

Processing's two pandemic years

Some job recovery, waning outbreaks further into 2021

By KARINNE WIEBOLD

Alaska's seafood industry weathers frequent but unpredictable ups and downs, and when we wrote about seafood processing last November, the industry had been struggling through the first eight months of a historic disruption.

The pandemic still casts a shadow this year, but the industry recorded far fewer outbreaks after the winter surge and recovered about 42 percent of the jobs it had lost at the 2020 summer peak. Larger harvests in some areas and higher seafood prices with resumed demand boosted that partial recovery in 2021.

A darker picture a year ago

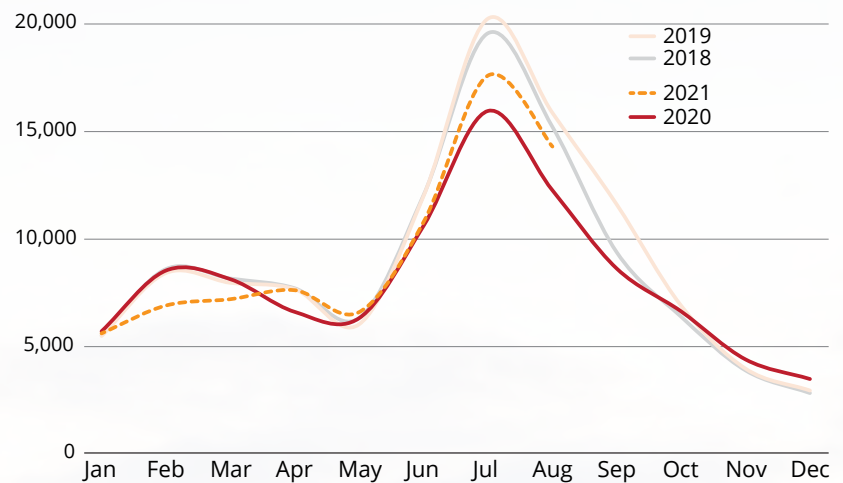
Last spring, COVID-19 dramatically reduced demand for seafood sold in restaurants, made a mess of supply chains, and made transporting and

The seafood processing industry at a glance

Alaska's seafood processing industry works year-round cleaning, cutting, packaging, canning, or freezing a variety of species from salmon in the summer to crab, pollock, and cod in the winter.

In a typical year, about 23,000 people work in seafood processing. Because processing takes place as close to

Some job recovery for seafood processing in 2021



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

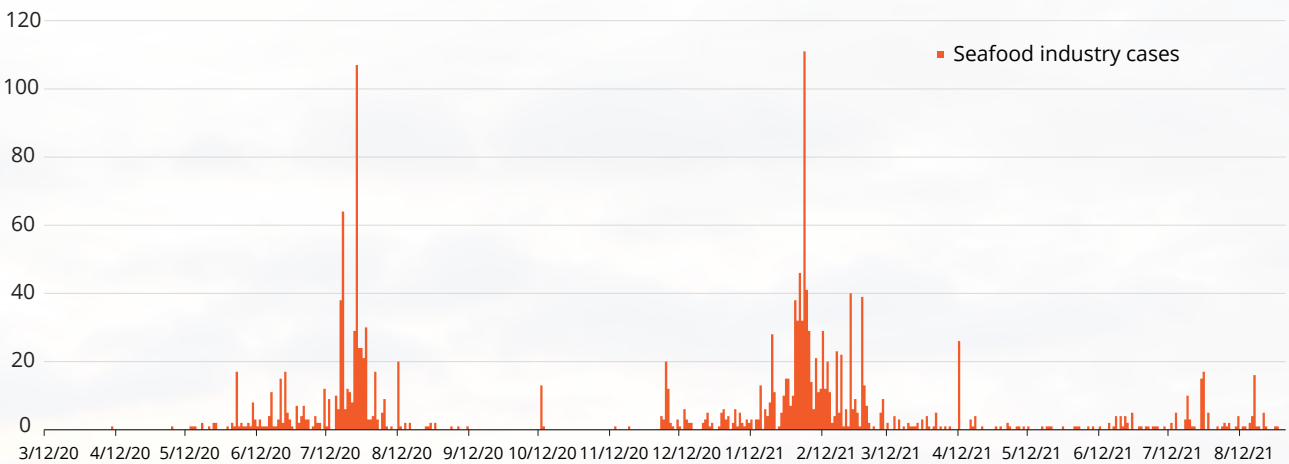
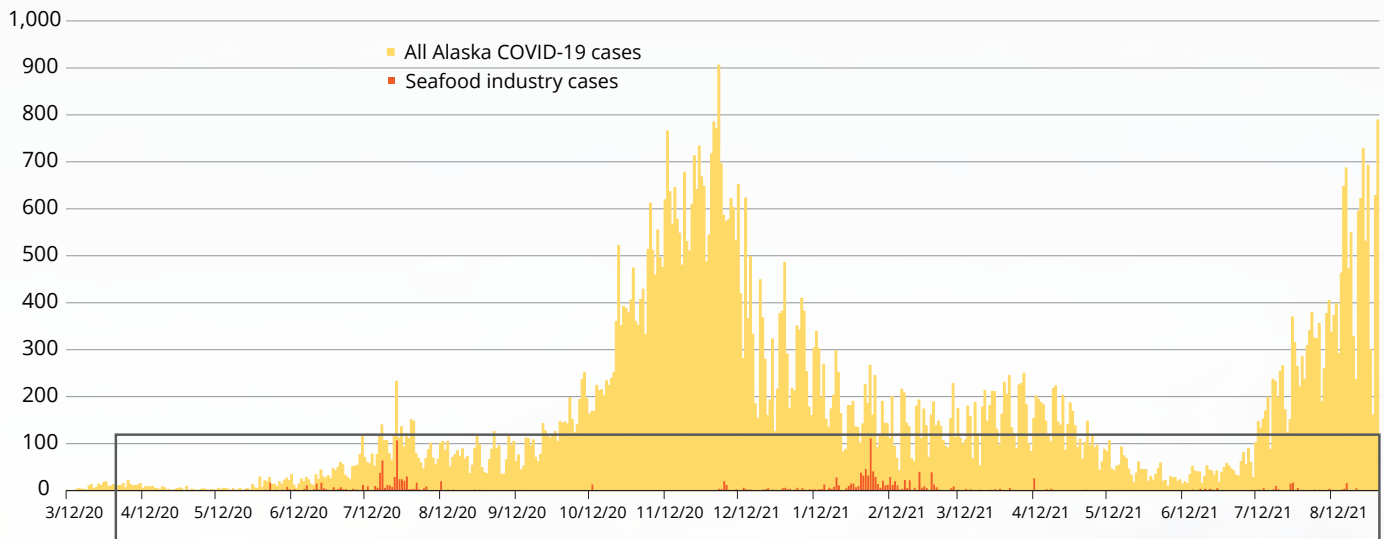
housing workers far more challenging.

The industry struggled with a short supply of workers — Alaska imports around 75 percent of its seafood processing workers — and with the price drops that accompanied less demand for high-end seafood.

the harvest as possible, remote worksites with no local workforce are common. Some processors hire workers from around Alaska, but most of their employees come from out of state or are foreign workers under the H-2 visa program. For every Alaskan working in the plants, processing companies import three from outside the state.

Almost half work in Southwest, home to the Bristol Bay and Bering Sea fisheries. The Gulf Coast is the next-largest region, with about 5,200 workers, followed by Southeast with 3,200 workers.

Seafood industry* COVID-19 cases barely moved the statewide needle



*The DHSS seafood industry designation comprises all seafood workers, including harvesters. These numbers are likely an undercount of seafood industry cases because they are manually identified and recorded.

Sources: Alaska Department of Health and Social Services Coronavirus Response Hub and Alaska Department of Labor and Workforce Development, Research and Analysis Section

On top of those post-catch problems, fish were harder to get in 2020. Although Bristol Bay's salmon harvest was bountiful, other areas — such as Southeast — faced meager hauls.

The seafood industry spent an estimated \$70 million on COVID-19 mitigation last year, including quarantines, facility modifications, increased transportation costs, cleaning, and personal protective gear. Despite those efforts, plants still dealt with outbreaks and closures.

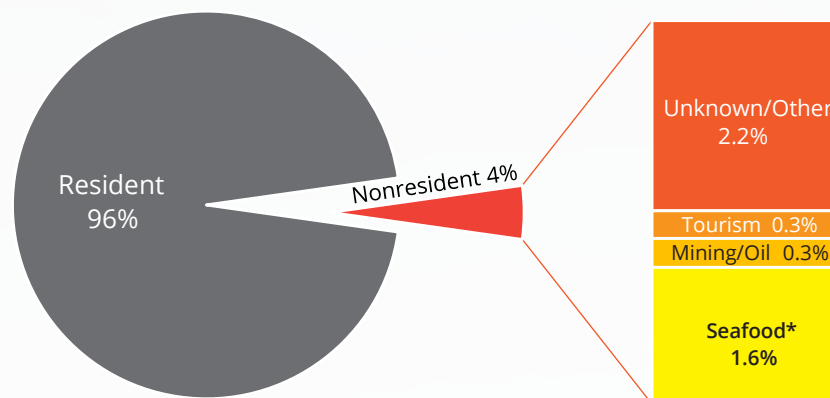
Last November, no vaccine had been approved yet. Mitigation focused on quarantines, masks, and

frequent testing. Through late October, 663 COVID cases had been recorded among seafood workers, making up 5 percent of Alaska's total cases.

The biggest outbreak came during the last two weeks of July, at the height of the salmon season, and two-thirds of the summer cases hit during that short window.

For example, in one of the largest factory outbreaks last year, three-quarters of the employees at Copper River Seafoods in Anchorage tested positive in July. It's worth noting that, unlike most processing plants, Copper River's workers are

Nonresident seafood workers were 1.6% of all COVID cases



*The DHSS seafood industry designation comprises all seafood workers, including harvesters.

Note: Includes all COVID-19 cases reported in Alaska from the start of the pandemic through August 2021.

Sources: Alaska Department of Health and Social Services Coronavirus Response Hub and Alaska Department of Labor and Workforce Development, Research and Analysis Section

mainly Alaskans and they're working in an urban rather than remote setting.

Vaccines changed the game for the industry early this year

The largest outbreaks in 2021 so far came early, right before vaccines were widely available. A wave of infections as pollock season began in the Aleutians shuttered two of Alaska's largest plants, Trident and UniSea, near the end of January.

The surge hit in February. Late January through early March of 2021 recorded 713 COVID cases among seafood workers, with 552 in February alone.

February is a low-activity month for seafood processing, but several commercial seasons extend through February and in a regular year represent about 8,000 to 9,000 jobs processing cod as well as some shrimp and crab.

Partly in response to winter outbreaks in the industry, the state shifted gears in February and offered the vaccine to nonresident seafood workers, deeming the industry critical infrastructure.

With that early vaccine access, COVID cases among seafood workers fell dramatically. Case counts remained comparatively low even through the summer peak as high vaccination rates and mitigation measures continued to pay off.

A small plant in Cordova shut down after an outbreak in July, but overall, seafood workers (resident and nonresident) made up about 1 percent of Alaska's COVID cases during the 2021 salmon season. In contrast, they represented 11 percent of all Alaska cases last year at the summer peak.

How processing job levels compared in 2020 and 2021

Last April, the first month the pandemic reverberated through the job numbers, the industry was 1,100 jobs below the previous year. That's a lot, but the seafood processing job count varies by hundreds and sometimes thousands under normal conditions.

Summer brought the steepest losses, with July's peak employment down 21 percent from July 2019.

Things started to turn around by late fall, although that's the slowest part of the year. During the last few months of 2020, employment was actually up from 2019, by between 11 and 18 percent, before declining again in early 2021.

The first three months of this year had fewer processing jobs than the first quarter of 2020, before the pandemic, and about 10 percent fewer than the same period in 2019. By summer, though, job numbers were up 10 to 17 percent from last summer's pandemic lows.

Continued on page 17

Only small cruise ships — about 250 passengers max — can dock in Petersburg. In contrast, a 1,200-foot cruise ship with a capacity for 4,000 passengers docked in Ketchikan for the first time on Aug. 2 of this year.

According to KRBD in Ketchikan, the ship held just 600 nonpaying passengers on this “dry run” to test pandemic protocols — but its size illustrates the vast difference in capacity between Petersburg and Southeast’s other tourism-centered towns.

An overview of Petersburg's earnings and other industries

Other prominent industries are local government and health care, which are mainstays in smaller towns. Petersburg's state government presence

is mostly Fish and Game and includes its research vessel R/V Kestrel.

While Petersburg has a reputation as a wealthy town, its wages outside of seafood harvesting and its total income are on the low side for Alaska. The borough's median household income was \$69,948 in 2019, and statewide it was \$77,640.

In early 2021, the average employee in Petersburg was making \$42,816 per year compared to \$57,888 for the average Alaskan.

The area's small number of federal jobs pay the highest wages by far, at an average of \$77,568. Other high-paying industries in Petersburg include water transportation and construction.

Sara Whitney is the editor of *Alaska Economic Trends* magazine. Reach her in Juneau at (907) 465-6561 or sara.whitney@alaska.gov.

FISH PROCESSING

Continued from page 12

Labor shortages remained a problem throughout 2021

Last year, workers were broadly unavailable because of travel restrictions, reduced airline service, strict quarantine requirements, and worker hesitancy. As mentioned before, seafood processors mainly come from other states and countries to work in remote areas and live in employer-provided dorm-style housing.

While travel is no longer an issue and vaccines have constrained factory outbreaks, the pandemic is still taking its toll. With the national economy regaining ground but struggling with a shortage of willing workers, processors are competing for workers who may have more options than they had before.

Relief money still pending, but some areas' runs improved

Last year's salmon runs were so low that Cordova, Petersburg, and Ketchikan declared local

economic disasters. Between COVID-19 and bad runs, the state received \$50 million in federal CARES Act funding in 2020 for fishing industry relief.

Alaska divided the money roughly in thirds for commercial seafood harvesters, seafood processors, and the sport fishing industry, but hadn't distributed any of those funds when this article was published.

This year's salmon season was strong overall, but it varied by area. Robust runs improved the picture for Southeast and Cook Inlet. Bristol Bay harvests were down from 2020 in most species except sockeye, although sockeye is its dominant harvest. Sockeye arrived in greater numbers than the year before but with smaller-than-average fish.

The Arctic-Yukon-Kuskokwim area performed poorly in 2021, realizing none of its expected catch of sockeye or king and only half the predicted chum harvest, but a threefold bounty of pinks offset the losses somewhat.

Salmon prices also rose this year, especially for kings, as restaurants reopened and global demand picked up. In a uniquely Alaskan price comparison, a king salmon's value briefly exceeded that of a barrel of oil in July.

Karinne Wiebold is an economist in Juneau. Reach her at (907) 465-6039 or karinne.wiebold@alaska.gov.