

Analysis of SE AK Commercial Salmon Fishing Infrastructure (2003) Review

*Presented to:
Southeast Conference
Juneau, Alaska*

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March 28, 2007*

Study Purpose

- Inventory existing salmon fishing infrastructure
- Identify industry trends
- Identify infrastructure gaps
- Define role for the public sector
- Propose project criteria for SSSF

Public Input

- Survey / interview harbormasters
- Survey / interview processors
- Survey / interview fishermen
- Public forums
 - Sitka, Ketchikan, Petersburg, Juneau
 - Teleconferences (all Southeast)

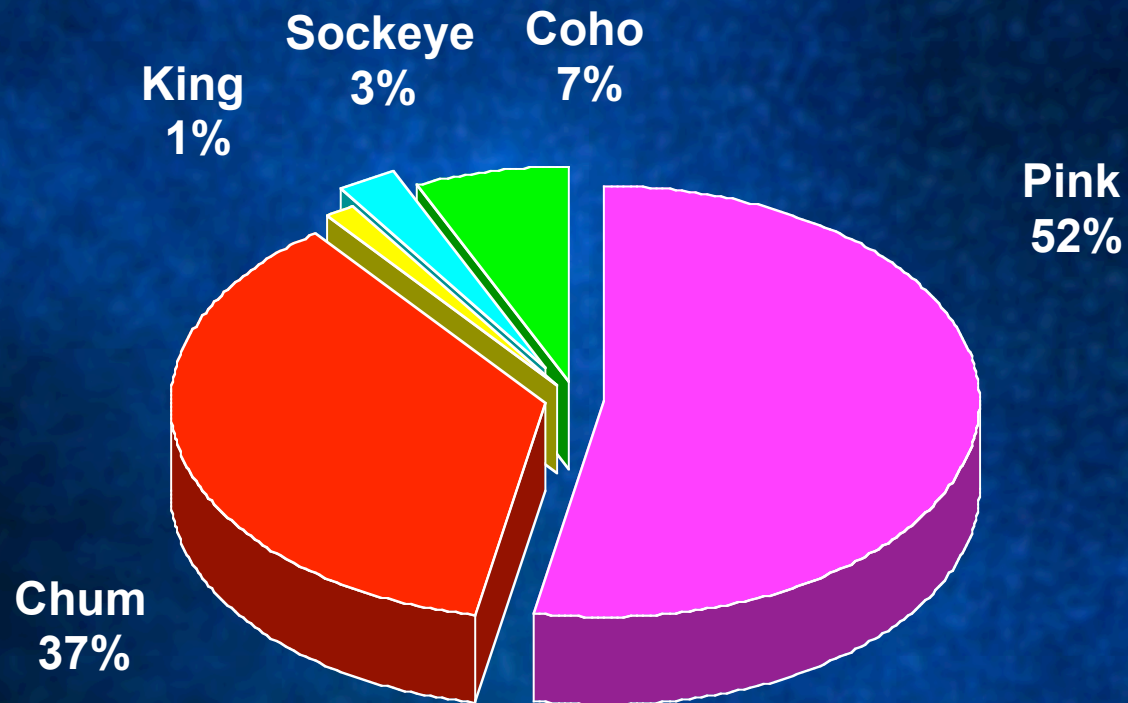
Types of Salmon Infrastructure

- Harvesting and delivering
- Processing and storing
- Waste handling
- Marketing systems
- Shipping
- Scientific, technical
- Statutory, regulatory

Southeast Alaska

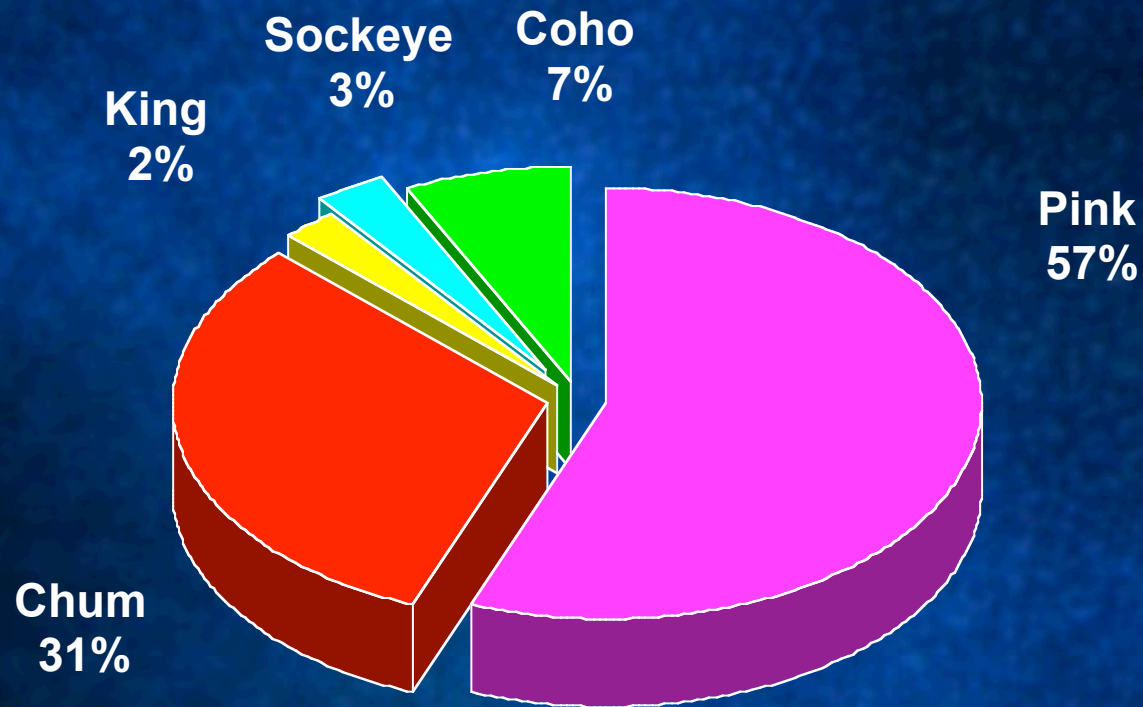
Production & Markets

Southeast Salmon Harvest by tonnage, 1998-2002



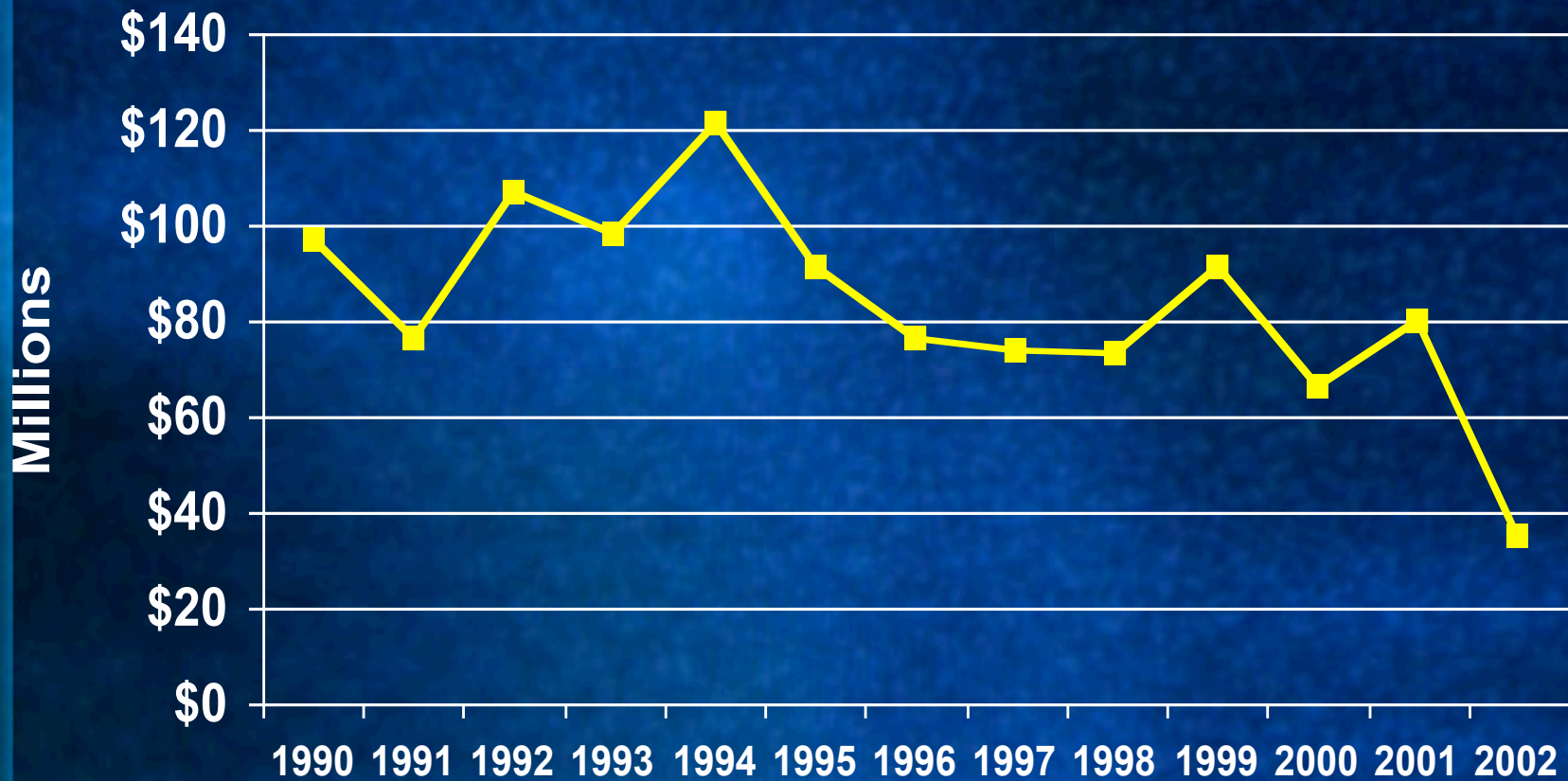
Source: ADF&G

Southeast Salmon Harvest by tonnage, 2002-2006



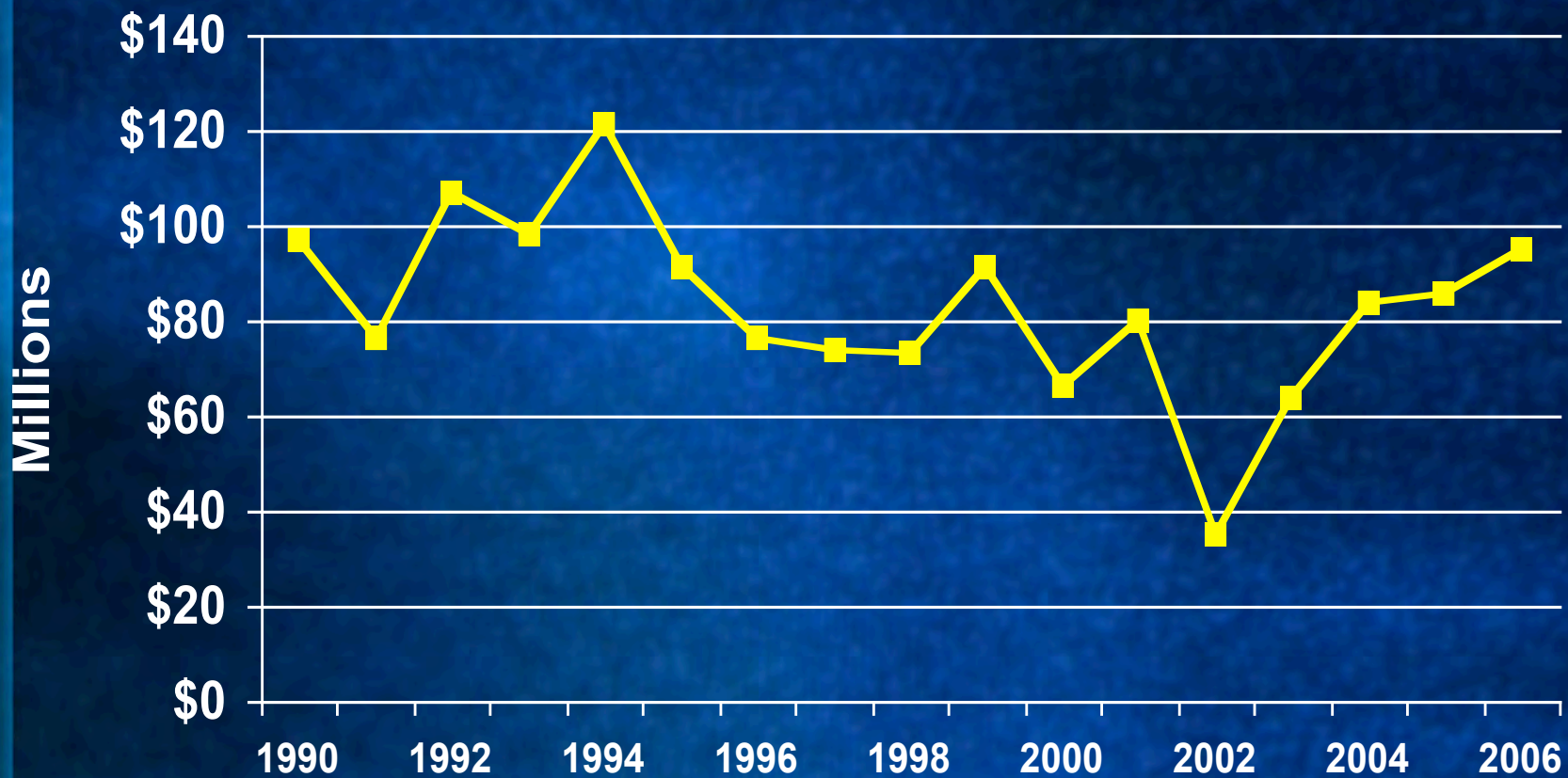
Source: ADF&G

SE Salmon Harvest Value (to 2002)



Source: CFEC

SE Salmon Harvest Value (to 2006)



Source: CFEC

Salmon Markets 2003 and 2006

- Continued growth in salmon demand
 - Statewide, chums up from \$0.19/# to \$0.31/#
 - Frozen H&G chums up from \$0.45/# to nearly \$1.00
 - Small pink harvest in 2006 reduced surplus canned inventories, raising price from \$40 +/- to more than \$53 per case.
 - Frozen H&G pinks increased from \$0.41/# to \$0.82/#
 - King and Coho prices very strong

2003 conclusions mostly still valid:

- U.S. market is most significant for SE and has best opportunities for high-value products
- Quality and harvest timing make high-value SE salmon an excellent candidate for U.S. market
- Canned salmon remains an essential product form for SE (but frozen H&G and fillets continue to gain ground)
- Product form and transportation cost are key barriers to domestic market

Role of Public Investment

1. Where private financing not available
2. Equity or aid to the needy
3. Public goods - marginal cost of the next user is low or zero
4. R&D that stays in the public domain
5. Technology demonstration
6. Spreading risk when returns benefit all

Investments to Avoid

- Public benefits are unclear or poorly defined
- Projects must be financially successful to create public benefits
- No substantial local investment or leverage
- Commodity (undifferentiated) products
- Commercial infrastructure where private sector expertise or resources are lacking

Recommended Priorities (2003)

(listed from easier to harder)

- Projects that improve quality and quality perception
 - Eg. Ice machines, pinbone removal, fast transportation
- Technology innovation
 - Especially transportation, fish waste utilization, and roe recovery enhancement
- Projects that extend the season
 - Cold storage, freezers, pouch processing

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