

## **Calculation of the Projected Economics and Jobs Impact of Salmon Recovery in California. 06/24/2009**

*This analysis uses best available data to develop estimates of the economic impacts from salmon fisheries in recent years. Using assumptions that may or may not hold over time, the potential impacts from a restored fishery matching runs seen from decades past are provided for discussion purposes.*

### **Commercial industry economics and jobs**

*Data Source: Fisheries of the United States, 2006. Economic and Sociocultural Analysis Division, National Marine Fisheries Service, NOAA, Silver Spring, MD.*

Total landings of finfish, shellfish and other in 2006 was \$129.9 million. Including processors, dealers, wholesalers, distributors and retail, the economic impacts of all commercial fisheries in the State of California were:

- Sales impacts (total sales that occur in the CA economy): \$9.753 billion
- Income impacts (salaries/wages/benefits, sole proprietor earnings): \$5.070 billion
- Employment (full and part time): 179,000

To estimate the potential impacts from a restored salmon fishery, average landings for 2004 and 2005 are used as they represent rather steady harvests, with drops beginning in 2006 down to practically nothing in 2008. In 2004 and 2005, salmon on average represented 12% of the total value of California's commercial fisheries landings. Assuming the mark-ups and value added from salmon processing, retail, etc is the same as for all other commercial fisheries in California, then the economic impacts for commercial salmon harvests – if they were at 'normal' 2004 and 2005 levels would have been:

- Sales impacts (total sales that occur in the CA economy): \$1.17 billion
- Income impacts (salaries/wages/benefits, sole proprietor earnings): \$608 million
- Employment (full and part time): 21,480

Looking back, the average salmon landings for 2004 and 2005 (6,056,000 lbs) are well under historic landings. If salmon can be re-established to historic levels, annual

commercial harvests could reach 25 million pounds. At such levels, assuming no change in the economic impacts per pound of fish landed from current levels, economic impacts from commercial salmon landings could reach:

Sales impacts (total sales that occur in the CA economy): \$4.83 billion

Income impacts (salaries/wages/benefits, sole proprietor earnings): \$2.51 billion

Employment (full and part time): 88,672

### **Recreational economics and jobs**

*Data Source: Fisheries of the United States, 2006. Economic and Sociocultural Analysis Division, National Marine Fisheries Service, NOAA, Silver Spring, MD. Page 33.*

*California Recreational Fisheries Survey (CRFS). Accessed from <http://www.recfin.org/forms/est2004.html>. California Department of Fish and Game (DFG) and the Pacific States Marine Fisheries Council (PSMFC).*

According to data from the National Marine Fisheries Service, 1,480,000 fishing trips occurred by boat (party, charter and private boats) in 2006. The economic impacts from these trips were:

Total sales impacts (total sales that occur in the CA economy): \$1.382 billion

Value-added impacts (salaries/wages/benefits, proprietors & property income, dividends, excise & sales taxes ): \$723.1 million

Employment (full and part time): 9,076

According to CRFS, in 2004 and 2005, 14.82% of California's marine boat fishing trips targeted salmon. Assuming the economic impacts per trip are consistent regardless of species targeted, the economic impacts associated with salmon trips would have been expected to average approximately:

Total sales impacts (total sales that occur in the CA economy): \$204.8 million

Value-added impacts (salaries/wages/benefits, proprietors & property income, dividends, excise & sales taxes ): \$107.2 million

Employment (full and part time): 1,345

Just like the commercial fisheries analysis presented earlier, the recreational analysis is based on 2004-2006 data. A healthy, well-managed fishery is projected by some to allow for 25 million pounds in annual commercial salmon harvests, which is 4.13 times larger than the actual 2004-2005 average harvest. If recreational fisheries could

increase by the same amount, and assuming the impacts for the additional trips remain consistent, the economic impacts could reach up to:

- Total sales impacts (total sales that occur in the CA economy): \$845.8 million
- Value-added impacts (salaries/wages/benefits, proprietors & property income, dividends, excise & sales taxes ): \$442.7 million
- Employment (full and part time): 5,555

### Total Economics to California's Economy

*Based on 2004-2005 levels:*

	Sales Impacts	Jobs Impacts:
Commercial	\$ 1.170 billion	21,480
Recreational	\$ 205 million	1,345
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Total	\$1.375 billion	22,825

*If historical salmon harvests could be reached:*

	Sales Impacts	Jobs Impacts:
Commercial	\$ 4.830 billion	88,672
Recreational	\$ 846 million	5,555
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Total	\$5.676 billion	94,227