

Economic Impacts of Kenai Peninsula Borough Fish Industries

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Kenai Peninsula Borough Assembly
October 23, 2012

SUMMARY

Both commercial fishing/processing and sport fishing are hugely important to the Kenai Peninsula Borough economy. That's clear from existing data. Collecting and analyzing more data could give you a better understanding of how important these industries are and the many ways they affect the economy.



Who I Am

- Economics Professor at UAA Institute of Social and Economic Research (ISER).
- Studied Alaska fisheries economics for many years.
- Teach courses about Alaska Economy and Economics of Fish

Why I'm Here

- Interest among KPB residents in economics of KPB fish industries
 - 2012 chinook disaster economic effects
- Potential interest in an economic study of KPB fish industries

Outline

- Commercial fishing and processing economic impacts
- Sport fishing economic impacts
- Options for economic studies of KPB fish industries

Commercial fishing is a major industry in the Kenai Peninsula Borough! Seward, Homer and Kenai are among the top United States ports in the value of commercial fishery landings.

COMMERCIAL FISHERY LANDINGS AND VALUE AT MAJOR U.S. PORTS, 2010-2011

Port	Quantity		Port	Value	
	2010	2011		2010	2011
	Million pounds			Million dollars	
Dutch Harbor-Unalaska, AK	515	706	New Bedford, MA	306	369
Empire-Venice, LA	354	532	Dutch Harbor-Unalaska, AK	163	207
Akutan, AK	302	431	Kodiak, AK	128	168
Reedville, VA	426	414	Akutan, AK	84	114
Kodiak, AK	325	372	Cape May-Wildwood, NJ	81	103
Intracoastal City, LA	335	327	Empire-Venice, LA	59	99
Pascagoula-Moss Point, MS	105	267	Hampton Roads Area, VA	75	88
Cameron, LA	205	227	Naknek-King Salmon, AK	101	86
Los Angeles, CA	187	157	Sitka, AK	62	85
Astoria, OR	101	144	Honolulu, HI	72	83
Port Hueneme-Oxnard-Ventura, CA	131	128	Seward, AK	69	79
New Bedford, MA	133	117	Cordova, AK	84	67
Westport, WA	101	116	Petersburg, AK	36	65
Sitka, AK	75	113	Dulac-Chauvin, LA	45	63
Petersburg, AK	50	101	Ketchikan, AK	41	62
Ketchikan, AK	76	100	Westport, WA	39	61
Naknek-King Salmon, AK	124	99	Gloucester, MA	57	61
Newport, OR	57	79	Brownsville-Port Isabel, TX	53	58
Gloucester, MA	89	77	Port Arthur, TX	47	57
Cordova, AK	148	68	Key West, FL	50	56
Portland, ME	38	61	Stonington, ME	45	48
Seward, AK	75	50	Galveston, TX	28	47
Dulac-Chauvin, LA	33	43	Astoria, OR	31	44
Point Judith, RI	36	41	Newport, OR	31	44
Cape May-Wildwood, NJ	43	40	Bayou La Batre, AL	5	43
Coos Bay-Charleston, OR	31	39	Homer, AK	56	42
Rockland, ME	23	38	Point Judith, RI	32	40
Moss Landing, CA	38	34	Kenai, AK	25	40
Kenai, AK	21	29	Port Hueneme-Oxnard-Ventura, CA	37	39
Monterey, CA	17	25	Los Angeles, CA	38	37

#11

#26

#28

Source: National Marine Fisheries Service, Fisheries of the United States, 2010, <http://www.st.nmfs.noaa.gov/st1/publications.html>

In 2010, Kenai Peninsula Borough fishing permit holders had gross earnings of \$125 million from commercial fishing.

- Kenai Peninsula Borough resident permit holders fished:
 - in many different areas:
 - near the Kenai (Cook Inlet, Gulf of Alaska, Prince William Sound)
 - in other parts of Alaska
 - for many different species
 - salmon, halibut, sablefish, other species
 - with many types of gear
 - drift gillnet, set gillnet, seine, longline, other gears

Commercial Fishery Participation and Estimated Gross Earnings
of Kenai Peninsula Borough Resident Permit Holders, 2010

Fishery	Number of permit holders who fished	Estimated gross earnings	Share of estimated gross earnings
All fisheries combined	1,024	\$125,125,136	100%
Halibut longline vessels under 60', statewide	271	\$26,505,238	21%
Salmon purse seine, Prince William Sound	41	\$22,380,831	18%
Salmon drift gillnet, Cook Inlet	234	\$12,221,124	10%
Salmon drift gillnet, Prince William Sound	89	\$10,847,552	9%
Salmon set gillnet, Cook Inlet	281	\$9,014,285	7%
Salmon drift gillnet, Bristol Bay	86	\$7,967,887	6%
Sablefish longline vessels under 60', statewide	57	\$5,803,870	5%
All other fisheries		\$30,384,349	24%

Source: Commercial Fisheries Entry Commission, Permit & Fishing Activity by Year, State, Census Area, or City, <http://www.cfec.state.ak.us/gpbycen/2010/mnu.htm>.

In 2010, Kenai Peninsula Borough residents accounted for about 10% of all Alaska fishery permit holders and about 8% of gross earnings in all Alaska fisheries.

Alaska Commercial Fishery Participation and Estimated Gross Earnings, KPB Residents and Total, 2010

Fishery	Kenai Peninsula Borough resident permit holders		All Alaska fishing permit holders		Kenai Peninsula Borough resident share	
	Number who fished	Estimated gross earnings	Number who fished	Estimated gross earnings	Number who fished	Estimated gross earnings
All fisheries combined	1,024	\$125,125,136	9,767	\$1,481,785,604	10%	8%
Halibut longline vessels under 60', statewide	271	\$26,505,238	1,855	\$144,070,160	15%	18%
Salmon purse seine, Prince William Sound	41	\$22,380,831	177	\$82,212,884	23%	27%
Salmon drift gillnet, Cook Inlet	234	\$12,221,124	380	\$19,300,854	62%	63%
Salmon drift gillnet, Prince William Sound	89	\$10,847,552	547	\$47,760,962	16%	23%
Salmon set gillnet, Cook Inlet	281	\$9,014,285	489	\$14,160,033	57%	64%
Salmon drift gillnet, Bristol Bay	86	\$7,967,887	1,510	\$134,136,756	6%	6%
Sablefish longline vessels under 60', statewide	57	\$5,803,870	452	\$46,803,677	13%	12%
All other fisheries		\$30,384,349		\$993,340,278		3%

Source: Commercial Fisheries Entry Commission, Permit & Fishing Activity by Year, State, Census Area, or City, <http://www.cfec.state.ak.us/gpbycen/2010/mnu.htm>.

Kenai Peninsula Borough residents—from many different communities—account for well over half of Cook Inlet salmon fishery gross earnings.

**Gross Earnings from Cook Inlet Drift and Set Gillnet
Salmon Fisheries, 2010**

Residency of permit holder	Drift gillnet fishery	Set Gillnet fishery
Kenai Peninsula Borough	\$12,221,124	\$9,014,285
Homer	\$4,912,069	\$217,132
Kenai	\$2,421,251	\$4,400,078
Kasilof	\$1,249,757	\$1,213,241
Soldotna	\$1,221,647	\$1,199,783
Anchor Point	\$317,888	\$179,261
Ninilchik	\$258,195	\$435,006
Other KPB communities	\$1,840,317	\$1,369,784
Anchorage	\$969,024	\$2,017,097
Mat-Su Borough	\$715,684	\$741,035
Other places in Alaska	\$430,687	\$55,964
Alaska total	\$14,336,519	\$11,828,381
Washington	\$1,748,408	\$678,982
Other states	\$3,215,927	\$1,652,670
Total	\$19,300,854	\$14,160,033

Source: Commercial Fisheries Entry Commission, Permit & Fishing Activity by Year, State, Census Area, or City,
<http://www.cfec.state.ak.us/gpbycen/2010/mnu.htm>.

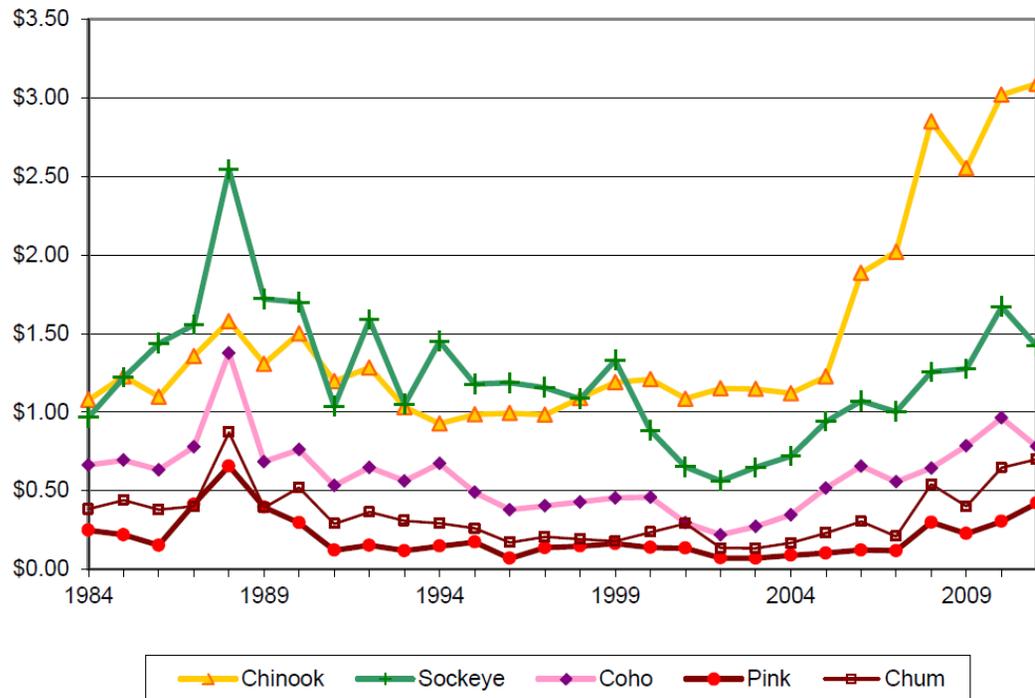
After falling sharply in the 1990s, average Cook Inlet salmon prices have rebounded dramatically since 2002. The recovery was driven by a number of factors including effective marketing of Alaska wild salmon, improved quality, growing world demand, and tighter world supply due to declining farmed salmon production in Chile.

1984-2011

Salmon Exvessel Price Time Series by Area and Species

Division of Commercial Fisheries
 Jeff Regnart, Director
 1255 W. 8th Street • P. O. Box 115526
 Juneau, AK 99811-5526
 (907) 465-4210 • www.cf.adfg.state.ak.us

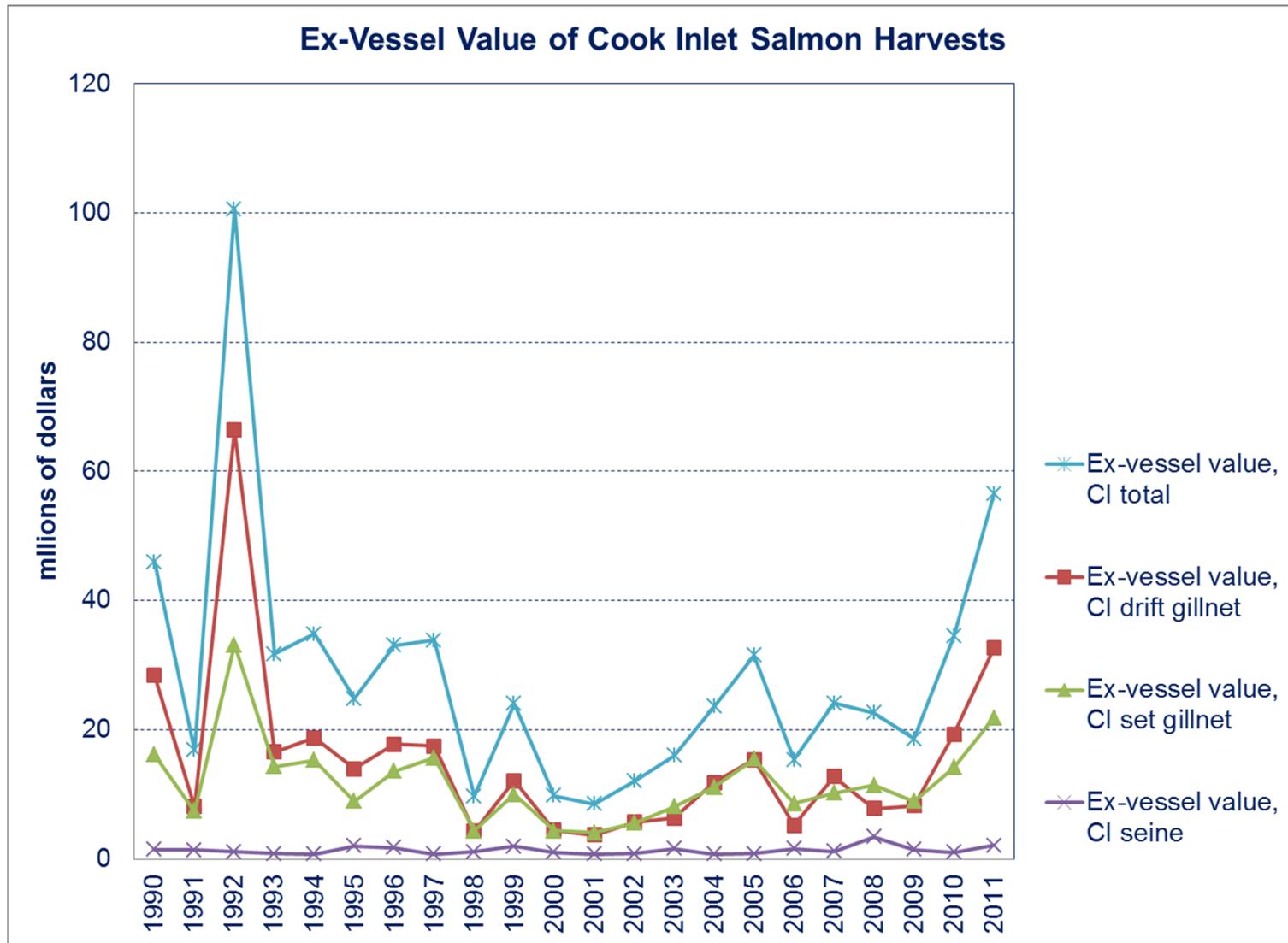
Average Exvessel Price by Species



1984-2011 prices from Commercial Operator's Annual Report. Prices are in nominal dollars and have not been adjusted for inflation. Prices represent a weighted average price per pound and may reflect a mixture of gear types and delivery conditions.

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Rising prices led to a dramatic rebound in the value of Cook Inlet salmon harvests over the past decade

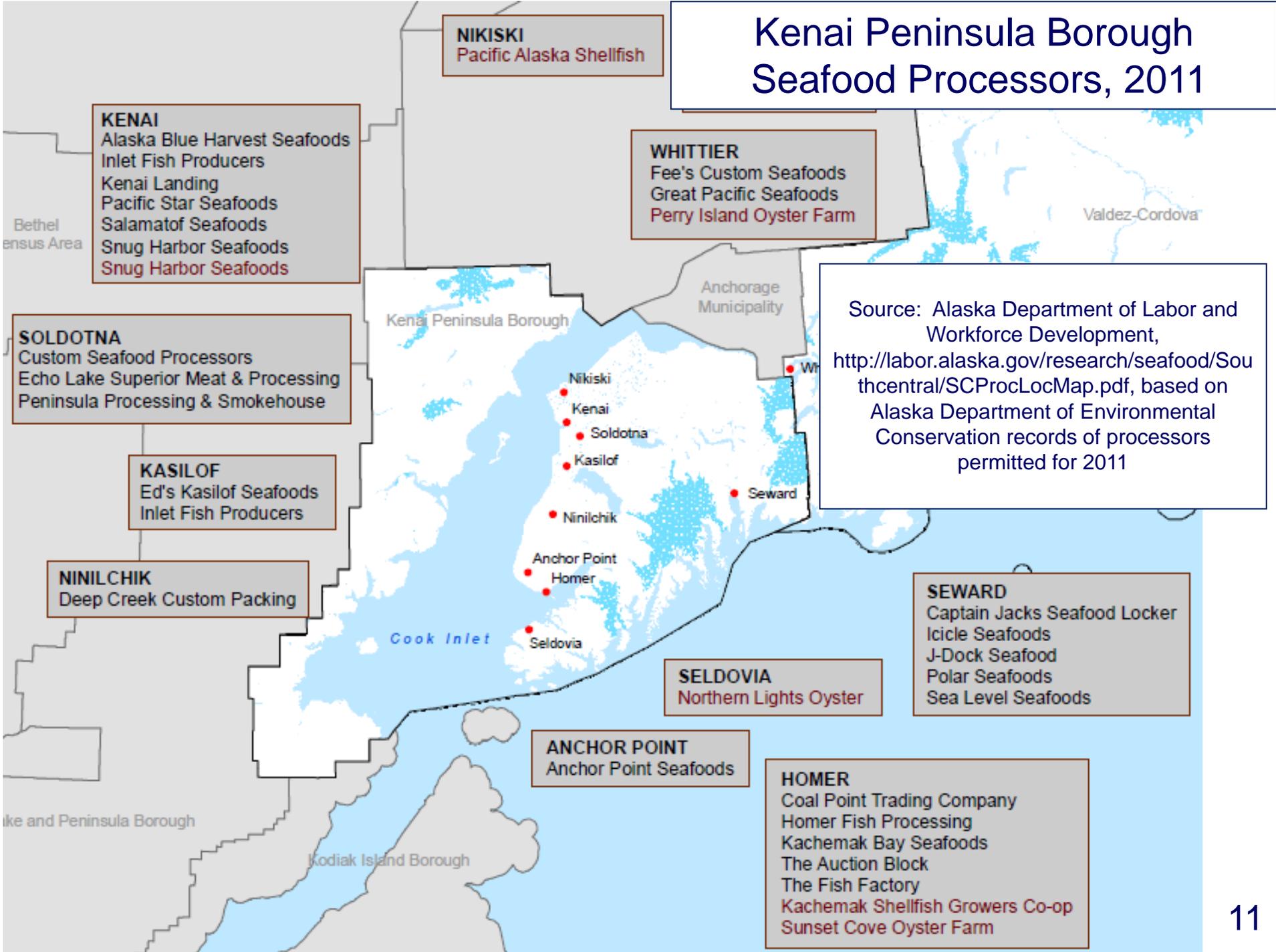


Source: Commercial Fisheries Entry Commission, Salmon Basic Information Tables,
<http://www.cfec.state.ak.us/bit/MNUSALM.htm>

The commercial fish industry isn't just fishing!
Processing is a very important part of the industry and the KPB economy.

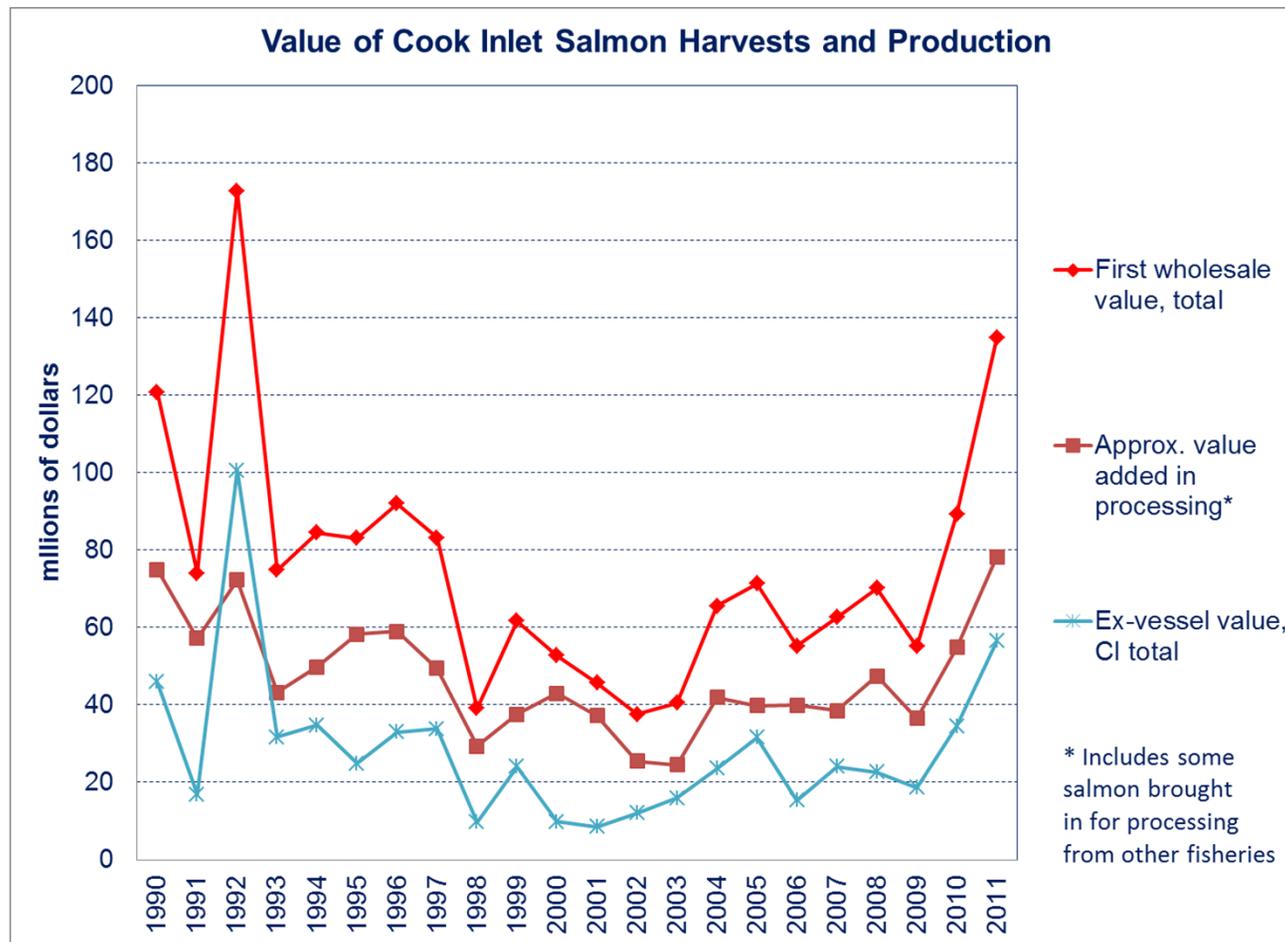


Kenai Peninsula Borough Seafood Processors, 2011



Source: Alaska Department of Labor and Workforce Development, <http://labor.alaska.gov/research/seafood/SouthernCentral/SCProLocMap.pdf>, based on Alaska Department of Environmental Conservation records of processors permitted for 2011

The value added in Cook Inlet salmon processing exceeds the ex-vessel value of Cook Inlet salmon harvests. The total wholesale value of salmon production was almost \$135 million in 2011.



Source: Ex vessel value: Commercial Fisheries Entry Commission, Salmon Basic Information Tables, <http://www.cfec.state.ak.us/bit/MNUSALM.htm>. First wholesale value: Alaska Department of Fish and Game, Commercial Operator Annual Reports database, data provided by Shellene Hunter, October 2012.

Kenai Peninsula Borough commercial fishing and processing isn't only salmon!



Longline vessels in Homer Harbor

Total IFQ Landings & Pounds By Port
For Fishing Year 2011

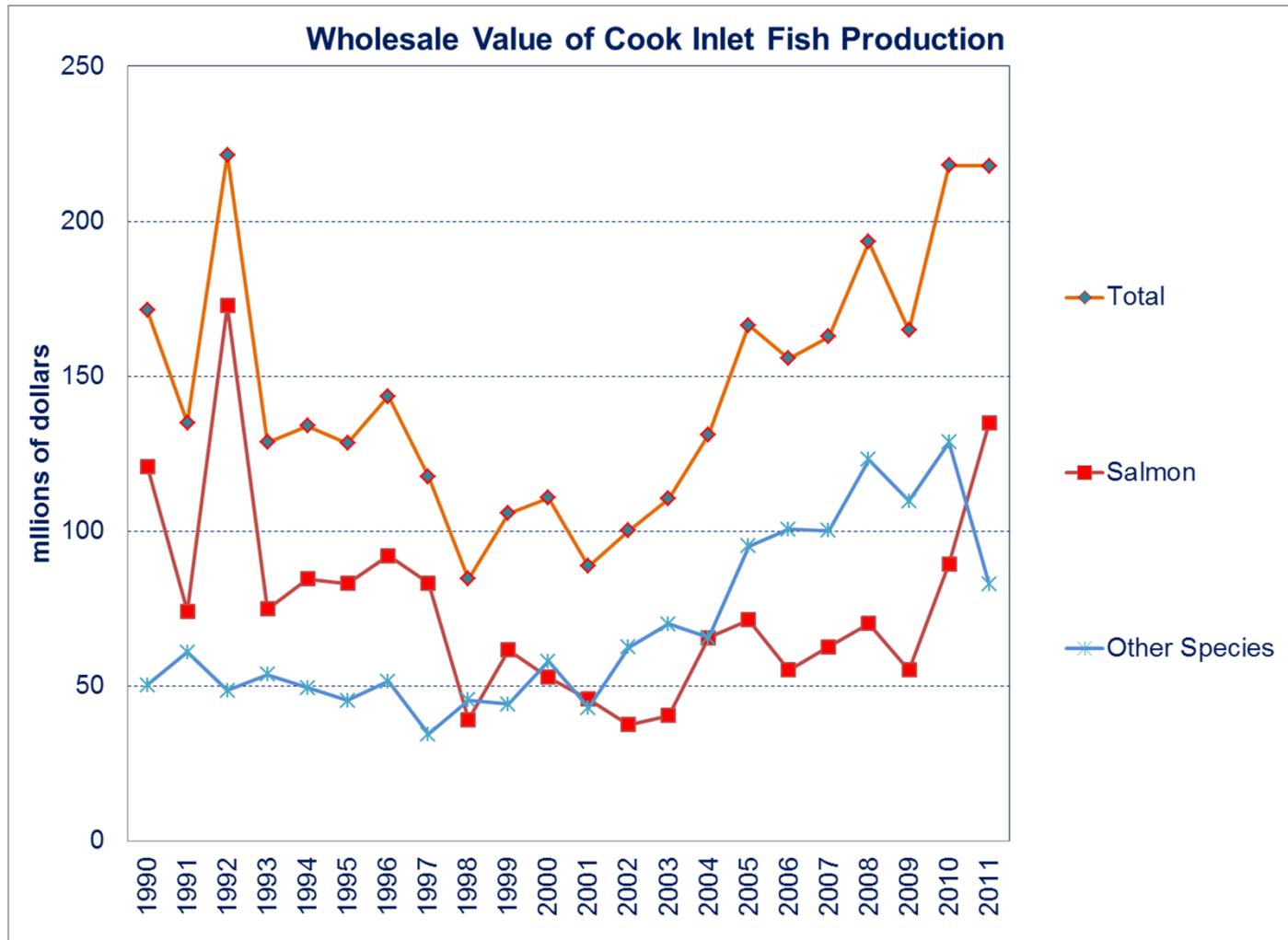
Port	Halibut		Sablefish	
	Vessel Landings	Pounds Landed	Vessel Landings	Pounds Landed
WASHINGTON				
BELLINGHAM	27	619,699	8	314,687
SEATTLE	***	***	***	***
ALASKA				
ADAK	***	***	***	***
AKUTAN	***	***	***	***
ATKA	***	***	***	***
CORDOVA	128	879,334	***	***
CRAIG	69	69,887	***	***
DUTCH HBR/UNALASKA	243	2,759,320	167	1,070,370
ELFIN COVE	***	***	***	***
FALSE PASS	***	***	***	***
GUSTAVUS	***	***	***	***
HAINES	14	8,070	***	***
HOMER	537	5,602,098	122	766,189
HOONAH	***	***	***	***
HYDER	***	***	***	***
JUNEAU	204	1,069,186	***	***
KAKE	***	***	***	***
KENAI	12	55,835	***	***
KETCHIKAN	84	159,757	***	***
KING COVE	***	***	***	***
KODIAK	746	5,841,101	190	3,045,214
NINILCHIK	***	***	***	***
PETERSBURG	306	920,944	57	882,597
PORT ALEXANDER	***	***	***	***
PORT PROTECTION	***	***	***	***
SAND POINT	***	***	***	***
SEWARD	286	3,503,326	230	4,316,406
SITKA	544	1,301,520	342	3,802,599
ST PAUL	***	***	***	***
VALDEZ	***	***	***	***
WHITTIER	14	35,976	***	***
WRANGELL	***	***	***	***
YAKUTAT	***	***	***	***
ZA OTHER	4	49,681	39	1,771,699
Totals	4,306	29,626,492	1,726	24,041,223

In 2011, Homer ranked second (just after Kodiak) among Alaska ports in the volume of halibut landings. Seward ranked third.

In 2011, Seward ranked first among Alaska ports in the volume of sablefish landings.

Source: NMFS Restricted Access Management Division,
http://www.fakr.noaa.gov/ram/11ifq_port.htm

Other species, including halibut and sablefish, have a combined first wholesale value of Cook Inlet area fish production approximately equal to that of salmon.



Source: Alaska Department of Fish and Game, Commercial Operator Annual Reports database, data provided by Shellene Hunter, October 2012.

The United Fishermen of Alaska has accurately summarized much of the other publicly available data about the Kenai Peninsula Borough commercial fishing and processing industries . . .

Kenai Peninsula Borough, Alaska

Commercial Fishing and Seafood Processing Facts

United Fishermen of Alaska
211 Fourth St. Suite 110
Juneau, AK 99801-1172
Phone 907.586.2820
Fax 907.463.2545
ufa@ufa-fish.org
www.ufa-fish.org



JOBS - FISHING

Permit holders, Crew and Vessels (2010) in Kenai Peninsula Borough:

CFEC commercial fishing permit holders: 1,428¹

Total permits owned: 2,203¹

Permitholders who fished: 1,024¹

Commercial Crew license holders: 1,659²

Total Skippers who fished plus Crew in 2010: 2,683^{1,2}

Rank among Alaska Boroughs and Census Areas for total permit holders: #1⁶

Vessels Home Ported: 981³

Each of these individual small and family businesses represents investment, employment, and income in the Kenai Peninsula Borough community.

Income:

Estimated 2010 ex-vessel income by Kenai Peninsula Borough-based fishermen: \$122,140,353¹

Earnings generated from commercial fishing circulated in the local economy through property and sales taxes; purchases of homes, rentals, hotels, electricity, entertainment, fuel, vehicles, food, repair and maintenance parts, transportation, travel, medical, and other services. **Virtually every business in Kenai Peninsula Borough benefits from commercial fishing dollars.**

Source: United Fishermen of Alaska website:
<http://www.ufa-fish.org/CFF/09%20Kenai%20Peninsula%20Borough%20Fishing%20Facts%202011.pdf>

The United Fishermen of Alaska has accurately summarized much of the other publicly available data about the Kenai Peninsula Borough commercial fishing and processing industries . . .

JOBS - PROCESSING

Seafood processing jobs (2009): **1,846**⁵

Total processing wages: (2009): **\$ 11,590,049**⁵

Percentage of Alaska resident seafood processing jobs in Kenai Peninsula Borough (2009): **46.6%**⁵

Percentage of seafood processing wages paid to Alaska resident seafood processing workers in K.P. Borough: **51.2%**⁵

First wholesale value (2009): **\$151 million**⁶

...AND MORE JOBS

In addition to direct harvester and processor workers, fisheries related jobs include fuel, accountants, consultants, air and water travel, hardware and marine repair and supply businesses, advocacy and marketing organizations, air cargo crew, freight agents, and scientists. **Government related jobs include** Alaska Department of Fish and Game • Fish and Wildlife Protection/Alaska Department of Public Safety • Docks and Harbors • Alaska State Troopers • United States Coast Guard • University of Alaska School of Fisheries, • Alaska Sea Grant Marine Advisory program, and more.

TRANSPORTATION JOBS AND BENEFITS

In 2010, **124.1 million pounds**⁷ of seafood were landed in the Kenai Peninsula Area for an estimated value of **\$100.9 million**⁷, and most of this was shipped or flown out, providing many more jobs.

REVENUE to the State and Community through Fishery Taxes ...

FY 2010 Shared taxes – **Kenai Peninsula Borough** and the **State of Alaska** each received **\$1,796,505**⁸ in fishery business and landing taxes through the municipal tax-sharing program from Kenai Peninsula Borough fisheries landings and businesses.

Footnotes - Sources:

1. Commercial fishing permit activity, estimated harvest and earnings by permit holders are from AK Commercial Fishery Entry Commission (CFEC) at: <http://www.cfec.state.ak.us/gpbycen/2010/mnu.htm>
2. Crew numbers are from Alaska Department of Fish and Game 2010 Crew license list, and is the number of individuals who list their address in a given city.
3. Vessel home port numbers are from AK CFEC – online at <http://www.cfec.state.ak.us/plook/>
4. 2010 Population figures used to calculate percentage of resident skippers who fished plus crew is from DCCED AK Community Information Database online at: http://www.dced.state.ak.us/dca/commdb/CF_COMDB.htm
5. Processor Employment and Wages Data is from Alaska Department of Labor at <http://labor.alaska.gov/research/seafood/statewide/AKSFPBorca.pdf>
6. Processor 1st wholesale value by Census Area 2009 provided by Alaska Seafood Marketing Institute
7. National rank and NOAA total landings and value for selected ports is from NOAA Fisheries - Office of Science & Technology: <http://www.st.nmfs.noaa.gov/st1/commercial/index.html>
8. Revenue figures from 2010 AK Dept of Revenue Shared Taxes report: <http://www.tax.alaska.gov/programs/sourcebook/index.aspx>

Source: United Fishermen of Alaska website:
<http://www.ufa-fish.org/CFF/09%20Kenai%20Peninsula%20Borough%20Fishing%20Facts%202011.pdf>

The KPB used to collect and publish more detailed information about its commercial fish industries than any other Alaska Borough. The data are still on the borough website—but the data series end between 2006 and 2008 and have not been updated.



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Economic Analysis

144 North Binkley Street, Soldotna, Alaska 99669 · (907) 262-4441

KPB INDUSTRY STUDIES

COMMERCIAL FISHING INDUSTRY

	Overview	Employment
KPB Halibut	Landings by Port	Permit Activity
KPB Sablefish (Black Cod)	Landings by Port	Permit Activity
Cook Inlet Salmon	Weight Harvested	Price per Pound of Harvest Number Harvested
	Average Weight of Fish Harvested	Exvessel Values
KPB Permit Values	KPB Salmon Permit Activity	Upper Cook Inlet Salmon Harvest Lower Cook Inlet Salmon Harvest
	Fishery Taxes	Estimated Gross Earnings Total KPB Permit Activity

Source: Kenai Peninsula Borough website:
http://www2.borough.kenai.ak.us/Econ/1S_P%20data/Master%20Index.htm

Data formerly collected
by the Borough
showed . . .

More than 2800
commercial fishing
permit holders and
crew live in Kenai
Peninsula Borough
communities.

Permit Holders & Crew Members All Species - 2006, 2007, 2008						
Community	Permit Holders			Crew Members		
	2006	2007	2008	2006	2007	2008
Anchor Point	53	54	55	43	60	50
Clam Gulch	26	29	30	15	19	18
Cooper Landing	5	4	4	5	5	2
Fritz Creek	10	11	12	9	12	11
Halibut Cove	7	6	5	3	2	4
Homer	521	525	532	502	580	554
Hope	1	1	1	0	0	0
Kasilof	141	130	125	103	101	100
Kenai	219	223	223	254	265	216
Moose Pass	1	1	2	3	5	4
Nanwalek	6	6	6	4	2	3
Nikiski/Nikishka	52	50	46	52	57	52
Nikolaevsk	14	20	19	17	18	20
Ninilchik	55	49	46	38	35	42
Port Graham	10	7	7	1	0	5
Seldovia	42	43	43	34	31	31
Seward	64	63	58	119	112	130
Soldotna	141	144	144	169	195	189
Sterling	22	21	22	47	37	35
Tyonek	15	15	15	2	3	6
Total	1,405	1,402	1,395	1,420	1,539	1,472

Data formerly collected
by the Borough
showed . . .

On an average monthly
employment basis, fish
processing typically
accounts for about 5%
of KPB employment
(the percentage varies
with fish catches).

Commercial Fishing Industry Average Monthly Employment			
Year	Processing	KPB	Processing as % of KPB
1987	783	10,804	7.25%
1988	948	11,089	8.55%
1989	1,034	13,063	7.92%
1990	1,161	13,891	8.36%
1991	1,284	14,376	8.93%
1992	1,137	14,474	7.86%
1993	1,024	15,451	6.63%
1994	989	15,816	6.25%
1995	967	16,107	6.00%
1996	1,097	16,110	6.81%
1997	1,076	16,328	6.59%
1998	808	16,586	4.87%
1999	641	16,340	3.92%
2000	658	16,984	3.87%
2001	474	17,367	2.73%
2002	328	17,614	1.86%
2003	586	17,777	3.30%
2004	620	18,043	3.44%
2005	624	18,075	3.45%
2006	603	18,326	3.29%
2007	528	18,456	2.86%
2008	988	18,663	5.29%

Data formerly collected by the Borough showed . . .

Significant fisheries business and landing taxes (which are proportional to the catch value) are shared by the state with the Borough.

SHARED TAXES					
Kenai Peninsula Borough (Payments to KPB and Municipalities within KPB)					
	Fisheries Business	Fishery Landing	Salmon Enhancement	Salmon Marketing	Seafood Marketing
FY 1999	718,660	53,354			
FY 2000	1,241,495	17,764			
FY 2001	610,693	45,722			
FY 2002	854,996	51,782			
FY 2003	895,642	24,621	To General Fund		
FY 2004	1,221,231	12,202			
FY 2005	1,148,535	12,248			
FY 2006	1,304,301	1,982			
FY 2007	1,241,834	9,066			
FY 2008	743,435	174			

Commercial fishing and processing create jobs and income in other Kenai Peninsula Borough industries.

- Processing and fishing businesses buy products and services from many kinds of businesses:
 - Air, water and road transportation; fuel services, boat repair, electronics, accounting, etc.
- People working in processing and fishing spend their income at many kinds of businesses:
 - Retail stores, restaurants, day care centers, home construction, etc.
- It's harder to measure jobs and income by this spending—but they are real and important!



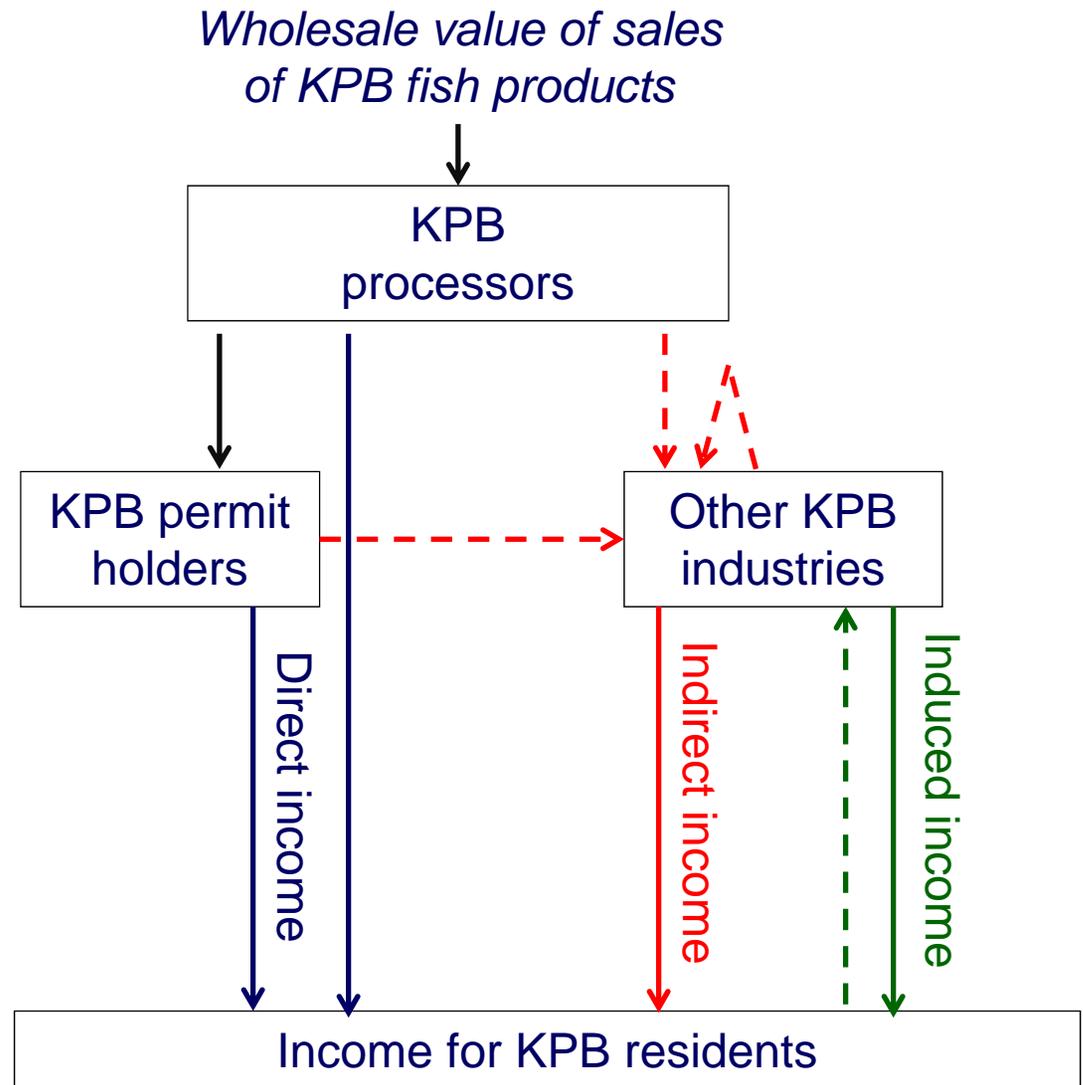
Economists estimate how commercial fishing and processing creates jobs in other industries by tracking the payments between industries.

Three kinds of income created by commercial fishing and processing:

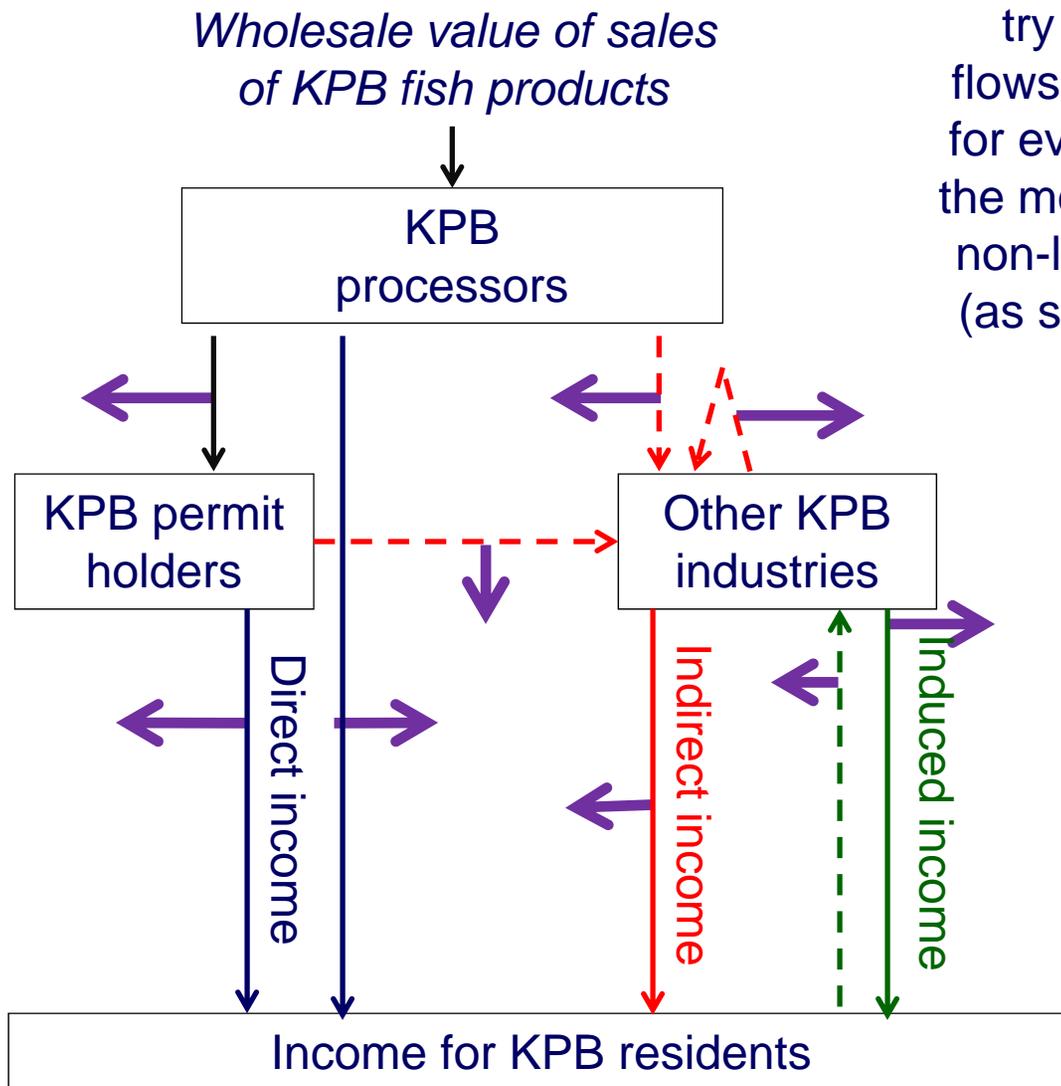
Direct income: Income of fishing and processing workers and owners

Indirect income: Income caused by business spending of processors and fishermen

Induced income: Income caused by household spending of income generated by the fishery



We can estimate direct income fairly easily from existing data. Estimating indirect and induced income is harder and requires collecting new data.



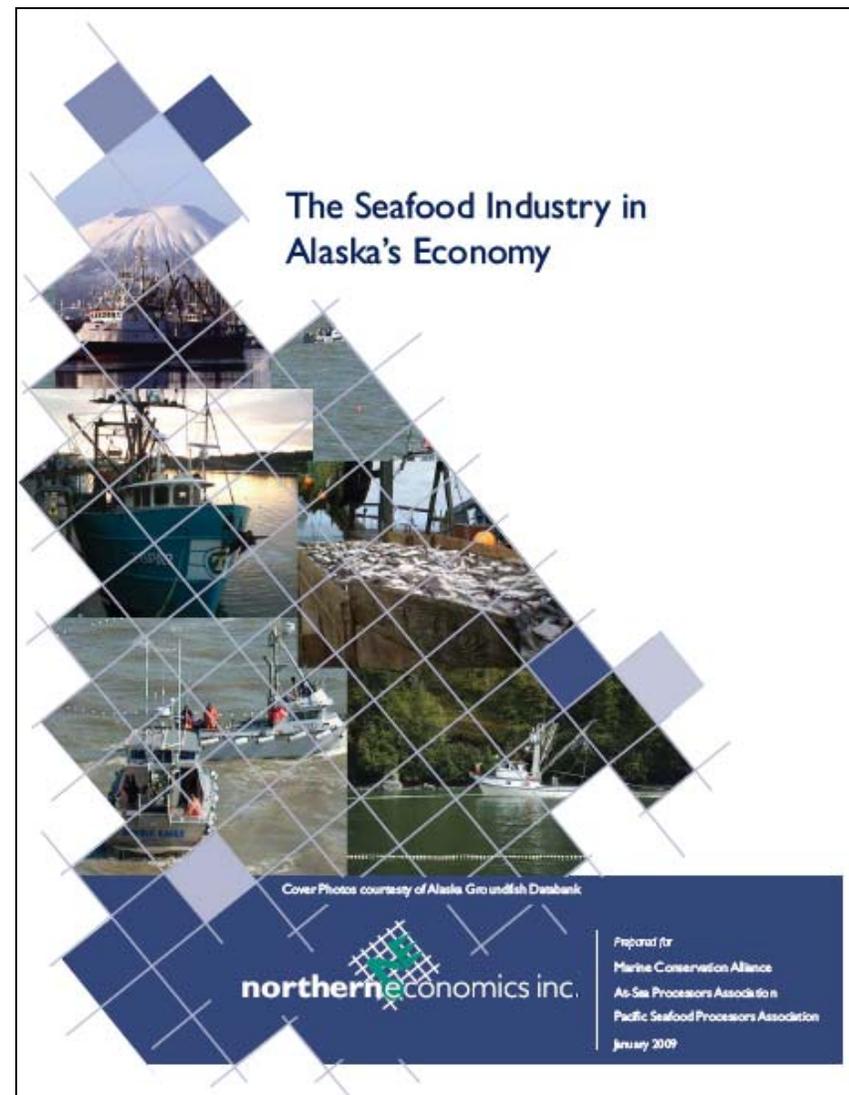
Economic impact studies collect data from fishermen, processors, other businesses and residents to try to estimate these payment flows. Part of the challenge is that for every kind of payment, some of the money “leaks” out of the KPB to non-local workers and businesses (as shown by the purple arrows in the diagram →)

Several years ago this kind of study was done
for the Alaska economy as a whole.

*The Seafood Industry in
Alaska's Economy*

www.marineconservationalliance.org

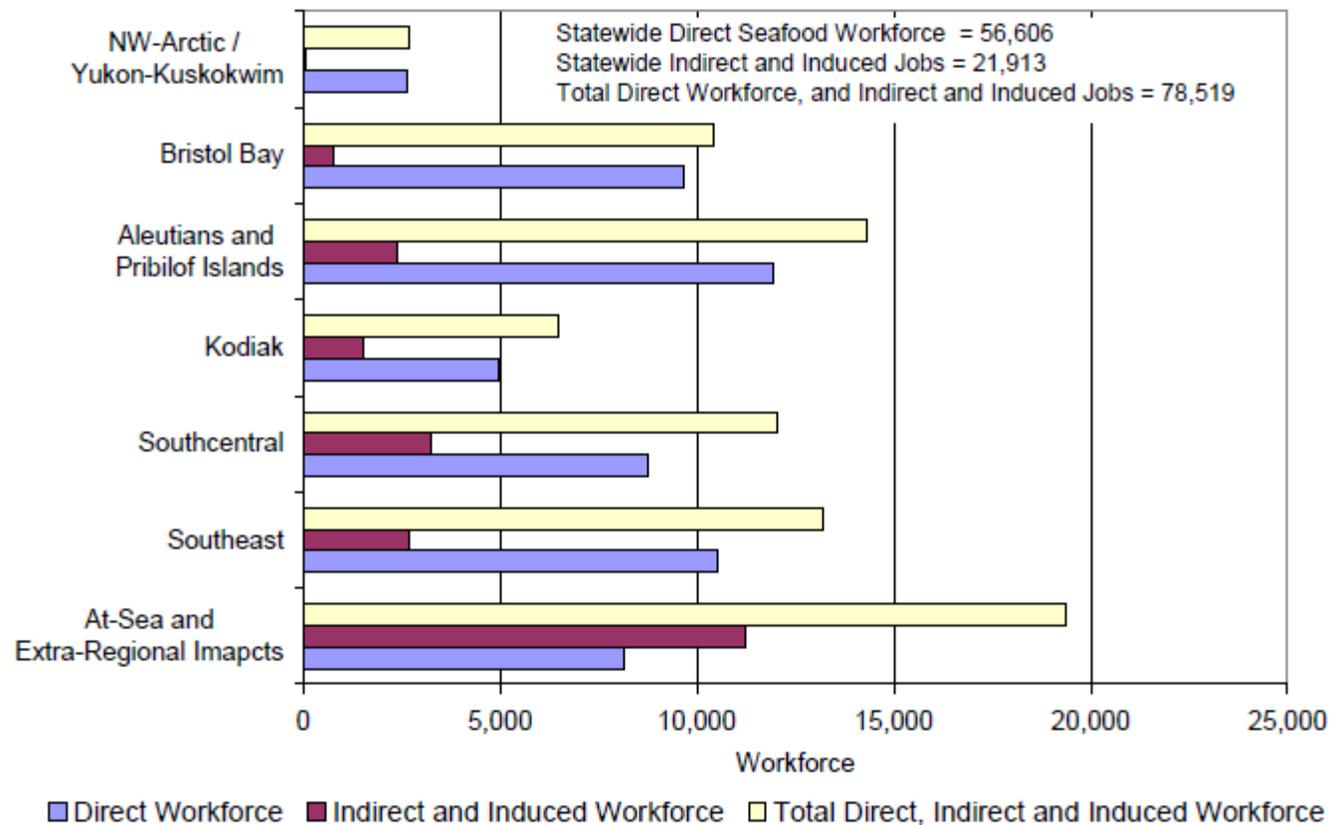
- Sponsored by: Marine Conservation Alliance; At-Sea Processors Association; Pacific Seafood Processors Association
- Prepared by: Northern Economics, Inc.
- Released January 2009
- Pages: 77





In estimating jobs created by commercial fishing and processing, the study grouped the Kenai Peninsula Borough together with all of Southcentral Alaska, and didn't distinguish between jobs held by local residents and people from other parts of Alaska or other states. So we don't have good estimates of how many indirect or induced jobs commercial fishing and processing creates for KPB residents.

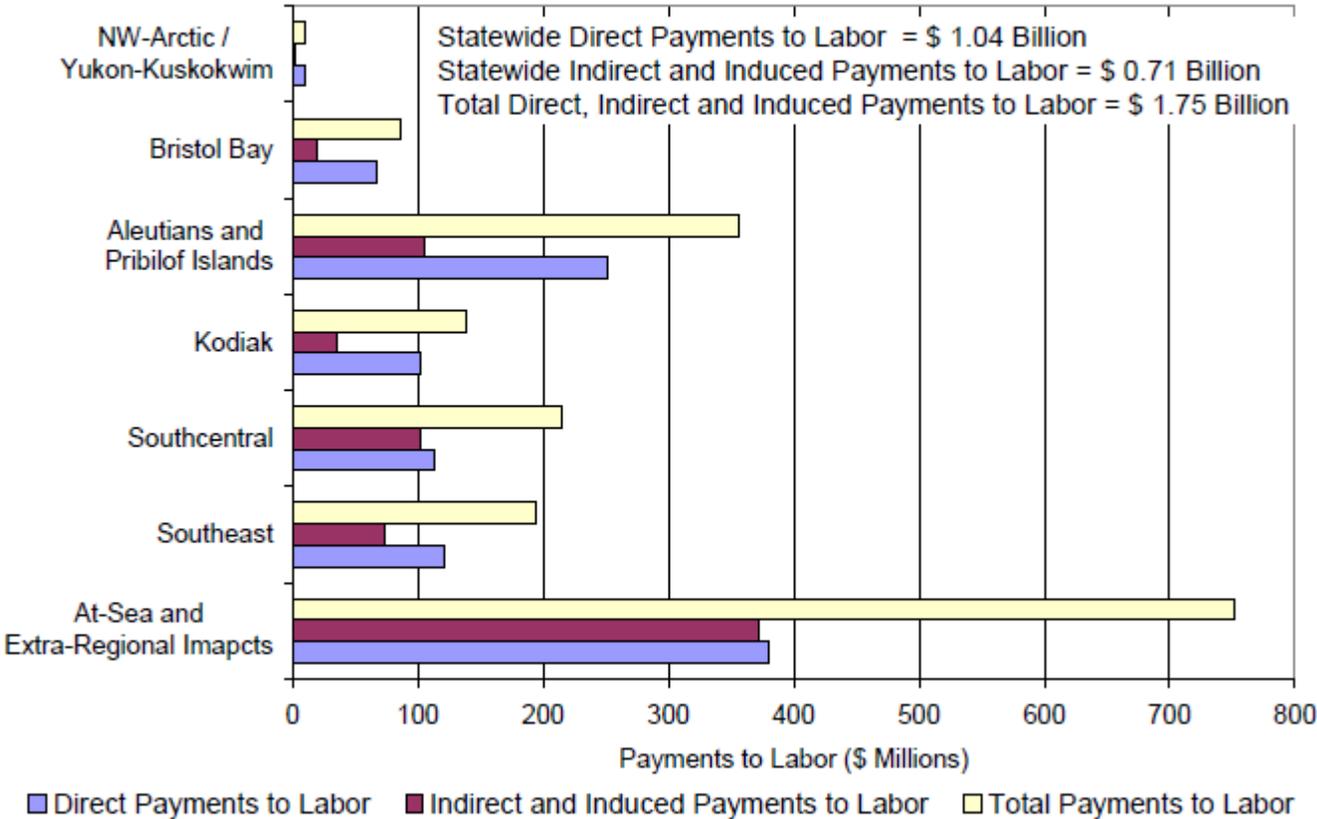
Figure 41. Estimated Direct, Indirect, and Induced Workers in Alaska's Seafood Industry, by Region





In estimating payments to labor created by commercial fishing and processing, the study grouped the Kenai Peninsula Borough together with all of Southcentral Alaska, and didn't distinguish between payments to local residents and payments to people from other parts of Alaska or other states. So we don't have good estimates of how much indirect or induced income commercial fishing and processing creates for KPB residents.

Figure 42. Estimated Direct, Indirect, and Induced Payments to Labor, by Region



Beyond the jobs and income they create and the tax revenues they provide, commercial fishing and processing have many important synergies with other industries:

- Transportation: Fish products are a major “backhaul” freight for water and road transportation to the Kenai Peninsula Borough, which helps:
 - Reduce freight rates for products shipped to the KPB
 - Reduce prices paid by KPB businesses and residents
- Utilities: Fish processors are major consumers of power and water, and help to reduce utility rates paid by other customers.

*Commercial fisheries supply
the fish served in Kenai
Peninsula Borough restaurants.*



Sport fishing is also hugely important to the Kenai Peninsula Borough economy . . .

Charter operators



Guides



Source: Silver Bullet Kenai River Guide Service & B&B website:
<http://www.alaska.net/~silver/>

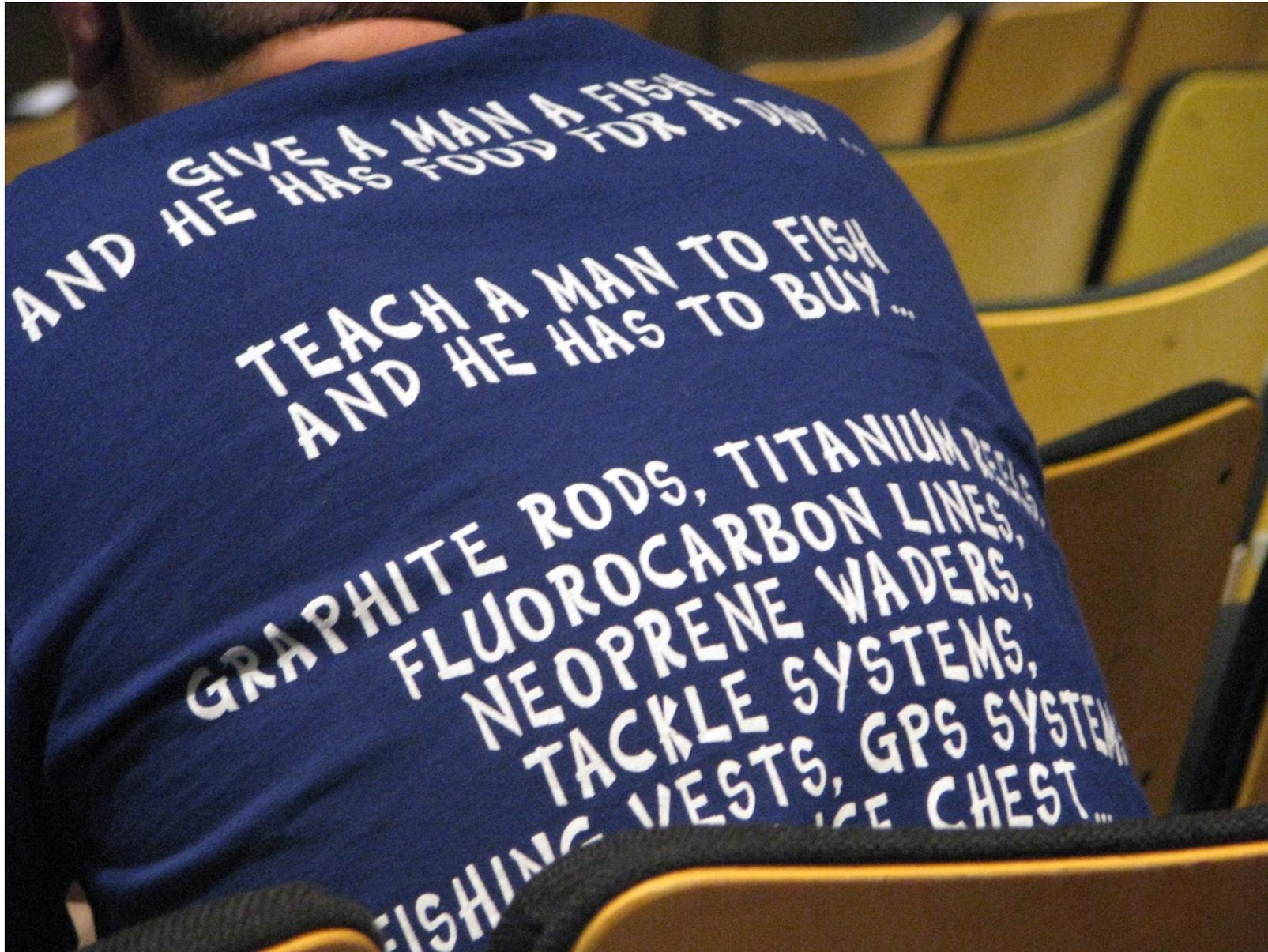


Photo source: Kenai River King Guide Services website:
<http://www.fishinginternational.com/location/alaskakenaiguide/Kenai%20River%20King%20boat1.jpg>

Sport fishing also brings many thousands of independent anglers each year to the Kenai Peninsula who spend money at Kenai Peninsula Borough businesses including other tourism activities.



Sport fishermen spend a lot of money! And not just on fishing gear—but also on transportation, food, lodging, guides, etc.





Economic Analysis

144 North Binkley Street, Soldotna, Alaska 99669 · (907) 262-4441

The Kenai Peninsula Borough used to collect and publish a lot of data which helped show the economic scale and importance of sport fishing.

The data show that (as of 2008) guides had gross sales of about \$60 million annually.

Guiding by Water Gross Sales - in \$						
	2003	2004	2005	2006	2007	2008
Homer	8,111,614	10,147,565	11,042,305	12,043,729	11,748,258	12,369,646
Kenai	607,260	981,392	986,022	983,198	791,348	818,551
Seldovia	203,395	258,598	249,139	200,108	246,775	223,356
Seward	15,125,810	18,018,114	19,189,916	19,782,117	22,196,262	20,497,245
Soldotna	1,033,499	1,402,597	1,511,597	3,303,600	1,593,034	1,624,409
Other	17,212,905	20,039,365	21,827,156	23,014,058	25,570,536	25,319,609
Total KPB	42,294,483	50,847,631	54,806,135	59,326,810	62,146,213	60,852,816

Data formerly collected and published by the Borough show that there are hundreds of Kenai River guides.

Kenai River Registered Guides				
	Resident	Non resident	Total	% Resident
1985	131	40	171	77%
1986	148	5	198	75%
1987	188	44	232	81%
1988	191	77	268	71%
1989	212	100	312	68%
1990	234	96	330	71%
1991	214	10	315	68%
1992	194	181	275	71%
1993	196	67	263	75%
1994	224	80	304	74%
1995	260	97	357	73%
1996	287	88	375	77%
1997	306	94	400	77%
1998	292	68	360	81%
1999	295	73	368	80%
2000	296	84	380	78%
2001	287	87	374	77%
2002	291	92	383	76%
2003	297	78	374	79%
2004	317	67	384	83%
2005	323	84	407	79%
2006	332	105	437	76%
2007	312	113	425	73%
2008	328	107	435	75%

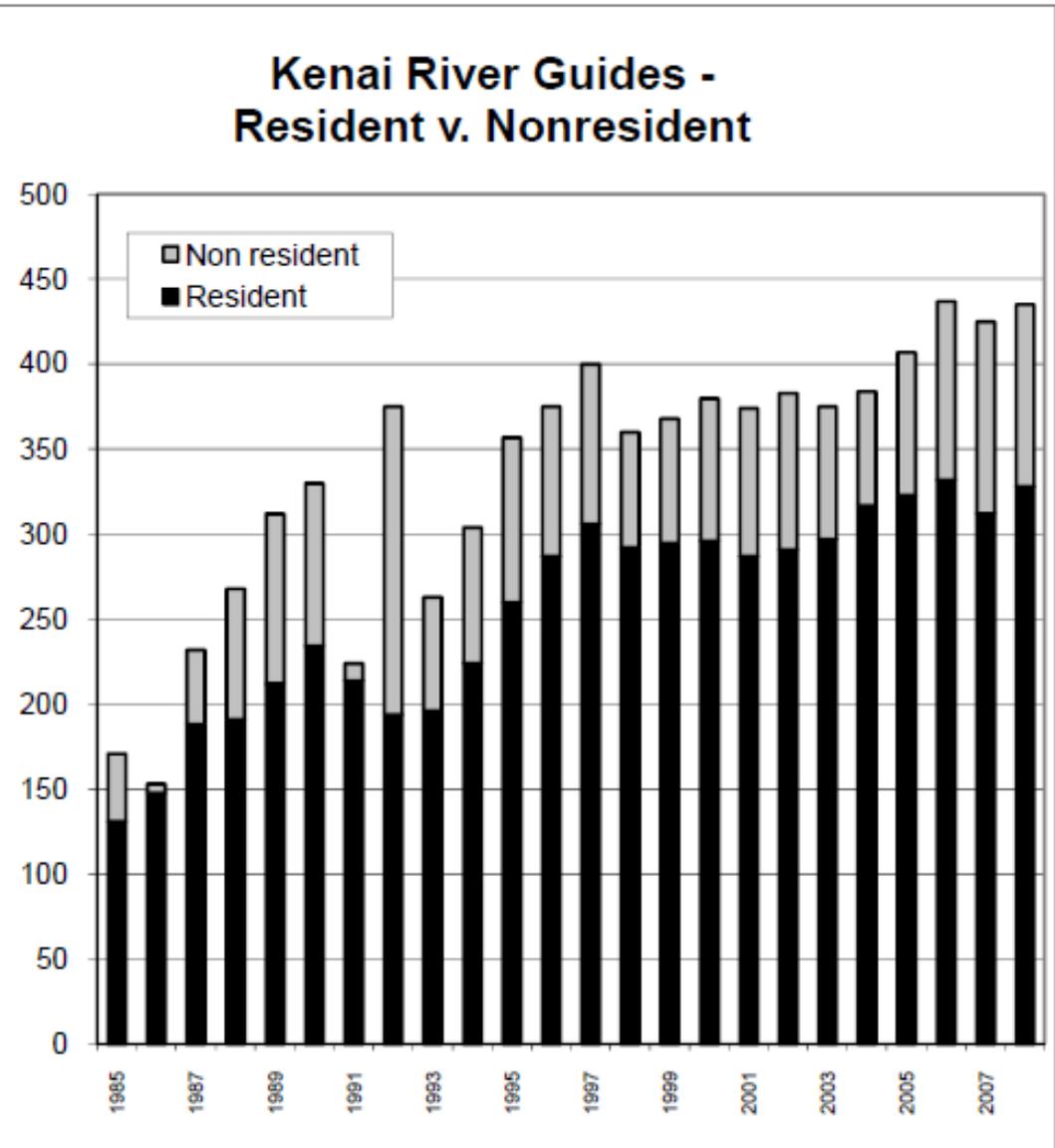
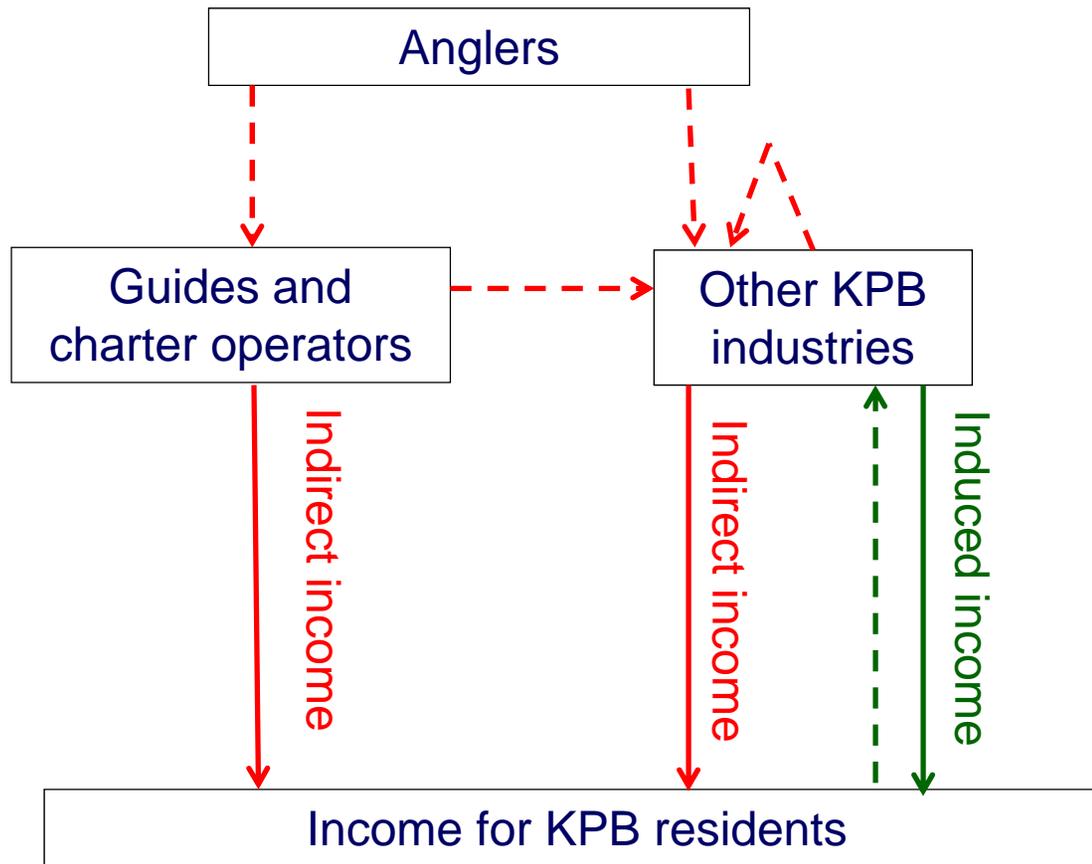


Table 19.40

Chart 19.35

Economists estimate how sport fishing creates jobs and income by tracking payment flows, in the same way they do for commercial fishing and processing.



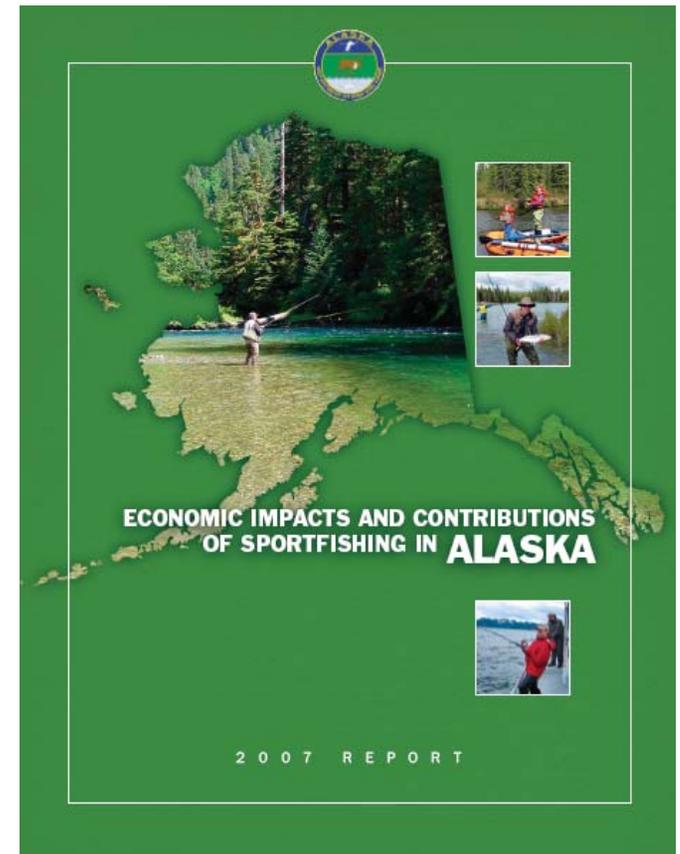
But it tends to be harder to track the economic impacts of sport fisheries because all of the impacts are indirect or induced. Like commercial fishermen, sport fishermen spend a lot of money on fishing. But unlike commercial fishing, they aren't employed in and don't earn money from fishing. All of jobs created by sport fishing—including guides and charter operators—are indirect or induced effects of the angler spending.

A study done in 2007 for the ADF&G Division of Sport Fish estimated that Alaska anglers spent an average of \$277 per day for fishing trips—and far higher for some kinds of trips.

Average Per Day Expenditure for Trip-Related Items Only, Including Package Trips

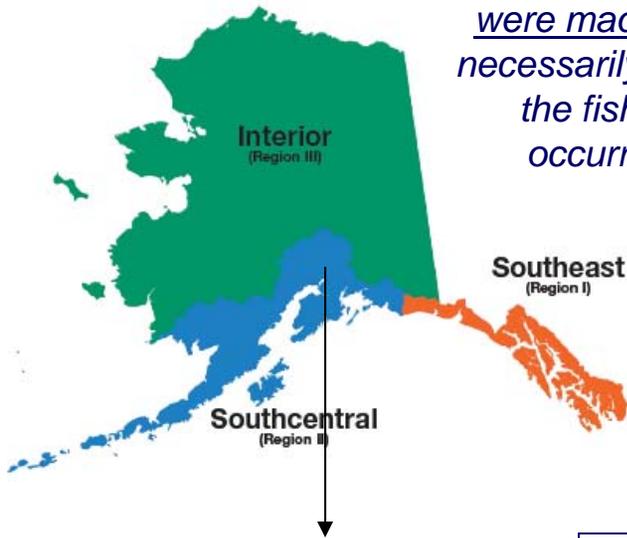
(Lodging, fuel, food, travel packages, etc.)

	Per Day
All Alaska Fishing Combined	\$277.46
Residents Only	\$150.63
Non-Residents Only	\$448.78
Saltwater	
Residents, Unguided	\$162.81
Residents, Guided	\$466.53
Non-Residents, Unguided	\$209.40
Non-Residents, Guided	\$744.03
Freshwater	
Residents, Unguided	\$91.73
Residents, Guided	\$509.56
Non-Residents, Unguided	\$213.24
Non-Residents, Guided	\$790.41



- Sponsored by: Alaska Department of Fish and Game, Division of Sport Fish
- Prepared by: Southwick Associates, Inc. in cooperation with ADFG staff
- Released: December 2008
- Pages: 289; 12-page summary
- <http://www.sf.adfg.state.ak.us/stawide/economics/>

The regions in the report are where the expenditures were made--not necessarily where the fishing occurred.



“Cook Inlet Subregion”



The 2007 study did not estimate sport fishing expenditures or economic impacts specifically for the Kenai Peninsula Borough, or for any particular fisheries within the Borough. It didn't provide enough detail to be able to estimate how many jobs or how much income sport fishing creates in the Borough (or how many of the jobs or how much of the income goes go Borough residents). Certainly the impacts are large—but not as large as the impacts the report estimated for the “Cook Inlet Subregion.”

COOK INLET (SUBREGION)

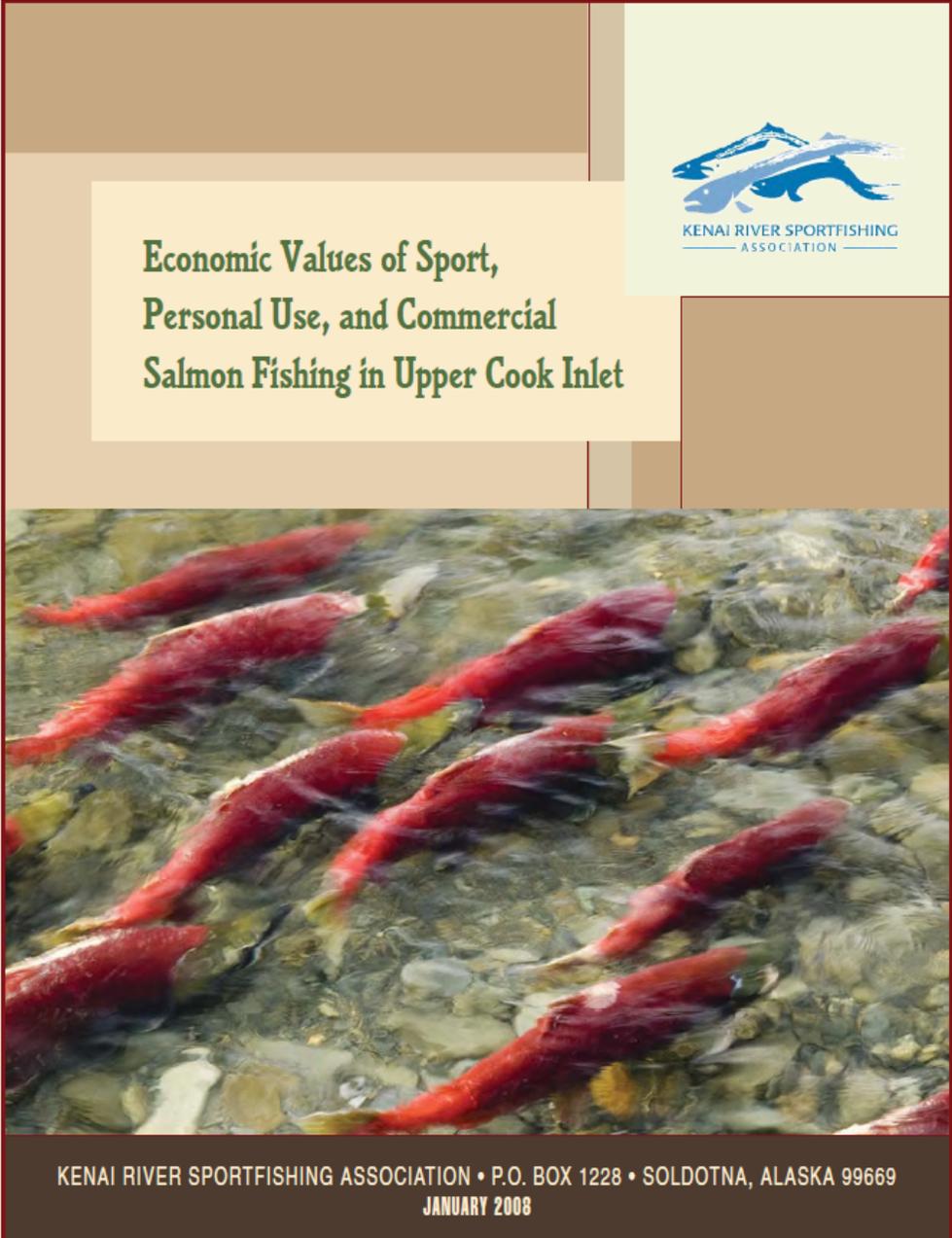
Notably, much of Southcentral's economic activity centers around the Cook Inlet area, partly because Anchorage and the Matanuska-Susitna valley are such large population centers with good fishing nearby. The Kenai River, for example, is an easy drive from Anchorage and is widely known among anglers as one of the world's foremost salmon rivers. In addition, there are large sport fisheries for halibut and other groundfish that are accessed from several communities that border Cook Inlet. In the Cook Inlet subregion alone (a subset of Southcentral region), anglers spent about \$733 million in 2007, which supported 8,056 jobs and generated \$55 million in state and local taxes.

The Kenai River Sportfishing Association has published studies, based in part on the 2007 ADFG study, arguing that Upper Cook Inlet sport and personal use fisheries create thousands of jobs and hundreds of millions of dollars of income “in the region.” Again, certainly the impacts of these fisheries are large for the Southcentral region as a whole, but they may be considerably smaller in terms of jobs and income for Kenai Peninsula Borough residents. I am not aware of any studies which provide reliable estimates of these impacts.

Sport and Personal Use

Sport and personal use fishing in Southcentral Alaska generate direct annual spending of some \$453 million (2006 dollars) and total sales of \$581 million that support 6,100 “full-time equivalent” or “average annual” jobs that produce \$186 million in income. Sport and personal use salmon fishing in Upper Cook Inlet generates total annual sales of some \$316 million (2006 dollars) that support 3,400 average annual jobs producing \$104 million in income in the region.

Recreational salmon fishing in Upper Cook Inlet generates 3,400 average annual jobs producing \$104 million (2006 dollars) in income.



**Economic Values of Sport,
Personal Use, and Commercial
Salmon Fishing in Upper Cook Inlet**

KENAI RIVER SPORTFISHING
ASSOCIATION

KENAI RIVER SPORTFISHING ASSOCIATION • P.O. BOX 1228 • SOLDOTNA, ALASKA 99669
JANUARY 2008

Options for economic studies of KPB fish industries

- It would be possible to develop better and more detailed information about the economic impacts of KPB fish industries by doing one or more studies.
- In planning a study, the most important thing is to think carefully about what you want to know, why you want to know it, how you would use the information if you had it, and how much detail and reliability you need.
- The cost would depend on the scope and purpose of the study
- Collecting new data from interviews and surveys is the only way to gain substantially better understanding of KPB fish industries—but it also costs more money.
- The University of Alaska could do these studies; so could several Alaska-based private consulting firms.

Any of these studies—A, B, C or D—*might* be useful.

You *might* wish to do A and then consider B, or do C and then consider D.

	Potential cost per study	Commercial fishing & processing	Sport fishing
Summarize and analyze existing data	\$5K-\$25K	A	C
Collecting and analyzing new data	\$50K-\$250K	B	D

There are many challenges in doing economic studies of fish industries!
These can limit the reliability of studies and the extent to which they can answer the questions you are most interested in!

- Lack of data
- Data confidentiality
- Wide year-to-year variation in fisheries and their economic impacts
- Continually evolving policy issues
- Effects of policies on fish industries
 - If a policy has harmed a fish industry, it won't look as economically important as it otherwise would!
- Highly charged political issues
 - If study conclusions don't support people's opinions or goals, they are more likely to stay the study is wrong than that their opinions or goals are wrong.

Despite these challenges, studies can still be useful!
But don't expect them to answer every question.

Which fish industries should you study?

- It depends on what you want to know, why you want to know it, and how you would use the information if you had it!
- It also depends on:
 - Where the money for the study would come from
 - What studies other organizations (such as ADF&G) might be able to fund
- Ideally, if money were no constraint, it would be best for the same organization to study both fish industries at the same time and in the same way
 - Greater comparability of results
 - Reduced potential for perceptions of bias

Other things the Kenai Peninsula Borough could also do to help get better information about KPB fish industries

- Resume collecting and publishing the wide variety of publicly available information about which you used to collect and publish about KPB fish industries
- Lobby the State to collect, analyze and publish more and better economic information for these two major Alaska industries for which they have critical management responsibilities
- Lobby for requiring these major Alaska industries to provide more and better economic data