PREPARED BY
McKINLEY RESEARCH
GROUP, LLC

ECONOMIC IMPACT OF THE
Valdez Fisheries Development Association, Inc.

FEBRUARY 2026

PREPARED FOR
Valdez Fisheries
Development Association

VFDA

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Executive Summary

This report describes the economic impact of the Valdez Fisheries Development Association (VFDA) on the Alaska economy. VFDA is a private nonprofit organization that operates the Solmon Gulch Hatchery, which raises pink and coho salmon. VFDA salmon are harvested primarily in the Valdez Arm by commercial seine vessels, sport fishermen trolling from small vessels, and sport anglers fishing from shore. VFDA is one of eight private non-profit organizations that operate salmon hatcheries in Alaska.

Commercial Common Property Fisheries

Each year on average between 2020 and 2025:

- VFDA-hatched salmon contributed $18 million to the gross earning of Prince William Sound (PWS) purse seine fishermen, or 43% of the total fishery gross revenue.
- 200 permit holders fished in the PWS purse seine fishery, earning an average of $207,000 per permit, of which $78,000 is attributable to VFDA salmon.
- VFDA salmon accounted for 86% of total pink salmon runs in the Eastern Prince William Sound District.
- The 2020-2025 study period includes 2024, a historically poor salmon harvest year in PWS in which both low volumes and low prices suppressed fleet revenue.
- In 2024, 67% of active Prince William Sound seine permit holders were residents of the Chugach Census Area or the Kenai Peninsula, and 69% of gross earnings went to these local permit holders.

Salmon Processing

Each year on average between 2019 and 2024:

- VFDA-hatched salmon was worth $59 million at the first wholesale level, sold as frozen headed-and-gutted fish, frozen roe, canned salmon, or fillets.
- VFDA salmon were landed and processed throughout the PWS region, largely in Valdez and Cordova.
- An estimated 630 people were employed in seafood processing because of VFDA salmon, about 30% of total seafood processing employment in the Chugach Census Area.
- Hatchery runs improved processors' ability to anticipate run size and timing, allowing for enhanced marketing of different product forms.

Sport Fishing and Subsistence

- Valdez Arm supports the largest sport fishery in Prince William Sound, with anglers fishing from Valdez accounting for nearly half of the fishing effort in the area, in large part because of VFDA coho and pink salmon.
- Sport anglers caught an annual average of 19,700 VFDA-hatched coho salmon and 9,800 VFDA-hatched pink salmon between 2020 and 2024.
- The Valdez Silver Salmon Derby draws 4,000 to 5,000 participants annually. Most derby fish are from VFDA.
- VFDA annually transfers 20,000 coho smolt to a pen in Boulder Bay near Tatitlek to be imprinted and released, creating future subsistence fishing opportunities for the community.

Total Economic Impact

VFDA-hatched salmon and hatchery operations directly produced $66 million in economic output to Alaska's economy, generated 433 annualized jobs, and $25 million in labor income per year on average during the study period.

When combining these direct effects with multiplier effects caused by direct spending circulating in the economy, the total economic impact of VFDA was $103 million in economic output, 670 annualized jobs, and $35 million in labor income.

(See table, next page)

Table ES1. Summary of VFDA Economic Impact on Alaska's Economy

	Direct	Indirect and Induced	Total Impacts
Commercial Fishing			
Employment (annualized)	175	70	245
Labor Income ($millions)	$10.4	$3.5	$13.8
Output ($millions)	$18.2	$11.0	$29.2
Seafood Processing			
Employment (annualized)	155	125	280
Labor Income ($millions)	$9.3	$4.0	$13.3
Output ($millions)	$40.5	$24.1	$64.6
Sport Fishing			
Employment (annualized)	80	25	105
Labor Income ($millions)	$3.1	$1.6	$4.7
Output ($millions)	$7.4	$2.5	$9.9
VFDA Operations			
Employment (annualized)	23	17	40
Labor Income ($millions)	$2.0	$1.6	$3.6
All Sectors			
Employment (annualized)	**433**	**237**	**670**
Labor Income ($millions)	**$24.8**	**$10.7**	**$35.4**
Output ($millions)	**$66.1**	**$37.6**	**$103.7**

ADF&G and VFDA data, and MRG calculations

Purpose and Methodology

Valdez Fisheries Development Association, Inc. (VFDA) contracted with McKinley Research Group to quantify its economic impact on the Alaska economy. This report describes VFDA's impact throughout Alaska, including employment and wages in the commercial fishing, seafood processing, and sportfishing sectors. Additional indirect and induced (multiplier) effects are also considered.

This report is an update of VFDA's previous economic impact written by McDowell Group (now McKinley Research Group) in 2018.

Methods

Data used and presented in this report come from a variety of sources, including VFDA, the Alaska Department of Fish and Game (ADF&G), Alaska Commercial Fisheries Entry Commission (CFEC), Alaska Department of Labor and Workforce Development (DOLWD), National Marine Fisheries Service (NMFS), and the Alaska Department of Revenue (DOR). McKinley Research Group conducted interviews with key industry representatives.

McKinley Research Group used primary data, information from public sources, and a proprietary input-output model based on IMPLAN to estimate direct, indirect, and induced impacts of VFDA. Though IMPLAN is widely used for economic impact modeling in Alaska and elsewhere, it requires modification for analyses of some Alaska industries, including commercial fishing and seafood processing.

Report Study Years

This report used annual averages from 2020-2025 to describe commercial fishing and processing to maintain the six-year study year precedent of the previous edition. An annual average of 2019-2024 was used for processing impacts, an annual average of 2021-2023 was used for sport fishing, and an annual average for 2024-2025 was used for VFDA operation impacts.

VFDA Operations

VFDA is a non-profit organization incorporated in 1980. The organization's mission is to produce salmon for all user groups and support development of local fisheries. VFDA salmon are harvested primarily in the Valdez Arm by commercial seine vessels, sport fishermen trolling from small vessels, and anglers fishing from shore. VFDA is one of eight private non-profit organizations that operate salmon hatcheries in Alaska.

The organization is governed by a board comprised of representatives of commercial fishing, sport fishing, and visitor industry sectors. In 2024 and 2025, VFDA employed an annual average of 23 people. Most employees work at one of the two facilities in Valdez: the Solomon Gulch Hatchery and the VFDA administrative center, located in the same site as VFDA's Cold Storage facility and Fisheries Business Incubator, a small seafood processing facility.

VFDA Funding

VFDA's primary revenue source – up to 90% of total revenue – is sales of cost recovery pink salmon to processors. Cost-recovery salmon are fish sold by the hatchery to processors for purposes of generating revenue to operate the hatchery. Processors contract with harvesters to catch the cost-recovery salmon in special harvest areas where returning salmon congregate near hatcheries.

Unlike some of the other Alaska non-profit hatchery operations, VFDA is not a regional aquaculture association and collects no tax revenues from local fishermen through a self-assessed regional salmon enhancement tax.

VFDA Facilities

Solomon Gulch Hatchery

The Solomon Gulch Hatchery was completed in 1982 and is located on Dayville Road south of Valdez.

VFDA is permitted by the Alaska Department of Fish & Game each year to collect and incubate 270 million pink salmon eggs, 2 million coho salmon eggs, and 300,000 Chinook Salmon eggs (the hatchery does not currently collect chinook eggs).[1]

Figure 1 VFDA's Solomon Gulch Hatchery Facility, Including the Weir Across Solomon Creek, Raceway, and Hatchery Buildings

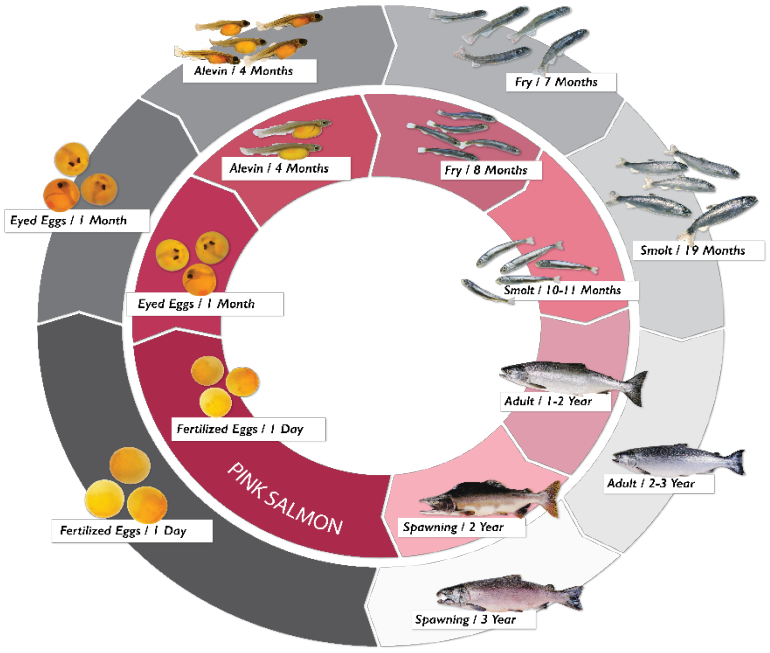
Source: VFDA

Hatchery staff gather eggs from salmon returning to the raceway outside the hatchery and tend to the eggs and hatched alevin over the winter. In the spring, pink salmon fry are pumped into net pens outside the hatchery, where they are fed until they reach a target weight of 0.5 grams (about half the weight of a paper clip) and released into the ocean. The following summer the pink salmon return to Valdez as adults and are ready to spawn. Coho salmon have a longer life cycle, spending a full year in freshwater at the hatchery before release into the ocean.

In 2025, VFDA released about 183 million pink salmon fry and 1.6 million coho smolt. In the same year, an estimated 26 million pink salmon from VFDA returned along with 117,000 coho

[1] See this report's appendix for 2023 analysis of potential economic benefits associated with the expansion of sport fishing opportunities associated with a hatchery-supported chinook sport fishery in Valdez.

Figure 2: Lifecycle of Pink Salmon (inner circle) and silver salmon (outer circle)



Source: Courtesy of Seed Media and VFDA

salmon.[2] Between 2016 and 2025, the Solomon Gulch Hatchery cumulatively supported returns of more than 145 million pink salmon and about 600,000 coho salmon.[3]

Salmon hatcheries require significant amounts of freshwater. VFDA receives discharge water from the nearby Solomon Gulch hydroelectric plant owned by the Copper Valley Electric Association. Water used by the hydroelectric plant comes from Solomon Lake, which is not populated by salmon due to steep geography.

Administrative Offices, Fisheries Business Incubator, and Cold Storage

VFDA's administrative offices are at 1815 Mineral Creek Loop Road in Valdez. This building also houses the VFDA Business Incubator and the VFDA Cold Storage Facility.

VFDA Fisheries Business Incubator

VFDA manages a small educational processing plant that was built in 2003 with funding from VFDA and a U.S. Department of Commerce Economic Development Administration grant. The facility's primary goal is to assist direct marketers. Commercial fishermen can bring product to market without having to invest significant capital into their own facility. A wide variety of products can be produced on site, including fresh, frozen, smoked, and cured seafood. The plant's processing equipment includes heading and gutting (H&G) equipment, fillet machines, a smoker, blast freezer, and packaging equipment. VFDA is the primary user of the facility, processing pink salmon caviar for its Solomon Falls product line.

[2] ADF&G, 2025. "2025 Prince William Sound Season Summary."
[3] ADF&G Annual Enhancement Reports and ADF&G Prince William Sound Area Finfish Management Reports. 2025 data from an ADF&G data request.

SOLOMON FALLS SEAFOOD

VFDA produces fresh salmon caviar from surplus raceway coho and pink salmon at the Fisheries Business Incubator. Solomon Falls caviar is sold exclusively to wholesale customers.

VFDA COLD STORAGE FACILITY

VFDA maintains and operates a modular cold storage facility, which can store about 300,000 pounds of product at temperatures to -10 degrees Fahrenheit. Supported in part by funding from the U.S. Department of Commerce Economic Development Administration, the facility was completed in 2012. The cold storage supplements the capacity and scope of VFDA's Fisheries Business Incubator. Space in the facility is leased by local businesses.

Commercial Fishing (Common Property)

Commercial common-property salmon are the resource available for harvest by commercial fishermen, including salmon hatched by VFDA. Most VFDA salmon are harvested in the Prince William sound seine fishery. This section described economic activity resulting from commercial harvest of VFDA salmon in common property fisheries. Economic impacts of the cost-recovery fisheries – fish caught in exclusive fishing areas near hatcheries and sold to processes to produce revenue for hatchery operations – are described in the Seafood Processing and Economic Impact of VFDA Business Operations sections below.

Commercial Harvests and Markets

About 49 million pounds of VFDA-origin salmon were caught in commercial common-property fisheries each year between 2019 and 2025. Most of these were pink salmon caught by the seine fleet, with a small number of coho salmon, also harvested by seiners. This hatchery-derived harvest brought an annual average of $19 million in gross revenue to commercial fishermen. The annual economic value of VFDA salmon ranged between $5.6 million in 2024 and a high of about $30 million in 2022.

PROPOSED FEDERAL FISHERY DISASTER

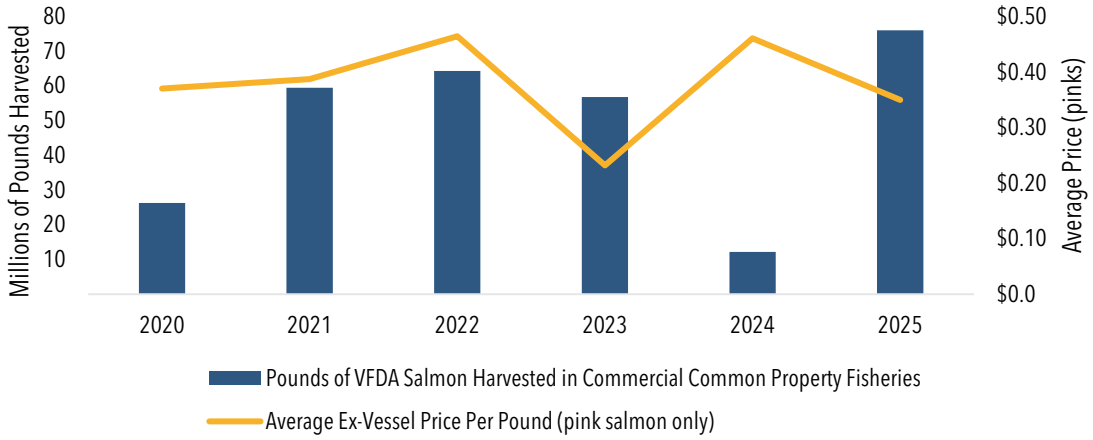
In 2024, the pink and keta salmon run was unusually small in Prince William Sound, resulting in significantly reduced harvests. The regional pink salmon harvest was the lowest since 1993, and the second lowest since the 1970s, when the hatcheries were established.

Alaska's state government has requested a federal fishery resource disaster declaration for the 2024 season, which is pending at the U.S. Department of Commerce. If approved, a disaster declaration could bring federal funding to help fishing economies recover.

Harvest value is influenced by both run size and global market prices, particularly market prices for pink salmon. The VFDA Solomon Gulch Hatchery takes a similar number of eggs each year, most of which grow into smolt released into the ocean. The percentage that return and are caught by commercial fishermen varies widely by year. In 2025, 75 million pounds of VFDA-origin pink salmon and 600,000 pounds of coho were caught in commercial common-property fisheries. This high harvest level followed a historically small salmon season in 2024, with 12 million pounds total VFDA salmon harvested.

Average prices for pink salmon during the study period ranged between $0.25 and $0.46 per pound. More information about national and global dynamics influencing pink salmon prices are described in the Pink Salmon Market Summary section of this report.

Figure 3. Volume of VFDA Salmon Harvest in Commercial Common-Property Fisheries and Average Price for Pink Salmon, 2019-2025



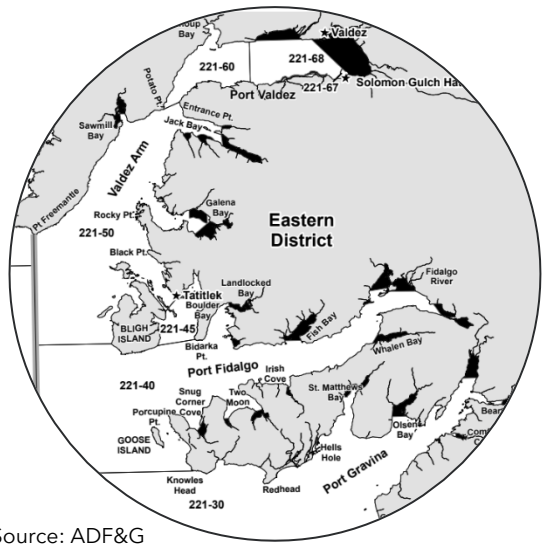
Source: ADF&G data and McKinley Research Group calculations

Long-Term Pink Salmon Run Trends in PWS Eastern District

While VFDA pink salmon are harvested throughout Prince William Sound and the surounding area, hatchery fish have played an especially important role to seiners in the region directly around Valdez, the Prince William Sound Eastern District. In this district, wild pink salmon returns averaged less than 10 million fish per year in the 1980s prior to VFDA production.

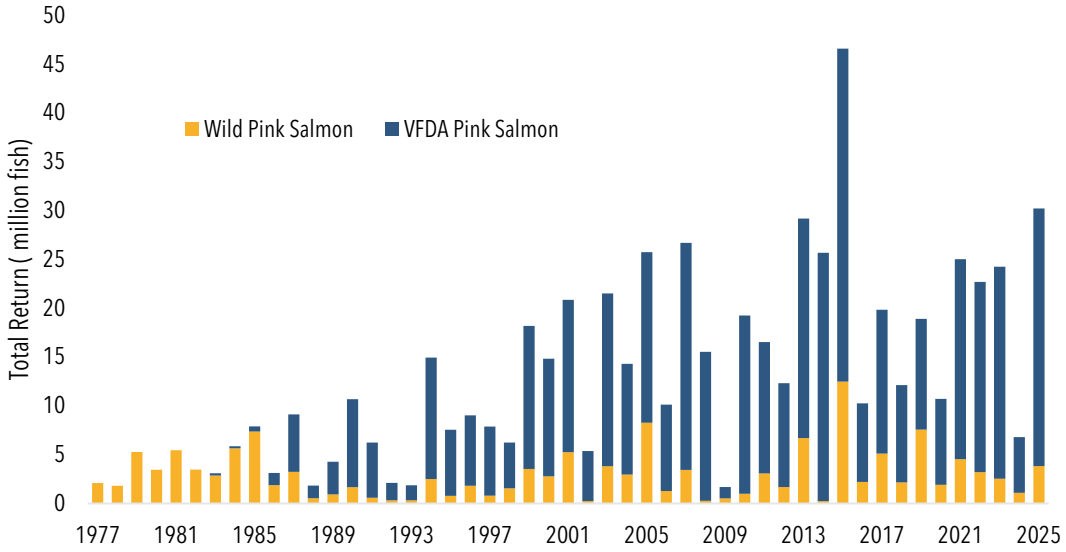
Between 2020 and 2025, pink salmon from VFDA's Solomon Gulch Hatchery made up 86% of pink salmon runs returning to the PWS Eastern District.

Figure 4. Boundaries of Statistical Area 221: Prince William Sound Eastern District



Source: ADF&G

Figure 5. Historical Wild and Enahnced Pink Salmon Returns to Prince William Sound Eastern District, 1977-2025



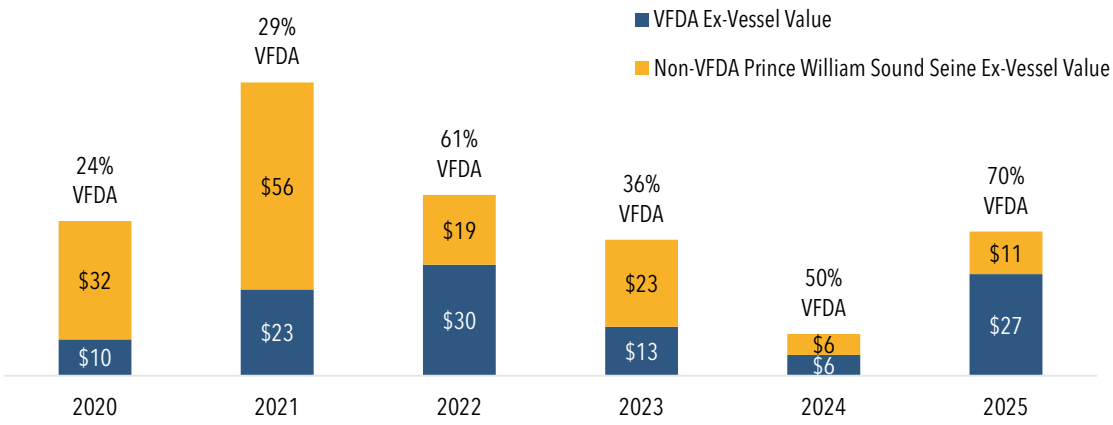
Source: ADF&G

Role of VFDA Salmon in the PWS Seine Fishery

VFDA salmon are harvested primarily by the Prince William Sound (PWS) seine fleet, which also catches wild run salmon and salmon produced by Prince William Sound's other salmon hatchery operator, the Prince William Sound Aquaculture Corporation.

Between 2020 and 2025, seiners across Prince William Sound harvested an annual average of 80 million pounds, worth $43 million. VFDA salmon, mostly pink salmon with some coho, contributed an annual average of $18 million to the total seine fleet ex-vessel value, or 43%. The importance of VFDA salmon to the overall seine harvest increased during the study period due to small wild runs and small runs returning to Prince William Sound Aquaculture Corporation hatcheries. In 2025, the portion of seine fleet ex-vessel value attributable to VFDA salmon rose to an estimated 70%. More than 98% of the value of the VFDA fish caught by the commercial seine fleet were pink salmon. The remaining 2% were VFDA coho salmon, which play a larger role in sport fisheries than in commercial fisheries.

Figure 6. Value of the Prince William Sound Common-Property Commercial Seine Fishery by Source ($millions), 2020-2025



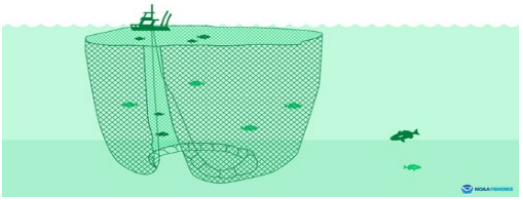
Note: Non-VFDA sources include wild and hatchery salmon from Prince William Sound Aquaculture Association.
Source: ADF&G and MRG estimates.

Seine Fishery Participation and Earnings

On average, about 200 limited entry permits were fished each year in the PWS seine fishery during the study period; a total of 267 permits were issued. The number of active permits is similar to, but not the same as, the number of vessels because PWS seine regulations currently allow two permit holders to fish from the same vessel in order to be able to use a longer net. For example, 216 permits were fished in 2025; 177 were primary permits, and 39 were secondary permits. The number of seine vessels that recorded deliveries –174 – was the lowest since 2010.[4]

Vessels in the PWS seine fishery typically have a crew of four to five crew: a captain (often the permit holder), a skiff operator, and two or sometimes three workers on the deck. Total earnings per permit holder in the PWS seine fishery ranged between $63,000 (the 2024 fishery disaster year) and $373,000 in 2021. Earnings per permit holder attributable to VFDA salmon ranged from $31,000 to $145,000.

Figure 7. Illustration of a Seine Net – PWS Seine Boats are Usually Crewed by Four to Five People



Source: National Marine Fisheries Service

[4] Alaska Department of Fish & Game, 2025. Prince William Sound Salmon Season Summary.

Table 1. Prince William Sound Seine Common-Property Fishery, 2020-2025

	2020	2021	2022	2023	2024	2025
Permits Fished	218	212	206	213	179	216
% of Permits Fished	82%	79%	77%	80%	67%	81%
Average Earnings per Permit	$191K	$373K	$237K	$172K	$63K	$180K
% of Ex-Vessel Earnings from VFDA salmon	24%	29%	61%	36%	50%	70%
Avg. Earnings per Permit from VFDA salmon	$45K	$110K	$145K	$62K	$31K	$127K
Average Permit Prices	$150K	$150K	$190K	$243K	$173K	$144K
Ex-Vessel Value ($millions)	$42	$79	$49	$37	$11	$39
Ex-Vessel Volume (millions of lbs.)	72	195	92	150	22	40

Note: Reflects data from S 01E fishery: 2024 and 2025 data are preliminary.
Source: ADF&G, CFEC, and McKinley Research Group estimates

Geographic Distribution of PWS Seine Fishermen

The hatchery-enhanced pink salmon runs of Prince William Sound are an important economic resource to both residents of Prince William Sounds and a broader area that includes the Kenai Peninsula, Anchorage, and the Lower 48. In 2020, roughly 75% of active Prince William Sound seiner permit holders were Alaska residents, including more than one-third who were residents of the Chugach Census Area, largely Cordova and Valdez.

With the historically poor harvest of 2024, gross earnings in the fishery fell by more than $45 million (-80%), including a $9 million drop in earnings for residents of the Chugach Census Area. Participation in the PWS seine fishery also dropped in 2024. Across all permit holders, 20% fewer fished in 2024 as compared to 2020, and 48% fewer non-Alaska residents fished in the 2024 season.

Table 2. Residency of PWS Salmon Seine Permit Holders with Ex-Vessel Earnings, 2020 and 2024

Location	2020		2024	
	Fishermen Who Fished	Gross Earnings	Fishermen Who Fished	Gross Earnings
Chugach Census Area	85	$12,747,494	71	$3,099,413
Kenai Peninsula Borough	55	$13,637,090	50	$4,849,488
Anchorage Municipality	20	$4,568,227	19	$1,383,470
Other Southcentral	4	N/A	6	N/A
Southeast	5	N/A	3	N/A
Southwest	1	N/A	1	N/A
Northern/Interior	-	N/A	1	N/A
Alaska Resident Total	**170**	**$32,703,863***	**151**	**$9,843,392***
Non-Alaska Residents	54	$8,332,950	28	$948,690
Fishery Total	**224**	**$41,666,717***	**179**	**$11,280,118***

Note: Reflects data from S 01E Prince William Sound Seine fishery; 2024 data is preliminary.
*Subtotals and total are larger than sum of regions because they include values from regions where values are withheld to protect individual permit holder confidentiality.
Source: CFEC

State Fisheries Business Tax Revenue

Revenue from the commercial harvest of VFDA salmon is subject to the State of Alaska Fisheries Business Tax (SFBT), which is collected by the state and split evenly between the state and local governments where the fish are landed. VFDA salmon contribute to local SFBT revenue for the cities of Valdez, Cordova, and Seward, as well as the Kenai Peninsula Borough. The tax is a 3% levy on the ex-vessel value of the harvest for most products. Between 2020-2025, seafood processors paid about $515,000 each year in state fisheries business tax, attributable to VFDA salmon.

Table 3. Estimated State Fisheries Business Tax Revenue from the Commercial Harvest of VFDA Salmon, 2020-2025

	2020	2021	2022	2023	2024	2025	'20-'25 Annual Average
State Government Share	$147,000	$348,500	$448,500	$197,500	$84,500	$410,500	$272,750
Local Government(s) Share	$147,000	$348,500	$448,500	$197,500	$84,500	$410,500	$272,750
Total SFBT Revenue Attributable to VFDA	**$294,000**	**$697,000**	**$897,000**	**$395,000**	**$169,000**	**$821,000**	**$515,000**

Source: ADF&G and Alaska Department of Revenue data and MRG estimates

In addition to the State Fisheries Business Tax, the commercial fishing industry pays additional taxes and fees as they harvest, process, and ship VFDA salmon, including permit and license fees, harbor fees, and wharfage fees.

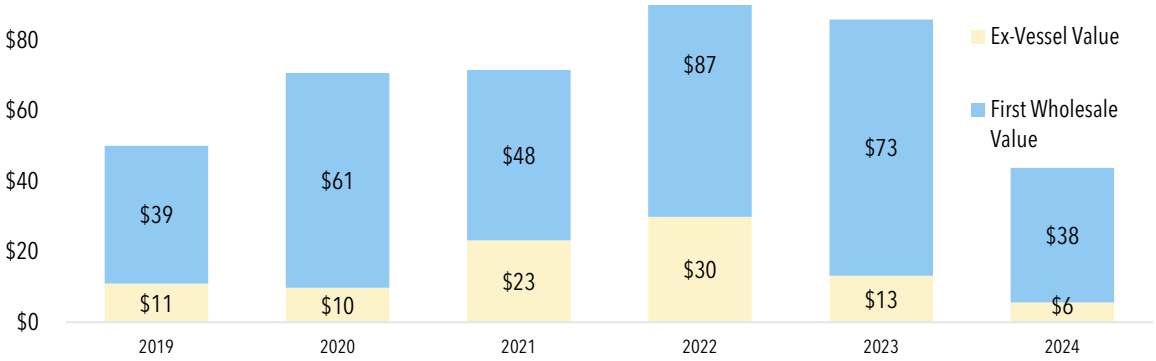
Seafood Processing

After being harvested, additional economic activity is generated as salmon hatched by VFDA are processed in Valdez and other locations throughout the Southcentral Alaska region. At processing plants, workers add value by heading and gutting, removing roe, filleting, or canning the fish.

First Wholesale Value of VFDA Salmon

The first wholesale value of a seafood product is the value of the processed product the first time it is sold in a wholesale market. Estimated wholesale values for VFDA-produced salmon below describe both the salmon caught in common-property fisheries and salmon caught in cost-recovery fisheries. Common-property and cost-recovery processing take place in the same facilities and contribute to the processing sector's employment, labor income, and amount of value added. First wholesale value of VFDA salmon averaged $59 million annually between 2019 and 2024, and was worth about four times the ex-vessel value of the common-property harvest on average.

Figure 8. Estimated Ex-Vessel Value and First Wholesale Value of VFDA Salmon, 2019-2024



Source: ADF&G data and McKinley Research Group estimates.
Note: Wholesale data described over 2019-2024 period rather than 2020-2025 because of limited data availability. First wholesale value includes common property and cost recovery salmon, while ex-vessel value is only from commercial common property fisheries.

Product Forms

Seafood processing plants produce canned salmon, salmon roe, headed-and-gutted salmon, and fillets. Pink salmon are generally headed-and-gutted or canned, although on average a smaller share of Alaska's pink salmon has gone into canning lines over the past two decades, as

described in the Pink Salmon Market Summary section of this report. Coho salmon are generally headed and gutted or filleted and frozen, although an increasing share are sold fresh.

Prince William Sound Seafood Processing Businesses

Most VFDA salmon is landed and processed in Valdez and Cordova, although some hatchery fish are landed and processed in the wider Prince William Sound and surrounding area in ports (Seward and Whittier).

In addition to VFDA salmon, seafood processors in the Prince William Sound region process wild run and PWSAC salmon, as well as non-salmon species, such as sablefish, halibut, Pacific cod, rockfish, and spot shrimp. Most of the region's ex-vessel and first wholesale value comes from salmon.

In 2025, 9 shore-based seafood processing businesses (some with multiple plants) operated in the ports of Valdez, Cordova, Seward, and Whittier. This total includes the Prince William Sound-area operations of three of Alaska's largest processing companies: Silver Bay Seafoods (Cordova, Seward, and Valdez), Pacific Seafood (Seward), and Trident Seafoods (Cordova), as well as several local processing plants.[5]

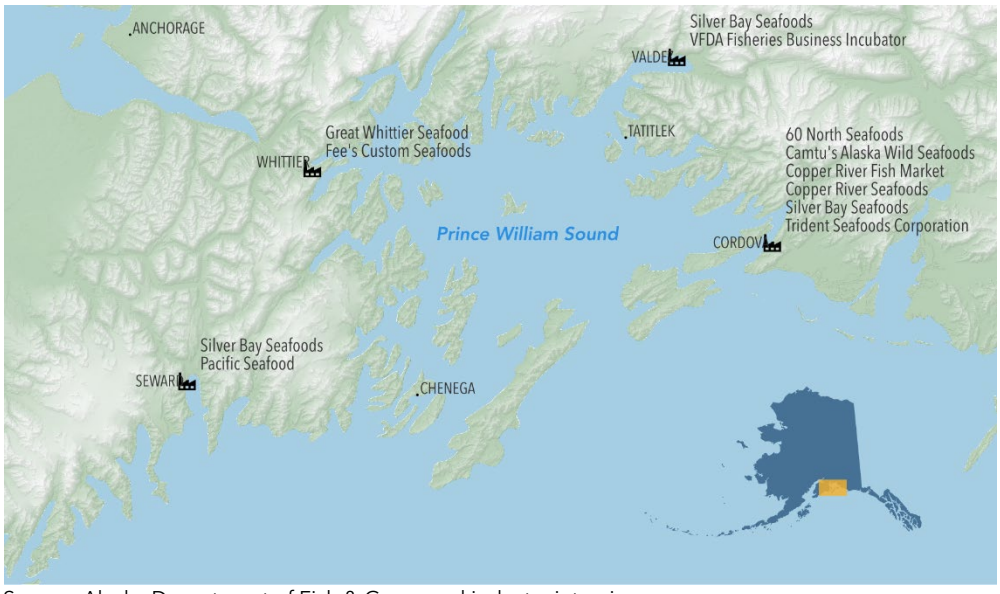
Processor Consolidation

The Alaska seafood processing sector, including Prince William Sound processors, went through several waves of mergers and closures over the last decade. These included:

- 2020: Ocean Beauty and Icicle Seafoods merged, putting 10 Alaska seafood plants under the combined OBI name.
- 2023: Trident Seafoods announced a re-organization that involved selling four Alaska plants. Trident's Cordova facility is one of the six plants in Alaska that Trident retained.
- 2024 Peter Pan Seafood Co. ceased operations, selling its Valdez plant and two others to Silver Bay.
- 2025 Silver Bay Seafoods acquired OBI, including plants in Cordova and Seward.

[5] Based on Alaska Department of Fish & Game "intent to operate data." Not all companies that filed intent to operate paperwork necessarily operated in 2025, and not all fish processors processed commercial harvest.

Figure 9. Seafood Processing Plants Operational in Prince William Sound and Seward, 2025



Source: Alaska Department of Fish & Game and industry interviews

Processing Workforce

On average, between 2019 and 2024, the seafood processing sector annually employed 2,100 people and paid $30.7 million in wages throughout the Chugach Census Area, which includes Valdez and Cordova (but not Seward or Whittier). An estimated 30% of regional seafood processing (630 workers) can be attributed to VFDA salmon.

As in other parts of Alaska, seafood processing plants in Prince William Sound recruit the majority of their workers from out of state. In the Chugach Census Area, the percentage of non-residents working in seafood processing increased during the study period, reaching a high of 89.4% in 2023, before decreasing to 88.8% in 2024. The statewide processing sector has followed a similar trajectory.

Preliminary evidence suggests the share of non-resident workers may have fallen slightly again in 2025 and 2026 due to recent wage increase making processing more attractive to Alaskans, processor consolidation leading to less overall processing employment, and constraints on the H-2B visa program that make it more difficult to recruit foreign workers for Alaska seafood processing.[6]

[6] Alaska Public Media, 2026. "Alaska pollock processors drop foreign worker program, citing uncertainty."

Table 4. Chugach Census Area Seafood Processing Employment, Residency, and Wages

	2019	2020	2021	2022	2023	2024	2019-2024 AVG
No. of Seafood Processing Workers	2,548	2,067	2,131	2,300	2,139	1,413	2,100
Percent Non-Resident	81%	84%	86%	88%	89%	89%	86%
Total Wages ($millions)	$31.1M	$21.2M	$31.5M	$32.9M	$41.5M	$26.0M	$30.7M

Source: Alaska Department of Labor and Workforce Development

Sport and Subsistence Fishing

The Valdez Arm supports the largest sport fishery in Prince William Sound. Anglers fishing from Valdez account for nearly half of the sport fishing effort in the area.[7] Coho (silver) and pink salmon produced by VFDA are vital to sport fishing near Valdez and in the greater eastern Prince William Sound region. Coho salmon provide the highest sport harvest levels among all salmon species in Prince William Sound and is the signature sport fish species in the Valdez area.

Sport Fishing

Alaska residents, non-residents, and Valdez locals pursue the salmon resource supported by VFDA on guided and unguided boat trips, and from the shoreline. Visiting anglers patronize local outfitters, charter operators, and small processors. Sport fishermen and their families support hospitality providers including hotels, campgrounds & RV parks, private lodgings, restaurants, grocery stores, gift shops, and gas stations. Visitors surveyed by ADF&G typically report two to three days of fishing. Destination-fishing in a remote, but road-connected community, often means that visitors have time to interact with the local economy and participate in non-fishing activities, such as wildlife/glacier cruises, kayaking and rafting, and land-based tours.

Pink salmon return to the Valdez Arm earlier and in much greater numbers than coho salmon. VFDA intentionally propagated one of the earliest-running Prince William Sound pink salmon brood stocks to create time and space for the coho sport fishery. Pink salmon are largely harvested by the commercial fishery, with sport fishermen taking 1% or less of the total return. Sport fishing for pink salmon typically occurs from shore. Residents and visitors can access pink salmon off the breakwater beach near Valdez Harbor and along the beach at Allison Point. This sport fishery is most active during weekends when visitation is high, and sport fishing catch tends to peak during the first week of July.

The primary coho salmon fisheries are in the Valdez Narrows and off the beaches of Allison Point, Valdez Small Boat Harbors, Mineral Creek, and Gold Creek. Coho salmon arrive in Port Valdez by the first week of August and peak mid-August through early September. Sport fishing from shore is most successful close to Labor Day, as the run of pink salmon thins out. Coho fishing is a major driver for local charter boat businesses that take clients trolling for salmon within the Valdez Arm and into the eastern Prince William Sound. On a combination trip, charter anglers

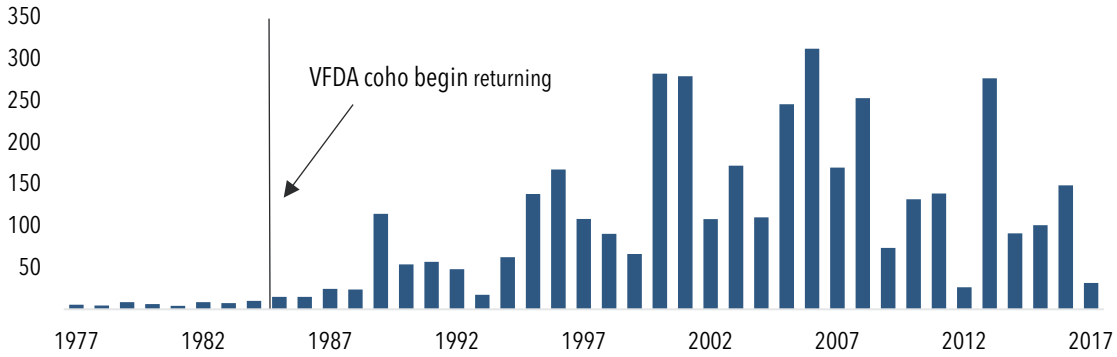
[7] Alaska Department of Fish & Game, 2024. "Sport Fishing in the Valdez Area."

might target salmon while transiting to and from a preferred location to fish deep water for halibut, rockfish, lingcod, and squid.

The return of adult coho salmon to the VFDA hatchery is estimated to be about 56,000 fish per year for the 2020-2025 period. In 2024, VFDA experienced a coho run failure that resulted in a closure of the sport fishery and a shortfall of egg collection at the Solomon Gulch Hatchery. However, in 2025 an estimated 117,000 VFDA coho returned.[8]

By contrast, wild coho salmon returns throughout the Eastern District of the Prince William Sound in the 1970s and early 1980s were never more than 10,000 fish. The contribution of coho salmon stocked by VFDA became noticeable in 1985. Since then, coho returns to the Valdez Arm have often exceeded 100,000 fish and reached as high as 300,000 fish in 2006.

Figure 10. Historical Coho Salmon Returns to PWS Eastern District (thousands of fish), 1977-2017



Note: Comprehensive data on wild coho returns to the Eastern District in recent years are not available. Returns through 2017 are from the 2018 VFDA Economic Impact, based on ADF&G data.

The table below reflects the scale of saltwater sport fishing activity in Valdez and the eastern Prince William Sound, estimated from ADF&G surveys of active sport fishermen. For salmon, the harvest counts include both VFDA and non-VFDA origin fish.

Since the economic impact of VFDA was last analyzed in 2017, more than 20,000 people participated annually in Valdez-area sport fishing, catching an average of about 27,000 coho salmon, in addition to thousands of pink salmon, rockfish, halibut, and other species. chinook salmon catch is modest by comparison, averaging 1,700 fish per year. On average – whether taking day trips by boat, on an extended boat trip originating or terminating in Valdez, or fishing from shore near Valdez – surveyed sport fishermen reported spending between two and three days fishing during their time in the area.

[8] ADF&G Annual Enhancement Reports. 2025 data from an ADF&G data request.

Table 5. Sport Fishing Participation and Harvest in Valdez-Area Fisheries (2017-2024)

Year	Number of Fishermen	Angler-Days	Coho	Pink	chinook	Halibut	Rockfish	Lingcod
			(Number of Fish Caught)					
2017	22,400	57,300	36,500	10,200	700	12,000	12,800	1,400
2018	22,600	65,000	24,800	13,100	1,300	11,600	11,600	1,200
2019	24,800	70,900	32,000	16,300	1,300	15,800	18,000	2,100
2020	20,100	58,000	23,000	9,000	3,300	10,700	13,000	1,200
2021	24,300	64,700	37,500	8,800	2,000	11,500	12,000	1,200
2022	21,100	48,000	26,100	9,200	1,100	8,200	12,100	500
2023	20,200	48,700	20,800	9,200	2,700	9,200	9,700	800
2024	19,700	50,300	13,700	6,700	1,200	11,100	13,200	1,400
2017-2024 Average	21,900	57,900	26,800	10,300	1,700	11,800	12,800	1,200

Source: ADF&G
*This table includes only Valdez-specific areas identified in the Alaska Department of Fish & Game's sportfish survey: specifically saltwater trips that end in Valdez, trips identified as "east Prince William Sound", and shoreside fishing from Allison Point and the remainder of Valdez Arm. Data do not include freshwater fishing. Numbers rounded.

In addition to the areas near Valdez, coho and pink salmon produced by VFDA contribute to the saltwater sport fishing economy throughout Prince William Sound and the North Gulf of Alaska coast. The number of coho and pink salmon caught by sport fishermen each year in "ADF&G Area J" – which extends west to the southern tip of the Kenai Peninsula – is typically two or three times the counts reported in the table above. From 2020 through 2024, on average, saltwater sport fishermen caught around 66,000 coho salmon and 16,500 pink salmon each year in the larger region. During that period, sport catch in the North Gulf Coast peaked in 2021 at 103,000 coho salmon and 20,000 pink salmon. While the predominance of VFDA fish declines in fishing areas to the west, this larger area is important to consider because it encompasses fishing out of Whittier and Seward where relative road accessibility allows for more participation and generates economic activity for the greater Southcentral region.

The table below shows the estimated number of sport-caught coho and pink salmon throughout the broader North Gulf of Alaska coast area that are attributed to VFDA production. From 2020 through 2024, between 19,000 and 22,000 coho salmon from the Solomon Gulch Hatchery were caught by saltwater sport fishermen annually. Annual pink salmon sport fish catch from the hatchery ranged from 8,000 to 11,000 fish.

Table 6. Sport-caught VFDA Salmon in PWS/North Gulf Coast, 2020-2024

	Coho	Pink	Total
Annual Average	19,700	9,800	29,500
Cumulative Total	98,600	49,100	147,700

Source: ADF&G

Shore Fishing

Shoreside sport fishing is an important part of the Valdez fishing economy. Fishing from shore appeals to residents and visitors who do not have access to a boat and choose not to charter a guided vessel or rent a boat. The availability of salmon from VFDA helps maintain Valdez as a multi-activity destination for Alaskans and other travelers. Visiting anglers who fish from shore are likely to spend as much time in Valdez as those who hire a charter boat. Shoreside anglers who are not Valdez residents spend similar amounts as chartering anglers on lodging/camping, outfitters, processing, and other local businesses.

The primary locations for salmon shore fishing are at Allison Point, the city dock, and the harbor. From 2020 through 2024, on average, around 7,200 anglers fished the shoreline around Valdez each year, catching 8,200 coho salmon and 5,900 pink salmon. Salmon caught in these areas are highly likely to be VFDA-origin fish.

ADF&G's Statewide Harvest Survey estimates the number of finfish sport fishermen by user group and residence in the Prince William Sound Management Area.[9] Anglers fishing from shore are likely to be unguided. ADG&G reports that, from 2011 through 2023, roughly 76% of unguided anglers fishing in the Prince William Sound Management Area were residents of the area. This figure contrasts the residency of anglers who use a guide – primarily on charter vessels – who were reported to be 40% residents. These statistics reflect that access to VFDA-origin salmon returning to the Valdez Arm play an important recreation and business role for both locals and visitors.

Charter Fishing Businesses

Charter fishing is an important part of the Valdez visitor industry and VFDA is a key source of fish harvested by the fleet. While fishing is the core business for charter operators, Valdez charter operators often offer sightseeing, kayak guiding, and general transportation services to visitors and residents who are not inclined to fish.

In 2025, 10 Valdez-based charter fishing businesses actively operated 18 vessels. Currently, 16 businesses located in Valdez advertise sportfishing availability – though not all were active in guiding fishermen during the most recent year. Several Valdez businesses that provided guided charters also rent boats to unguided anglers. Saltwater charter operators extend the annual duration of the fishing economy in Valdez by attracting anglers before the shoreline salmon fishery is active in late summer, and by providing access to deep water sport fish like halibut,

[9] Alaska Department of Fish & Game, 2024. "Sport fisheries in the Prince William Sound Management Area in 2023 to inform the Alaska Board of Fisheries in 2024."

rockfish, and lingcod that are generally not accessible from shore. Coho, sockeye, and chinook salmon are all targeted earlier in the year before they return to the hatchery area or to streams.

Twenty individual guides were registered on the charter vessels that were active in 2025, and only eight of those guides were the business owners. Not accounting for deckhands or other support staff, owners and guides comprise 32 direct jobs in the Valdez community. Sixteen of the 20 guides resided in Alaska, and 12 of those 16 were Valdez residents.

As noted above, ADF&G reports that 60% of guided anglers fishing in Prince William Sound are non-residents. Charter fishing trips are often a peak experience for visitors to the region, and visitors who purchase a charter trip are likely to participate in other in-region excursions on land, in addition to spending on lodging, food, and fish processing/shipping. The cost of a charter silver salmon fishing trip out of Valdez ranges from $300 to $350 per angler. The lower end of that range represents half-day charters. Charter trips that combine salmon trolling with halibut, rockfish, lingcod, or squid are priced between $450 and $570 per angler, per day. The price difference is attributed, in part, to the time and cost of running farther to deep water for non-salmon species. The availability of VFDA fish within the Valdez Arm provides fishermen who are focused on a salmon experience with the ability to do so closer to harbor. Visitors who rent an unguided boat pay between $250 and $650 per day depending on vessel size, amenities (open/covered), and the inclusion of additional gear like shrimp pots and pullers.

From 2017 through 2025, the number of angler-days fished on Valdez charter vessels ranged from 4,300 to 6,000. The average and median number of days per year during that period are both roughly 4,900.[10] That total charter client count encompasses all types of fishing, including trips that did not target coho salmon. The number of angler-days fished while targeting coho salmon is estimated to be between 1,100 and 1,400 per year. That estimate is based on ADF&G Charter Logbook data for trips reporting retained coho salmon, and on the City of Valdez's data from a $1 per angler tax on charter bookings. Available data and first-hand reports both suggest that between 30% and 40% of charter fishing out of Valdez occurs on trips targeting coho salmon.

The most recent available metrics on Valdez visitors' engagement in sport fishing were collected prior to the period covered in this report and have not been updated by the State of Alaska.[11] In a snapshot of the late-2010s, a previous study found that roughly 15% of non-Alaska-resident visitors to Valdez participated in sport fishing, and half of those visitors chartered a guided trip. For the summer of 2016, that amounted to 71,000 visitors, 11,000 of whom fished for sport, and roughly 5,500 chartered a guide. The number of Alaska-resident visitors to Valdez is estimated to be roughly 40% of the non-resident visitor total; two-thirds of those visitors fished for sport. Alaska residents typically did not charter a guide, favoring shoreline fishing or fishing on a non-

[10] ADF&G, Charter Logbook Data. Personal communication, 2026.
[11] Alaska Department of Commerce, Community, & Economic Development, 2017. "Alaska Visitor Statistics Program 7."

guided vessel. The best available information – while dated – underlines the importance of out-of-state visitors to guided fishing businesses.

City of Valdez Support

VFDA primarily funds the coho salmon hatchery program through the sale of the pink salmon that it sells for cost recovery. VFDA expects to spend $370,000 in Fiscal Year 2027 – generated from pink salmon and operational grants – to operate the coho hatchery program.[12]

The City of Valdez recognizes the value that the coho sport fishery provides to the community's economy. The city funds the hatchery's coho salmon feed through an annual program grant that has ranged in amount from $120,000 to $160,000 per year from 2023 through 2025. The projected grant size for 2026 is lower than in past years (roughly $75,000) due to holdover stocks of feed that can be used in 2026.[13]

In addition to funding the feed program, the city has made direct contributions to VFDA's salmon habitat enhancement work through the purchase of an aquatic weed harvester (~$300,000) that is used each summer to maintain Robe Lake's role as a viable spawning ground for resident stocks of sockeye and coho salmon. The Robe Lake coho population provided the original brood stock for the Solomon Gulch hatchery's coho program. In addition to enhancing salmon habitat, the city's contribution to preserving Robe Lake benefits locals' and visitors' opportunities to recreate on the lake. Robe Lake serves as a base for float-plane businesses, a lodge, and year-round tour providers.

Valdez Salmon Derbies

After the VFDA hatchery was opened in 1982 and large numbers of salmon started returning to the waters around Valdez, city leaders saw an opportunity to market Valdez as a destination for world-class sport fishing. The original Valdez Silver Salmon Derby began in 1952; it currently operates as a non-profit corporation with volunteer organizers and support from local sponsors that underline the event's importance to the local economy. Derby events are fully supported by ticket sales, sponsorships, and volunteers.

Today, Valdez holds three annual salmon derbies. The Silver Salmon Derby runs from late July through early September. The number of participants is typically between 4,000 and 5,000 anglers. Valdez holds two one-day events: the Women's Silver Salmon Derby in early August (established in 2005) and the free Kid's Pink Salmon Derby in late July (established in 2008).

[12] Anticipated spending does not include the cost of facility maintenance or debt retirement on previous capital projects.
[13] City of Valdez, personal communication.

Participation in the Women's derby ranges between 500 and 800 anglers, and 300 to 400 anglers participate in the Kids' derby.

Silver Salmon Derby tickets are sold for $10 per day or $50 for the entire season. The Derby awards a $10,000 grand prize for the largest coho salmon, $3,000 for second place, $1,500 for third place, and over $14,000 worth of daily first and second place prizes are awarded in gear and local goods throughout the season.

Valdez residents credit the Silver Salmon Derby with sustaining and increasing interest in sport fishing for coho salmon over the last three decades.[14] Most of the salmon caught in the derbies originate at the VFDA hatchery.[15]

Subsistence Fishing

Subsistence salmon fishing with drift gillnets and small seines is allowed in certain rural communities. The City of Valdez is a non-subsistence use area due to its population and road access. However, the village of Tatitlek is a qualified subsistence community in the Eastern District of the Prince William Sound. Working collaboratively with the Tatitlek Corporation, VFDA has participated in a coho salmon stocking program to enhance fishing opportunities for residents of Tatitlek since 2011. VFDA annually transfers 20,000 coho smolt to a pen in Boulder Bay near Tatitlek to be imprinted and released, creating future fishing opportunities for the community.[16]

The State of Alaska's most recent subsistence harvest assessment was completed in 2020. In that year, five subsistence permits were issued in the Eastern District (Tatitlek) subsistence salmon fishery for traditional use. The total subsistence catch of 588 salmon in the district included 284 coho, with the balance comprising mostly sockeye salmon. Total subsistence catch in the Prince William Sound general district and the Copper River district ranged from 3,500 to 12,000 salmon per year from 2017 through 2020. The vast majority of those fish were sockeye salmon; coho salmon accounted for roughly 50 to 400 fish of the annual amount.

Personal use fishing in the Eastern Prince William Sound area predominantly occurs by rod-and-reel fishing, in-river dipnetting for sockeye and chinook salmon, and home-packs for commercial fishermen who reside in the area.

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[14] Valdez Fish Derbies. *"History of Valdez Fish Derbies"*
[15] Based on proportion of hatchery coho and pink salmon to wild stock coho and pink salmon in the Valdez area, as described above.
[16] ADF&G Division of Subsistence, 2023. "Alaska Subsistence and Personal Use Salmon Fisheries 2020 Annual Report., Technical Paper No. 494."

Economic Impact

VFDA-hatched salmon and hatchery operations directly produced $66 million in economic output to Alaska's economy, generated 433 annualized jobs, and $25 million in labor income per year on average during the study period.

When combining these direct effects with multiplier effects caused by direct spending circulating in the economy, the total economic impact of VFDA was $103 million in economic output, 670 annualized jobs, and $35 million in labor income.

Table 7. Summary of VFDA Economic Impact on Alaska's Economy

	Direct	Indirect and Induced	Total Impacts
Commercial Fishing			
Employment (annualized)	175	70	245
Labor Income ($millions)	$10.4	$3.5	$13.8
Output ($millions)	$18.2	$11.0	$29.2
Seafood Processing			
Employment (annualized)	155	125	280
Labor Income ($millions)	$9.3	$4.0	$13.3
Output ($millions)	$40.5	$24.1	$64.6
Sport Fishing			
Employment (annualized)	80	25	105
Labor Income ($millions)	$3.1	$1.6	$4.7
Output ($millions)	$7.4	$2.5	$9.9
VFDA Operations			
Employment (annualized)	23	17	40
Labor Income ($millions)	$2.0	$1.6	$3.6
All Sectors			
Employment (annualized)	**433**	**237**	**670**
Labor Income ($millions)	**$24.8**	**$10.7**	**$35.4**
Output ($millions)	**$66.1**	**$37.6**	**$103.7**

ADF&G and VFDA data, and MRG calculations

Economic Impact of VFDA Business Operations

Operation of the Solomon Gulch Hatchery and other VFDA facilities requires local employment and spending that impacts the Alaska economy. These operations are largely supported by the

sale and processing of cost-recovery salmon. In 2024 and 2025, VFDA spent an annual average of $3.5 million in operating expenses.

VFDA directly employed an annual average of 23 workers during the study period. VFDA employed a year-round staff of about 18 people, which includes the association director, a hatchery manager, assistant, fish culturists, maintenance workers, and fish technicians. Operating the hatchery requires 24-hour staff coverage to ensure that equipment is functioning correctly to support the growth of the valuable juvenile salmon. During the summer months VFDA's staff grows with seasonal workers who harvest salmon for the hatchery broodstock and process roe for Solomon Falls caviar. VFDA spent an annual average of $2.0 million on wages and employer-paid benefits during the study period. Most VFDA employees live in Valdez.

VFDA spent an annual average of $1.5 million on non-payroll expenses during the study period. Key non-payroll expenses included feed, electricity, fuel, and insurance.

Indirect and induced employment associated with VFDA totaled 17 additional workers with combined wages of $1.6 million. These jobs are the result of VFDA employees and suppliers of goods and services to the hatchery circulating money in the Alaska economy.

In total, (including direct, indirect, and induced impacts), VFDA operations supported an annual average of 40 jobs with total annual wages of about $3.6 million.

Table 8. Economic Impact on Alaska's Economy of VFDA Operations, Annual Average 2024-2025

	Direct	Indirect and Induced	Total Impacts
Employment (annualized	23	17	40
Labor Income ($millions)	$2.0	$1.6	$3.6

Source: VFDA and MRG calculations

Commercial Harvest of VFDA Salmon

Between 2020 and 2025, commercial fishermen generated $18.2 million (ex-vessel income) per year harvesting VFDA salmon in common property fisheries. An estimated 385 permit holders and crew members earned a combined $10.4 million in labor income (gross revenues minus expenses) from harvesting VFDA salmon each year between 2020-2025. On an annualized basis, this level of employment is equivalent to 175 jobs due to the seasonal nature of salmon fishing. Income earned from harvest of VFDA salmon was earned predominantly by Alaska residents living in Prince William Sound, the Kenai Peninsula, or the Anchorage/Mat-Su area.

As harvesters purchase goods and services needed to run the vessel and spend earnings locally, additional economic impacts are supported in Alaska communities. VFDA salmon harvest supported an additional 70 jobs and $3.5 million in annual wages in Alaska as spending circulated in the economy.

Combining direct and indirect impacts, the harvest of VFDA salmon supported an annual average of 245 jobs with $14 million in labor income between 2012 and 2017.

Table 9. Economic Impact to Alaska's Economy of Harvesting VFDA Salmon, Annual Average 2020-2025

	Direct	Indirect and Induced	Total Impacts
Employment (annualized)	175	70	245
Labor Income ($millions)	$10.4	$3.5	$13.8
Output ($millions)	$18.2	$11.0	$29.2

Source: ADF&G data, industry interviews, and MRG calculations

Processing of VFDA Salmon

Processing plants added $40.5 million per year to the value of VFDA salmon during the study period (first wholesale value minus ex-vessel value payments to harvesters) and paid an estimated $9.3 million in wages per year. An estimated 630 processing jobs were attributable to VFDA salmon each year, an annualized equivalent of 155 due to the short duration of the salmon processing season.

Additional impacts occur when these wages are spent locally, and as processors purchase goods and services locally. These multiplier effects total an additional 145 jobs, $4.6 million, and $24.1 million in value generated in the Alaska economy.

Combined, processing of VFDA salmon supported an annual average of 280 jobs, $13.3 million in wages, and $64.6 million in added value.

Table 10. Economic Impact to Alaska's Economy of Processing VFDA Salmon, Annual Average 2019-2024

	Direct	Indirect and Induced	Total Impacts
Employment	155	125	280
Labor Income ($millions)	$9.3	$4.0	$13.3
Output ($millions)*	$40.5	$24.1	$64.6

Source: ADF&G data, industry interviews, and MRG calculations
*Wholesale sales minus ex-vessel payments to harvesters.
Note: Different time period from harvesting impacts because of data availability.

Non-Resident Sport Fishing

As described in the Sport and Subsistence section above, VFDA-origin coho and pink salmon play an important role in bringing Alaskans and visitors from out-of-state to Valdez and other regional ports for fishing opportunities. While visitors to Valdez from out-of-state, Anchorage, Fairbanks, and other parts of Alaska all contribute to the local economy of Valdez, the numbers

below specifically estimate spending and employment attributable to non-Alaska residents because these anglers bring new money into the state economy.

Between 2021 and 2023, non-Alaska residents spent an annual average of 18,000 angler-days fishing with charter businesses and an estimated 38,000 angler days fishing without guides per year in the broader Prince William Sound Management Area (which includes Valdez and Whittier, but not Seward).[17]

While there is limited data available on the importance of VFDA in securing the stock of salmon that attracts out-of-state visitors to the region, VFDA salmon can conservatively be credited with about 25% of Prince William Sound non-resident sport fishing activity when accounting for the proportion of charter boats that target halibut and other groundfish compared with salmon and the estimated proportion of VFDA coho caught in sport fisheries across the region.

During the study period, non-resident visitors who fished spent an estimated $7.4 million annually. Spending categories include hiring charter guides, outfitting, lodging, food, retail, and transportation. This non-resident spending directly supported an estimated 80 annualized jobs and $3.1 million in labor income.

Non-resident sport fishing attributable to VFDA salmon created an additional 30 annualized jobs, $1.6 in labor income and $2.5 million in economic output to the Alaska economy from secondary impacts, for a total of 110 annualized jobs, $4.7 million in labor income, and $9.9 million in economic output.

With the sport fish harvest of VFDA salmon conservatively estimated at about 19,000 coho salmon and 9,000 pink salmon during the study period, the average economic output per fish (including multiplier effects) comes to more than $300 per fish.

Table 11. Economic Impact to Alaska's Economy of Non-Resident Sport Fishing VFDA Salmon, Annual Average 2021-2023

	Direct	Indirect and Induced	Total Impacts
Employment (annualized)	80	30	110
Labor Income ($millions)	$3.1	$1.6	$4.7
Output ($millions)	$7.4	$2.5	$9.9

Source: ADF&G data, industry interviews, and MRG calculations

[16] Alaska Department of Fish & Game, 2024. "Sport Fisheries in the Prince William Sound Management Area in 2023 to Inform the Alaska Board of Fisheries in 2024." Estimated non-guided angler days based on historic ratio of guided to non-guided non-resident anglers in Prince William Sound.

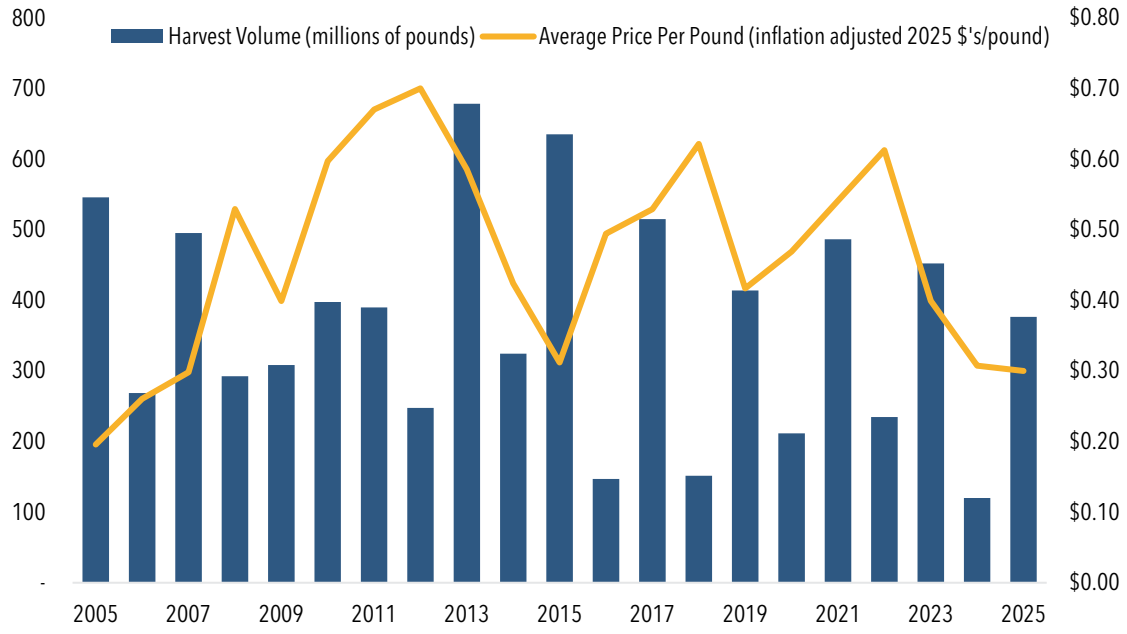
Pink Salmon Market Summary

The primary source of operating and sustaining funds for VFDA is the sale of pink salmon to seafood processing companies. This market summary covers historical trends in Alaska pink salmon commercial values and factors that impact those values for both fishermen and processors. This summary also reflects recent trends and future expectations regarding Alaska pink salmon's place in the global market.

Alaska Pink Salmon Harvest and Value

As in Prince William Sound, statewide harvest of pink salmon oscillates based on the two-year lifecycle of pink salmon, with larger harvests in odd-numbered years. Average ex-vessel prices are somewhat related to harvest volumes, with some of the highest average prices on low-volume even years. But prices are also driven by numerous other factors including Russian pink salmon harvest, inventories, and consumer preferences. The ex-vessel value of the statewide pink harvest in 2024 was particularly low, in part because it was a historically small harvest coinciding with a below average price of $0.30 per pound.

Figure 11. Alaska Statewide Pink Salmon Commerical Harvest Volume and Inflation-Adjusted Average Price, 2005-2025



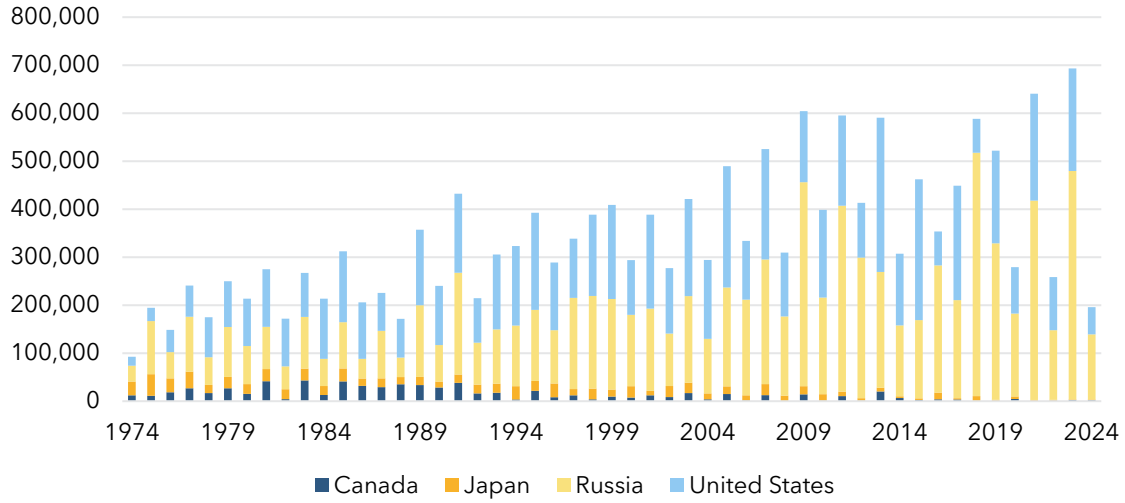
Source: Alaska Department of Fish & Game

Alaska's Role in Global Pink Salmon Supply

Russia is the world's largest producer of pink salmon. Since 2000, Russia has produced 57% of the global supply of commercially caught pink salmon. The U.S produced 39% (nearly all from Alaska) with Japan and Canada comprising the remaining 3%.

Global supply of pink salmon has grown over the past 50 years, in large part due to hatchery-enhanced salmon runs in both Alaska and Russia. World production has also been more cyclic, with especially large variation between small even-year and large odd-year harvests.

Figure 12. Global Pink Salmon Harvest by Country (metric tons), 1974-2024



Source: North Pacific Anadromous Fish Commission.

Russian Competition

Russia's pink salmon harvest can drive down the global price of pink salmon due to large Russian production and low-cost harvest, influencing the value of the harvest in Alaska. Low labor costs in Russia and the use of efficient fish traps to harvest salmon particularly influence the low production cost environment in Russia. However, the degree that Russia's pink salmon harvest influences the value of Alaska's pink salmon has varied in recent years due to U.S. sanctions on Russia and changing levels of domestic pink salmon consumption in Russia.

Following Russia's invasion of Ukraine in 2022, the U.S. imposed sanctions which banned the direct import of Russian seafood. Russian-origin products, including pink salmon fillets and cans, were still able to enter the U.S. market if they were re-processed in a third country such as China or Thailand until an executive order closed this loophole in May 2024.

Even with the U.S. market closed to Russian pink salmon, the large volumes of pink salmon harvested by Russia still influence prices in markets such as the European Union and the United

Kingdom that are also important to the U.S. Russian product plays the biggest role in years of large Russian surplus harvest, like 2023. In 2025, a year with a small Russian harvest, the Russian domestic market was reportedly able to absorb 90% of Russia's pink salmon catch, resulting in less product competing with Alaska pink salmon in global markets.[18]

Trends in Pink Salmon Markets

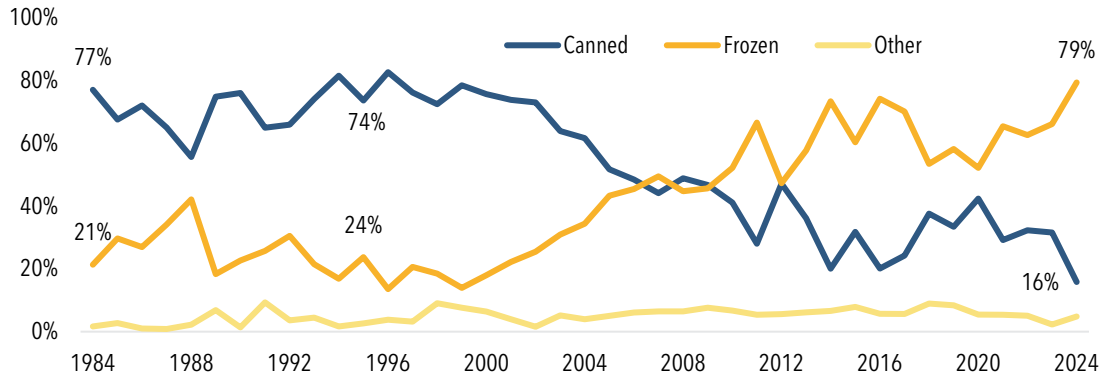
Increase in Frozen Production

Historically, nearly all of Alaska's commercial salmon production went to producing cooked, shelf-stable cans. Frozen products became a larger share as refrigeration and shipping technologies improved.

Compared to the other four salmon species caught in Alaska, canning remained a relatively large share of the pink salmon product mix for longer. But over the past three decades processors have increasingly switched to freezing pink salmon instead of canning it. As seen in the figure below, in 1994, 24% of Alaska's pink salmon was frozen, compared to 79% in 2024. Most of the frozen pink salmon is headed and gutted and exported for re-processing in China and Southeast Asia.

The trend of freezing an increasing share of Alaska's salmon production has likely been driven by the consolidation in Alaska seafood processing: with fewer companies processing pink salmon, decision making about product forms and market strategies has been concentrated in a few hands.

Figure 13. Alaska Pink Salmon Production by Product Category (% of Total Production Volume), 1984-2024



Source: North Pacific Anadromous Fish Commission

[17] Undercurrent News, 2025. "Frozen Wild Salmon Prices Steady with Spot Market Dry."

Trade Barriers

The United States has threatened to raise import tariffs on a number of trading partners in the last year, creating the potential of retaliation in these markets. Tariffs on the impot of U.S. products into foreign markets are a risk to the harvesters and processors of Alaska's pink salmon because a large proportion of Alaska's pink salmon is currently either consumed or re-processed in other countries. Tariffs make U.S. products less competitive in these foreign markets, lowering demand.

The tables below describe the relative size of different U.S. trading partners who import canned pink salmon and frozen pink salmon.

IMPORTANT RE-PROCESSING MARKETS

The U.S. exports most of its pink salmon as frozen headed-and-gutted product that is re-processed in other countries into cans or fillets.

Re-processing markets are somewhat insulated from trade conflicts because countries may be hesitant to hurt their own manufacturing sectors by taxing imported input products. For example, while China has increased tariffs on U.S. product imported for consumption in China, it has not imposed tariffs on seafood that is imported for re-processing and re-export.

A growing share of Alaska's pink salmon has been sent to Southeast Asia (Thailand, Vietnam, and Indonesia) for re-processing in recent years, while the percentage sent to China has decreased. The Ukrainian processing sector was a significant processor of Alaska pink salmon prior to Russia's 2022 invasion.

Table 12. Alaska Exports of Pink Salmon Can by Destination Country ($million), 2024

Trade Partner	Canned Pink Salmon Export Value
China	$47.7M
Thailand	$29.2M
Vietnam	$3.3M
South Korea*	$2.4M
Indonesia	$2.3M
Canada	$1.0M
All Others	$3.4M
Total Frozen Pink Salmon Exports	**$89.4M**

Source: ADF&G, AKDOR. *South Korea is largely a transshipment market. Product is held in cold storage here before continuing on to processing plants in China.

CANNED SALMON EXPORT MARKETS

Canada and Mexico were the largest importers of U.S.-produced canned pink salmon in 2024. Mexico has emerged relatively recently as a canned pink salmon importer, first importing more than $1 million in canned pink salmon in 2021.

Table 13. Alaska Exports of Pink Salmon Can by Destination Country ($million), 2024

Trade Partner	Canned Pink Salmon Export Value
Canada	$20.6M
Mexico	$6.9M
United Kingdom	$5.3M
Australia	$4.2M
New Zealand	$2.6M
Sri Lanka	$2.2M
Belgium	$1.7M
Ireland	$1.3M
All Others	$0.9M
Total Canned Pink Salmon Exports	**$45.8M**

Source: ADF&G, AKDOR.

Importance of Hatchery Runs to Processing Sector Competitiveness

The availability of hatchery salmon improves Alaska processors' ability to anticipate run size and timing which can, in turn, allow for enhanced marketing of different product forms. VFDA plays

a key role in PWS and statewide pink salmon marketing because hatchery fish return nearly two weeks earlier than wild-run salmon. While the improved volume of fish is most important, an extended harvesting season can allow processors to manage their workforce and pursue a variety of products based on market opportunity.

Two primary challenges for the Alaska pink salmon market are uncertain supply and the rising cost of production. Hatcheries play a crucial role in stabilizing the supply of fish and giving processors the confidence to invest in operations that directly and indirectly support workers, fishermen, and coastal economies. With general inflation and circumstances unique to Alaska's geography, the cost of catching and processing fish has increased in all aspects – including labor, fuel, transportation, insurance, and the capital goods required to operate and maintain a boat or a processing plant. Fishing and processing businesses can only operate in the long-term if the value of the product to consumers keeps up with the cost of what is required to attract workers and bring fish to market.

Appendix: Economic Analysis of Proposed chinook Program

VFDA is licensed to release as many as 300,000 chinook smolt each year but does not currently have a Chinook Salmon program.

Below are findings from a VFDA-commissioned McKinley Research 2023 study on the potential added economic benefits to the Valdez economy of a hatchery-enhanced sport fishery for chinook salmon.

Key Findings

- A new hatchery-supported chinook salmon run in Valdez Arm has the potential to:
    - Extend the peak sport fishing season by a month.
    - Bring an additional 2,000 visitors to Valdez each May and June.
- Generate $750,000 in additional revenue for Valdez businesses.
- The expanded visitor season described above is based on chinook returning to Valdez in catchable numbers i.e., sufficient abundance for fishermen to justify a trip to Valdez.
- This fishery has the potential to draw visitors in the late spring/early summer season when visitor services are underutilized.
- A chinook salmon run would be welcomed by a charter fleet that has been more idle in the early season because of decreasing halibut fishing opportunities.
- A new springtime fishery is not likely to create many more visitor industry jobs because of the seasonal nature of Valdez's visitor industry; however, it would likely increase the total income of workers in the visitor and charter fishing sectors.

Research Methods

This memo is based on:

- Ten interviews with Valdez charter business operators and other people associated with the visitor industry or sport fish management, all conducted in spring 2023
- Charter operator license data from the Alaska Department of Fish & Game
- Sportfishing harvest survey statistics from the Alaska Department of Fish & Game
- Survey data from the Valdez Visitor Market Profile conducted by McKinley Research Group (formerly McDowell Group) in 2016

Program Plan and History of Hatchery-Raised chinook in Valdez

VFDA is considering developing a chinook salmon program to facilitate greater sportfishing opportunities in Valdez. Under its existing permit with the Alaska Department of Fish and Game (ADF&G), VFDA can release as many as 300,000 chinook salmon smolt in the Valdez area each year. This is about one-sixth the size of VFDA's existing sportfish enhancement program, which releases about 1.8 million coho salmon smolt each year, and much smaller than the VFDA commercial fisheries enhancement program that releases about 257 million pink salmon fry annually.

VFDA's proposed chinook program would follow a past attempt by ADF&G to release chinook salmon in Valdez. The prior program was discontinued because of problems including poor imprinting (not enough adult salmon returning to their native streams), and spawning timing that conflicted with the busy pink salmon commercial season in June and July. VFDA plans to avoid these problems by selecting an earlier broodstock and improve survival by incorporating juvenile development directly into its Solomon Gulch Hatchery incubation and rearing programs.

As of May 2023, VFDA is working to rebuild its coho rearing facility, which would have space to raise chinook salmon smolt.

STATEWIDE CONTEXT

Chinook salmon are the least-frequently raised salmon species at Alaska hatcheries. In 2022, an estimated 10.8 million chinook were released from Alaska hatcheries, most of them in Southeast Alaska. Some 86,000 chinook returned to Alaska hatcheries in 2022.[1]

In interviews, the Homer winter king fishery was frequently mentioned as an example of a chinook sport fishery that has been successful at attracting visitors. This fishery takes place in early spring. A one-day tournament held in late March is a popular draw. chinook caught in this fishery are not associated with a specific hatchery or wild stream because most chinook caught in this early season are feeder fish that are migrating through the area and not yet ready to return to their natal streams to spawn.

CHARTER FLEET CHARACTERISTICS

The Valdez sport charter fleet consists of approximately 20 vessels operated by 12 businesses, with some year-to-year variation in the number of active vessels and businesses. Most businesses own a single vessel and are owner-operated. The Valdez charter fleet has shrunk in the last decade, which operators attribute to reduced opportunities for halibut harvest.

Valdez charter businesses offer three basic types of services.

- **Full-day halibut charters:** These trips are typically 12-hour days to accommodate four to six hours of transit time and six to eight hours of fishing. Prices in 2023 ranged from $385 to $425 per person for this type of trip.
- **Salmon charters:** Salmon charters are often booked as shorter trips at a reduced price (compared to halibut charters) because they do not require as much transit time and fuel to reach fishing grounds. Prices for salmon charter trips in 2023 ranged from $300 to $350 per person.
- **Sightseeing, water taxi service, and custom services:** Valdez charter businesses offer a variety of services, but operators indicate salmon and halibut trips account for the majority of their business.

CHARTER FISHING SEASON

Most Valdez boats operate from late May to early September, roughly between the Memorial Day and Labor Day holidays, with peak fishing activity in July and August. Operating calendars vary among charter businesses, especially between businesses that focus exclusively on salmon fishing as compared to those that offer salmon and halibut fishing trips.

Halibut Season

Although halibut fishing can begin as early as February, most charter fishing begins in May with activity hitting its peak in July and August. Charter operators report that they do not begin the halibut season earlier because of limited customer demand early in the season and poor weather in the open water areas of halibut fishing grounds. (This differs from the weather close to Valdez in May and June which, by Valdez standards, is typically calm and dry.)

In addition to weather, regulations constrain the halibut fishing season. Charter boat customers are not permitted to fish for halibut on Wednesdays or on nine Tuesdays in 2023 as part of conservation measures to prevent overharvest. These are the tightest restrictions the charter halibut fleet has faced in recent years.

In addition to the halibut harvest, Valdez boats that travel to more distant waters also target lingcod, rockfish, and – to a much lesser extent – sablefish. Sportfishing participants can retain lingcod starting July 1.

Salmon Season

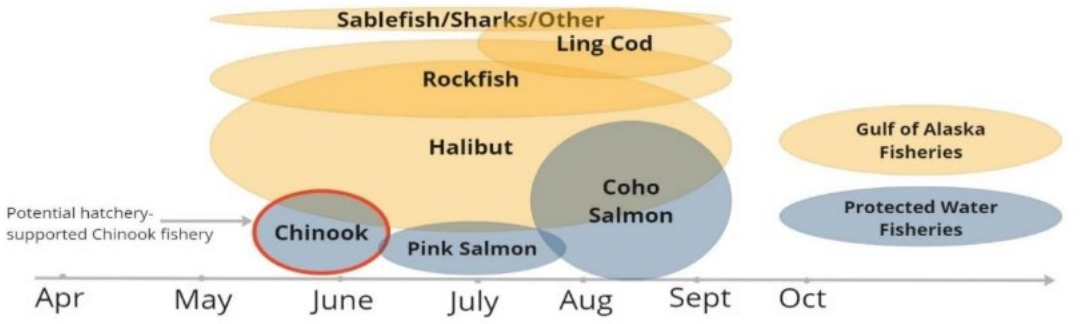
Most salmon charters do not begin until coho salmon arrive in Valdez Arm in July, although a small number of charter trips occur outside the coho season and target the other salmon species.

While there is not a major chinook-producing stream near Valdez, sport fishermen fishing from Valdez-based boats catch feeder kings that are not yet ready to return to their natal streams to spawn. Small volumes of sockeye and chum salmon are also caught by the charter fleet.

Pink salmon arrive in the Valdez Arm in mid-June in large numbers. This species is typically targeted by the commercial fleet and shore-side sport fisherman in greater numbers than charter boats.

The following chart shows the seasons for each species targeted by Valdez sportfishing participants. The height of each oval illustrates the importance of the species to the Valdez charter boat fleet.

Figure A1. Valdez Sportfishing Seasons



Source: Industry interviews

EXPANSION POTENTIAL

A hatchery-raised chinook salmon run has the potential to draw approximately 500 additional charter clients to Valdez per year, in addition to about 1,500 non-guided visitors. Key numbers that contributed to this estimate include the number of participating boats likely to extend their seasons, the average number of additional fishing days, and the average number of passengers per boat.

Number of participating boats – The Valdez charter fishing fleet includes about 20 vessels, but not every boat operator is likely to extend their season because of added chinook salmon fishing opportunities. For example, Alaskan Adventures Unlimited focuses only on halibut fishing and is unlikely to pivot to spring salmon. Other operators may have jobs outside the peak summer fishing season that would make it difficult to offer May charters. Businesses that operate multiple boats (currently two businesses) may extend their season with one vessel, but not their entire fleets.

Approximately 10 charter boats are expected to extend their operating season in order to offer chinook salmon fishing trips.

Average additional fishing days per boat – The new chinook run is predicted to last about 30 days, starting in mid-May and continuing into mid-June.[2] Some boats may extend their season by nearly the entire length of the chinook season, operating every day. Charter operators that currently focus on salmon (and are currently most active during the coho salmon season) are most likely to extend their season to target the chinook run. Boats that also target halibut are expected to fish for more days, but will not add as many days because they are already somewhat active in May.

It is expected that boats will extend their season by 12 days on average, based on interviews.

Expected average daily visits per boat – At the peak of the coho and halibut seasons, charter boats are often filled to capacity, with six clients per boat. But around the edges of the season vessels frequently operate with four or fewer clients. This model assumes vessels are operating with an average of four passengers during the chinook season.

Table A1. Estimated Additional Valdez Charter Boat Clients Generated by Proposed chinook Salmon Run

	Estimate
Number of Participating Boats	10 boats
Average Additional Days of Fishing	12 days
Average Daily Visitors/Boat	4 visitors
Additional Visitors	**~500 visitors**

Source: Industry interviews, McKinley Research Group estimates

Additional Unguided Sportfishing Visitors

In addition to about 500 charter visitors, a spring chinook fishery would attract an additional 1,500 non-guided sportfishing participants to Valdez. This estimate is based on 2016 survey results (Valdez Visitor Market Profile) showing that Valdez unguided fishermen outnumbered guided fishermen by about three to one.

Industry interviews in 2023 also indicate that a ratio of three times as many unguided participants as guided participants is a reasonable (although likely conservative) approximation of the current Valdez sportfishing market. It is not yet clear if a spring chinook season would attract a similar composition of visitors as the peak summer season.

Visitor Spending

Valdez visitors who participate in sportfishing are estimated to spend an average of $600 per person among guided participants, and $300 per person among unguided participants. These estimates are based on survey results from the *Valdez Visitor Market Profile*, adjusted for inflation. They include spending across all categories including lodging, food, fuel, tours, and other expenses. Guided visitors' spending was further adjusted to reflect the current cost of a salmon charter trip in summer 2023 (about $325 on average).

The 2016 study found that per-capita visitor spending in Valdez was lower than many other parts of Alaska, likely because a large percentage of Valdez visitors (both Alaska residents and non-residents) stay in lower-cost campgrounds and RV parks rather than hotels.

Based on average per-visitor spending and estimated visitor volumes, this study estimates additional spending of $750,000 would be associated with a successful hatchery-supported spring chinook fishing, with 40% attributable to guided fishermen and 60% to unguided fishermen.

Table A2. Estimated Additional Visitors and Spending Associated with Introducing Spring Chinook at Hatchery

	Guided Visitors	Unguided Visitors	All Visitors
Estimated # of Additional Visitors	500	1,500	2,000
Estimated Spending/Visitor	$600	$300	-
Total Estimated Spending	**$300,000**	**$450,000**	**$750,000**

Source: McKinley Research Group estimates, based on industry interviews and survey data

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