Alaska
- Salmon and Seafood Market Information Service for ASMI
- 6-member team, all with commercial seafood experience, plus:
  - Bob Waldrop - Redpoint Associates
  - Arne Magnusson - University of Iceland
Purpose of the strategies

The Alaska Constitution mandates managing resources: “…for the maximum benefit of its people.”

- Is the state doing this for commercial seafood?
- Can it do better?
Scope of work

- All state involvement in the commercial seafood resource
- Not sport fishing or subsistence
Sources

- Prior Alaska planning and experience
- International experience
- Broad-based interviews
Basis for planning

- Strategies must transcend short-term issues and bridge political administrations
- The State of Alaska is not in the seafood business; it’s in the asset management business
- “Maximum benefit” is best measured at the community level
Issues and Strategies
(very short version)
Commercial seafood policy is a three-legged stool

- Biology
- Profitability
- Socio-economics
The stool’s stability is threatened by three main challenges:

1. Lack of information and analysis
2. Lack of investment
3. Lack of global perspective
Lack of information and analysis:

- Handicaps Alaska at the NPFMC
- Threatens Board of Fisheries process
- Limits participation by individuals and communities
- Keeps Alaska from responding effectively to global trends
- Turns today’s solutions into tomorrow’s problems
Lack of investment affects biology:

- State management depends heavily on federal funding
- Loss of key staff to federal and private sectors
- Research budgets curtailed
- High level of industry concern about commercial stocks
... and business:

- In the absence of data, fisheries managers must err on the side of caution
- State funding for the Alaska brand is inadequate for global competition
- R&D is needed, for example in under-utilized resources and mariculture
- Investment in education and business expertise are needed for Alaskans to participate more fully in the industry
Know the Enemy
Alaska must think globally

- Large, rapid changes in competition and consumption patterns
- Federal and international rationalization
- Aquaculture
- Climate change and ocean health
- Learn from other nations
An information strategy: Create a small corps of expert, seafood industry analysts within state government

- Highly qualified, objective, independent
- Drawing on all state departments
- Serving many purposes
  - State representatives on the NPFMC
  - Board of Fisheries
  - Communities and industry participants
  - State managers
Some investment strategies:

- Invest revenue from non-renewable assets to develop renewable ones
- Make seafood a focus of Alaska education
- Maintain control of the resource
  - Biologically and by ensuring that access rights are amendable by the state over time
Some global strategies:

- Use the new analytical corps to:
  - Understand the aquaculture industry thoroughly. It will dominate world seafood
  - Learn from other national and international seafood management regimes
- Expand differentiation of Alaska product
- Develop niches in world markets that best serve the interests of Alaskans
Selected Seafood Industry Data
World Seafood Production 2004

- Aquaculture: 38%
- Other Wild Capture: 60%
- Alaska: 1.6%

Source: FAO, NOAA, ADF&G
2005 Alaska Harvest Volume
2.4 Million MT (5.4 billion pounds)

- Pollock: 64%
- Salmon: 18%
- Cod: 10%
- Halibut & Sablefish: 2%
- Other Groundfish: 5%
- Shellfish: 1%

Source: ADF&G, NMFS
Alaska Ex-Vessel Value
$1.4 Billion in 2006

- salmon 22%
- halibut & sablefish 20%
- cod & pollock 37%
- shellfish 11%
- other groundfish 10%

Source: ASMI, ADF&G, SMIS estimates
High-Volume Whitefish Production
AK Pollock Harvest,
Aquaculture Bream & Tilapia

Source: NOAA, FAO
Farmed Salmon Production

- **Farmed Salmon Production**
- **Alaska Salmon Harvest**

Source: ADF&G, FAO
Pink Salmon Product-form Composition

Source: ADF&G, AK Dept of Revenue
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McDowell Group, Inc.
Anchorage • Juneau • Kodiak

eric.mcdowell@mcdowellgroup.net
scott.miller@mcdowellgroup.net