Trends in Alaska Salmon Harvests, Ex-Vessel Prices, and Ex-Vessel Value, 1980-2011

Trends in Alaska Salmon Wholesale Prices, 2001-2011

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About this presentation

- The Alaska Department of Fish and Game recently released preliminary estimates of the ex-vessel value of the 2011 Alaska commercial salmon harvest. The estimates for 2011 and earlier years may be found at:

- I prepared the graphs on slides 4-11 to see what trends in harvests, prices and values have been for the past 31 years.

- The Alaska Department of Revenue releases reports every four months with data reported by large Alaska salmon processors for wholesale sales volume, value and average wholesale prices of major salmon products. These reports are available at:
  [www.tax.alaska.gov/programs/programs/other/fish/salmonreports](http://www.tax.alaska.gov/programs/programs/other/fish/salmonreports)

- I prepared the graphs on slides 13-18 of this presentation to see what trends in wholesale prices for Alaska salmon products have been over the past 10 years.

- I am sharing this presentation because the graphs may be of interest to others.
Alaska salmon harvest volumes were very similar in 2010 and 2011 for all species.
2010 and 2011 harvest volumes were relatively high compared with historic levels for pink salmon but relatively more average for sockeye and chum salmon. However, sockeye harvests were significantly higher than in the period 1997-2003.
In the following graphs, I show prices and value in two ways:
- “Nominal” prices and values (not adjusted for inflation)
- “Real” prices and values (adjusted for inflation based on the Anchorage Consumer Price Index) and expressed in 2001 dollars

**Anchorage CPI and Inflation Adjustment Factor**

A dollar had twice the purchasing power in 1983 that it has in 2011.

*Note: To convert from nominal dollars to "real" (inflation-adjusted) 2011 dollars, multiply the price or value by the inflation-adjustment factor for that year.*
Preliminary ex-vessel prices for all species were similar in 2010 and 2011. Final ex-vessel prices (after ADFG adjusts for post-season payments) will likely be somewhat higher. Ex-vessel prices have strengthened dramatically since 2002 for all species, and are higher than they have been since the late or early 1990s for all species. Chinook prices are at near record levels.
Adjusting for inflation makes ex-vessel prices appear relatively higher in the 1980s and 1990s when the purchasing power of a dollar was considerably higher than today (it was twice as high in 1983). After adjusting for inflation, the improvement in ex-vessel prices since 2002 still appears dramatic for all species. Adjusted for inflation, prices for sockeye salmon remain lower than they were for most of the 1990s.
This graph shows nominal ex-vessel prices converted to indexes, so that trends in prices can be more easily compared across species. Chum and pink salmon prices have increased the most dramatically since 2002, while sockeye prices have increased the least. For each species, the 100% line shows the average price for the entire period.

Indexes of Alaska Salmon Ex-Vessel Prices, 1980-2011
(not adjusted for inflation)

Source: ADFG. Note: 1988 price indexes peaked well above 200% for most species.
Here is the same price index graph adjusted for inflation.

Indexes of Real Alaska Salmon Ex-Vessel Prices, 1980-2011
(adjusted for inflation)

Source: ADFG. Note: 1988 price indexes peaked well above 200% for most species.
This graph shows the total ex-vessel value of Alaska salmon harvests in nominal dollars. The nominal ex-vessel value in 2011 (before final price adjustments) was almost the same as in 2010 and 1992 (about $600 million) but well below the record 1988 value of $781 million. Clearly in nominal terms both 2010 and 2011 were very good years, and dramatically higher than in 2002.
Adjusted for inflation, the 2010 and 2011 harvests still show a dramatic recovery in value since 2002, but remain below real-ex-vessel values for most of the late 1980s and early 1990s.

Ex-Vessel Value of Alaska Salmon Harvests
(adjusted for inflation, expressed in 2011 dollars)
Alaska Department of Revenue Salmon Price Reports
Wholesale Price Data

• Every four months, large Alaska salmon processors (those with sales exceeding 1 million pounds in the previous calendar year) are required to submit salmon price reports to the Alaska Department of Revenue. These reports are available at: www.tax.alaska.gov/programs/programs/other/fish/salmonreports

• The reports include average wholesale prices (total value / total volume) reported by all Alaska processors for the following four-month periods:
  – January-April (I)
  – May-August (II)
  – September-December (III)

• On the following six slides I have graphed average wholesale prices since 2001 for the six major product forms for Alaska salmon

• In general, except for salmon roe, the graphs show:
  – Dramatic increases in wholesale prices since 2001
  – Similar wholesale prices in 2010 and 2011: prices in 2011 were up for some species and products and down for others, but with few dramatic changes

• Salmon roe prices have exhibited distinctly different trends from other salmon product prices, and also fluctuate widely between different four-month periods.
Average First Wholesale Prices Received by Alaska Salmon Processors:
Canned Sockeye and Pink ($/48-can case)

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I = Jan-Apr; II = May-Aug; III = Sep-Dec
Source: Alaska Department of Revenue, Alaska Salmon Price Reports
Average First Wholesale Prices Received by Alaska Salmon Processors:
Frozen H&G

I = Jan-Apr; II = May-Aug; III = Sep-Dec; Source: Alaska Department of Revenue, Alaska Salmon Price Report
Average First Wholesale Prices Received by Alaska Salmon Processors:
Frozen Fillets

I = Jan-Apr; II = May-Aug; III = Sep-Dec; Source: Alaska Department of Revenue, Alaska Salmon Price Report
Average First Wholesale Prices Received by Alaska Salmon Processors, May-August: Fresh H&G

Source: Alaska Department of Revenue, Alaska Salmon Price Reports
Average First Wholesale Prices Received by Alaska Salmon Processors, May-August: Fresh Fillets

Source: Alaska Department of Revenue, Alaska Salmon Price Reports
Average First Wholesale Prices Received by Alaska Salmon Processors:
Roe

I = Jan-Apr; II = May-Aug; III = Sep-Dec; Source: Alaska Department of Revenue, Alaska Salmon Price Report