



# ECONOMIC OUTLOOK SURVEY

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WEST COAST GROUND FISH INDUSTRY



Authors:

Alison Rowe, Community Impact  
Jana Hennig, Executive Director

Layout & Illustration: Marie Janine Murmann

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Positively Groundfish  
1592 Union Street #336  
San Francisco, CA 94123  
[www.positivelygroundfish.org](http://www.positivelygroundfish.org)

# HELLO!

Welcome to our 2020 Economic Outlook Survey of the West Coast Groundfish industry! 2020 is proving to be an extraordinary year, bringing unprecedented challenges and change to the country and our industry, which are clearly reflected in these survey results. We conducted this survey in August 2020, six months into the COVID-19 pandemic that, despite re-opening efforts, is still devastating the US economy and many international markets. The pandemic has led to record unemployment and economic decline, restaurant closures, huge changes in consumer behavior, and costly health and safety precautions on vessels and processing facilities.

Positively Groundfish conducts this industry survey with the same set of questions at regular annual intervals, painting a longitudinal picture of our industry over time. Every year we survey West Coast Groundfish fishermen, processors, community supported fisheries, as well as consumer packaged goods manufacturers to unveil and quantify their perceptions and expectations of the market, of key challenges and opportunities and of their own organizations' plans over the coming 12 months. It is, in essence, a pulse check on the West Coast Groundfish industry.

Economic outlook studies are inherently subjective. They are a study of subjective sentiment of key participants and their predicted behavior, rather than a purely quantitative economic analysis. And as with all predictions of the future, they are inherently inaccurate, biased

and cannot take into account the unexpected or unknown. Nonetheless, tracking economic confidence of key industry participants is valuable as a leading economic indicator and has some predictive ability. First, industry participants often have a forward view of contracts, new products, projects or investments that are in the pipeline but are not yet public. Second, they have a much more intimate understanding of their own resources, production factors and ability or limitations to meet the challenges they face. And finally, while industry participants' economic outlook and confidence is subjective, it is after all their subjective point of view that will be driving their decisions and behaviors, and collectively, that of the industry. Our hope is that this survey will prove insightful for policymakers, investors, researchers, media as well as members of our industry and communities.

Yours positively,

Jana Hennig  
*Executive Director*





# METHODOLOGY

## Data Collection

The 2020 West Coast Groundfish Industry Economic Outlook Survey was administered via Google Forms in August of 2020. Participants were emailed the survey link and personally invited to participate. Industry leaders were asked to forward the survey link to their contacts in the groundfish industry. A copy of the survey is provided at the end of this report.

Forty-seven individuals from the groundfish industry completed the survey. All of the participants' responses were included in the study. We acknowledge that this study is not comprehensive of all industry participants and perspectives. Further, the processors represented in the study process over 90% of the non-whiting West Coast groundfish volume. Whereas, the commercial fishermen in the study represent just under one-third of the vessels in the fishery.

### Total: 47 Respondents

#### Organizations



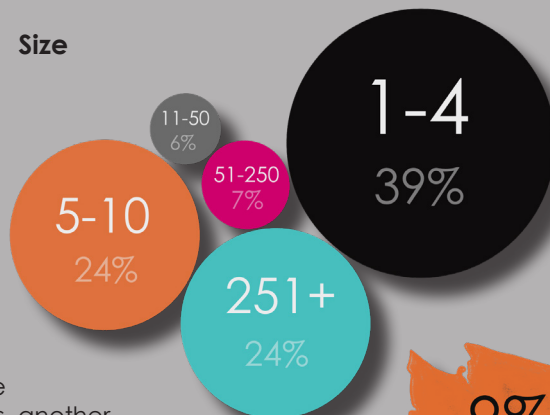
## Survey Participant Profile

The 2020 West Coast Groundfish Industry Economic Outlook Survey was completed by 47 individuals directly involved in the West Coast groundfish fishery. Twenty-seven respondents represented harvesters (commercial fishing captains or boat owners), fifteen represented processors, four represented community supported fisheries (CSF), and one represented consumer packaged goods (CPG) manufacturers.

All respondents were senior decision-makers in their respective organizations. A third were fishing vessel captains and skippers, another third were CEOs and business owners, and the remaining third were general managers, plant managers, heads of productions, and heads of sales, marketing, and distribution. Because of their positions, these respondents understand the range of opportunities and challenges facing their organizations, and have the authority to make investments, adjust personnel, and determine business strategy.

Organization size varied among survey participants. Almost two-thirds represented organizations with 10 or fewer employees, about a quarter represented organizations with more than 250 employees, and the remainder represented organizations with 11 to 250 employees. All of the processors employ more than 50 employees. Whereas, all of the commercial fishing, CSF, and CPG operations employ 50 or fewer employees. Over two-thirds of respondents operate in Oregon, just under a quarter operate in California, and less than 10% operate in Washington, which is fairly representative of the West Coast groundfish landing volumes by state.

#### Size



#### Location





# KEY INSIGHTS

- 1** The majority of respondents have a pessimistic outlook for the U.S. seafood industry as a whole, as well as the West Coast groundfish industry and their organizations in particular.
- 2** Respondents are more optimistic about their own organizations' prospects compared to their sentiments about the wider U.S. seafood and West Coast groundfish industries. Processors, CSFs, and CPGs are more optimistic than commercial fishermen who tend to be more pessimistic about next year.
- 3** Almost 90% of fishermen, but only half of processors and no CSFs or CPGs, expect their revenues to decline. Revenue declines are expected chiefly on account of falling prices rather than lower volume.
- 4** CSFs & CPGs have taken advantage of market opportunities and new customers during the COVID-19 pandemic, and are optimistic about the coming 12 months. They are anticipating revenues and profits to increase, and planning to invest in equipment and hire more employees.
- 5** While fishermen are generally hesitating to increase investments, processors and CSFs expect to be making greater investments in equipment and technology over the coming year (possibly more automation in response to lack of skilled labor; building ecommerce operations).
- 6** Generally, respondents anticipate West Coast groundfish will remain as important to their organizations as it was previously, except for CSFs who believe it will become more important.
- 7** There is excess capacity in the industry (i.e. underutilization) both in terms of available fish/quota and production capacity/vessel capacity.
- 8** Despite record unemployment in the U.S. processors are still unable to find and retain skilled labor, which is the key bottleneck for growth of the industry. In fact, processors consider this their greatest challenge, even ahead of challenges associated with the COVID-19 pandemic.
- 9** In 2020, the state of the economy, which was not a ranked concern in 2019, has shot to the top of the list of challenges facing the West Coast groundfish industry.
- 10** The industry's current pessimism about the future contrasts with the cautiously optimistic outlook reported in our 2019 survey. COVID-19 has been a serious set-back to the burgeoning economic recovery of the West Coast groundfish industry.



# 1. ECONOMIC OUTLOOK

The first question of the economic outlook survey asked participants to select the ratings that describe their economic outlook for the next 12 months for the U.S. seafood industry as a whole, the West Coast groundfish industry specifically, as well as their own organizations.

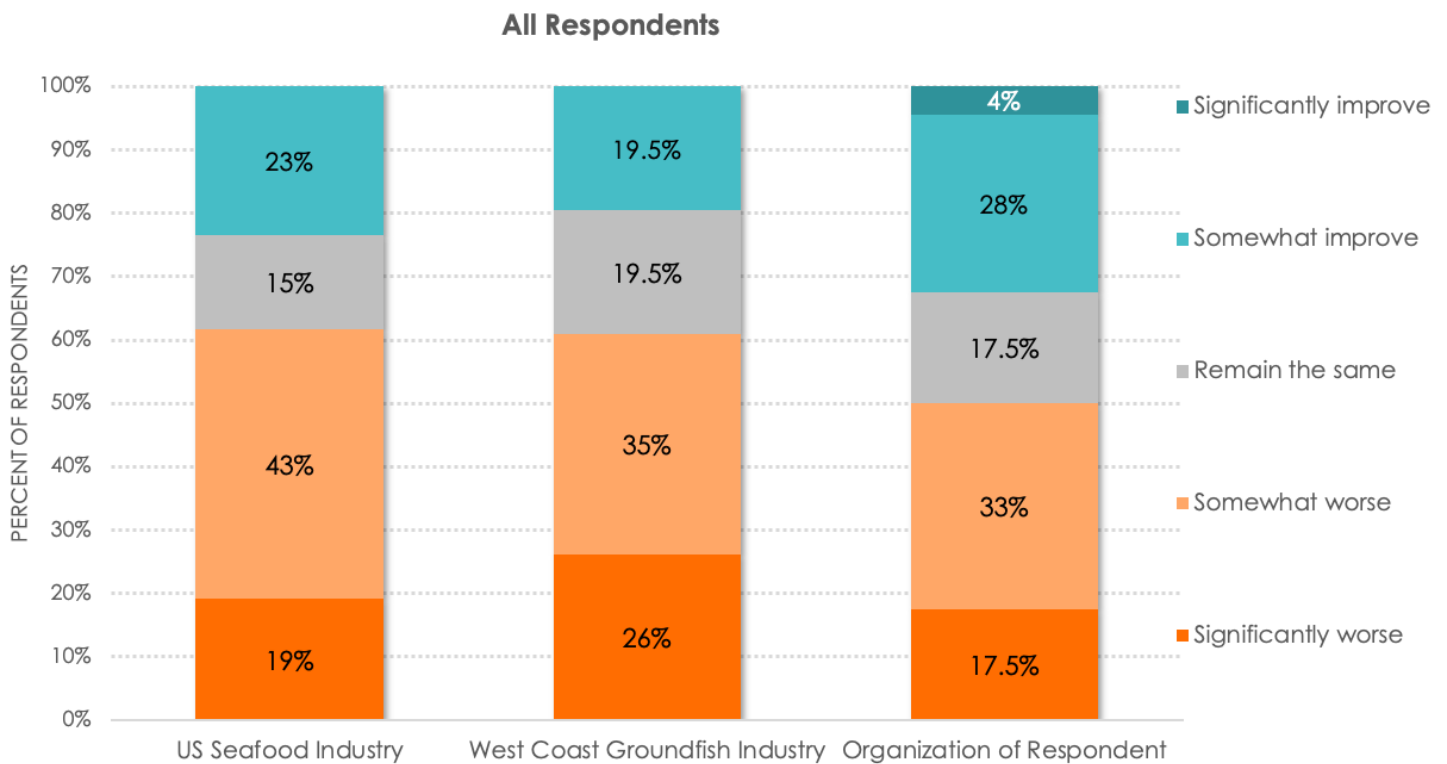
The majority of respondents expect that economic conditions in all three categories will worsen in the next 12 months. They are more optimistic about the economic outlook for their own organizations as compared to their outlooks for the U.S. seafood and West Coast groundfish industries. Over 60% of all respondents forecast that the economic conditions of both the U.S. seafood market and the West Coast groundfish industry will worsen, whereas approximately 50% believe their organizations' condition will worsen. "Somewhat worse" was the most commonly chosen response in all three categories and highest for the wider U.S. seafood market at 43%.

Respondents are most pessimistic about the West Coast groundfish industry, with 26% of respondents choosing "significantly worse." While both the U.S. seafood and West Coast groundfish markets are expected to decline, respondents believe that the West Coast groundfish fishery will be more severely impacted. This may be because West Coast groundfish is primarily sold as fresh product to the foodservice sector, which has been significantly affected by the COVID-19 pandemic, whereas other seafood types are sold mostly in the retail sector. With seafood sales shifting to retailers because more people are eating at home, the familiar seafood species and packaged seafood items may be more appealing to consumers than unfamiliar, fresh groundfish products. Given the current instability of the U.S. economy, the respondents' pessimism is not surprising.

It is interesting that respondents are more optimistic about the economic outlook of their own organizations. Almost a third of all respondents expect their organizations' conditions to improve, even though they believe that consumers will be buying less seafood. Twenty-eight percent believe their conditions will "somewhat improve" and 4% believe their conditions will "significantly improve." This positive sentiment may be due to product and marketing innovation of the respondents' organizations, which they expect will improve their advantage in the market and overall economic performance.



**Q1:** Please select the rating that best describes your view of the economic outlook for the next 12 months (compared to the most recent 12 months). I expect it will get ...



## Results by Participant Group

There are noticeable differences in the economic confidence of respondents when grouped by organizational affiliation and an interesting pattern emerges. Commercial fishermen are quite pessimistic about all three categories. Overall processors are much more optimistic than fishermen and are relatively evenly split between positive and negative outlooks for the three categories. CSFs and CPGs shift from optimism about their own businesses to pessimism about the West Coast groundfish and U.S. seafood industries.

All participant groups are more confident in their own organizations than the market as a whole. Yet, their levels of economic confidence vary significantly between participant groups. Sixty-five percent of commercial fishermen expect business will be worse in the coming year and only 16% expect business will somewhat improve. Fifty-three percent of processors are positive about their businesses in the coming year and 40% are negative. While 60% of CSFs and CPGs expect that business will improve, including 20% expecting business to improve significantly, and none expect that business will be worse in the coming year.



These divergent outlooks on their own businesses are likely the result of the groups' vastly different experiences during the COVID-19 pandemic and the adaptability of their businesses. Commercial fishermen faced decreases in ex-vessel prices, landing volumes, and demand for their products as well as increases in operating costs. In the survey commentary, several fishermen expressed that this has been the worst season in a long time, or possibly the worst ever. Also, fishermen tend to participate in just a few fisheries, and therefore, have fewer opportunities to diversify their businesses in response to changing economic conditions. Conversely, processors tend to be diversified businesses with many seafood species, product lines, and buyers. Although processors lost many of their foodservice customers due to restaurant and institution closures, their retail customers were still buying seafood in response to increased consumer demand for food at home. CSFs proved to be highly adaptable during the pandemic. Many CSFs experienced increases in demand for their products and services. One CSF owner wrote in the survey commentary that the impacts had been "advantageous" for his business.

In regards to the U.S. seafood and West Coast groundfish markets, fishermen expect conditions to be much worse in the coming year. About 70% of fishermen forecast both markets will decline. They are slightly more negative about the West Coast groundfish industry, with over a third expecting that conditions will be significantly worse. Processors are more positive than negative about the U.S. seafood industry, but only slightly. However, they are more pessimistic about the West Coast groundfish industry. Over 50% of processors expect that conditions will be worse for West Coast groundfish, whereas only a third expect conditions to improve. As for CSFs and CPGs, 40% expect that both markets will be significantly worse and an additional 20% expect that the U.S. seafood market will be somewhat worse, but only 20% expect both markets to somewhat improve.

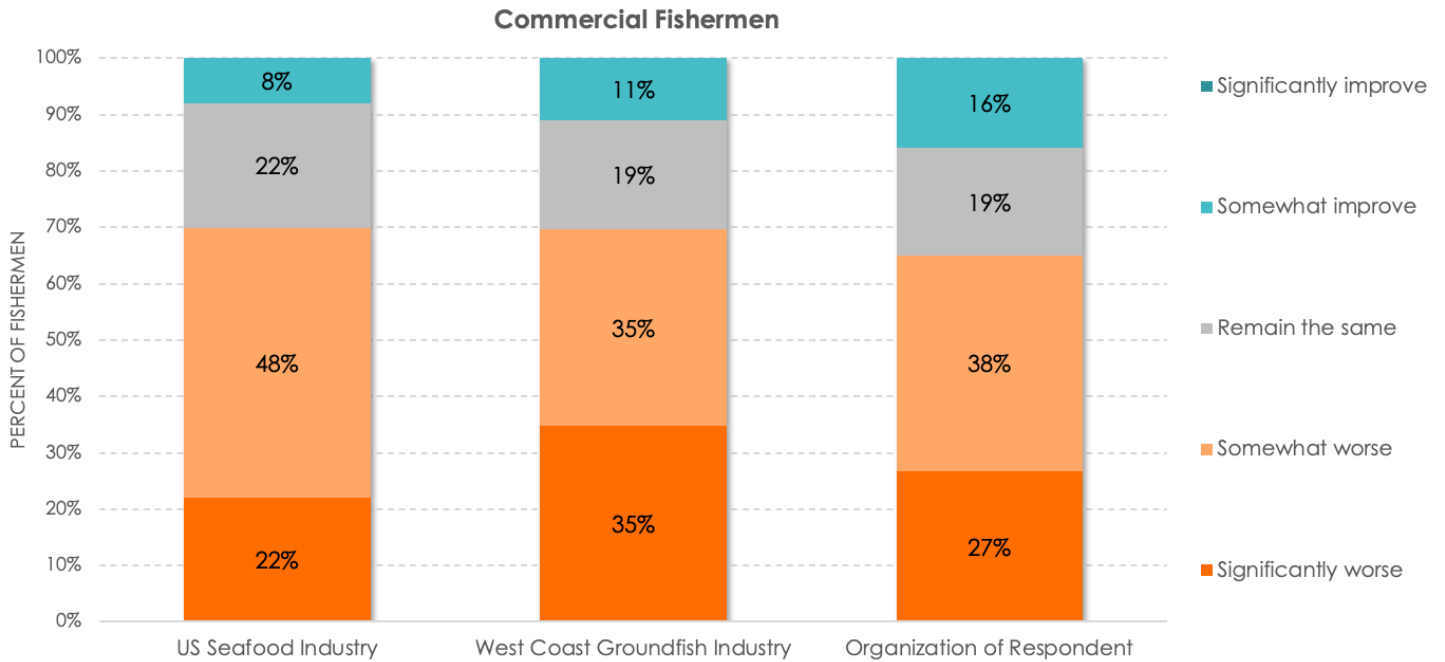
Processors' slight optimism in the U.S. seafood market but pessimism in West Coast groundfish suggest that they expect consumers will be purchasing more seafood overall but choosing non-groundfish species over West Coast groundfish products. As mentioned above, processors have a wider view of the seafood industry due to the number of species they process and sell. Also, of the three groups, processors generally have the most information about the downstream supply chain and markets, pending deals, new product launches, and consumer level data, which may give them more confidence in the future. Further, processors may have a more optimistic outlook on seafood markets because they have higher confidence in their ability to extract value from their product lines, including West Coast groundfish, through negotiation power or projected efficiency gains. This may also explain why CSFs are more positive about West Coast groundfish than U.S. seafood. They are confident in their ability to market and sell local fish in local markets. And as CSFs are mostly focused on local markets, their views of the U.S. market may be driven by the overall U.S. economy as opposed to the seafood industry. The pessimistic outlooks of fishermen were echoed in the survey commentary. One commercial fisherman wrote, "I am an owner operator that fishes only groundfish and have for over 30 years. I feel worse about the economic outlook for the industry than I ever have."

Finally, confidence and economic outlook are inherently subjective and may be influenced by participants' general outlook on life, tendencies toward optimism or pessimism, and varying interpretations of events and information. Different roles in the industry may attract people with different dispositions reflected in this survey.

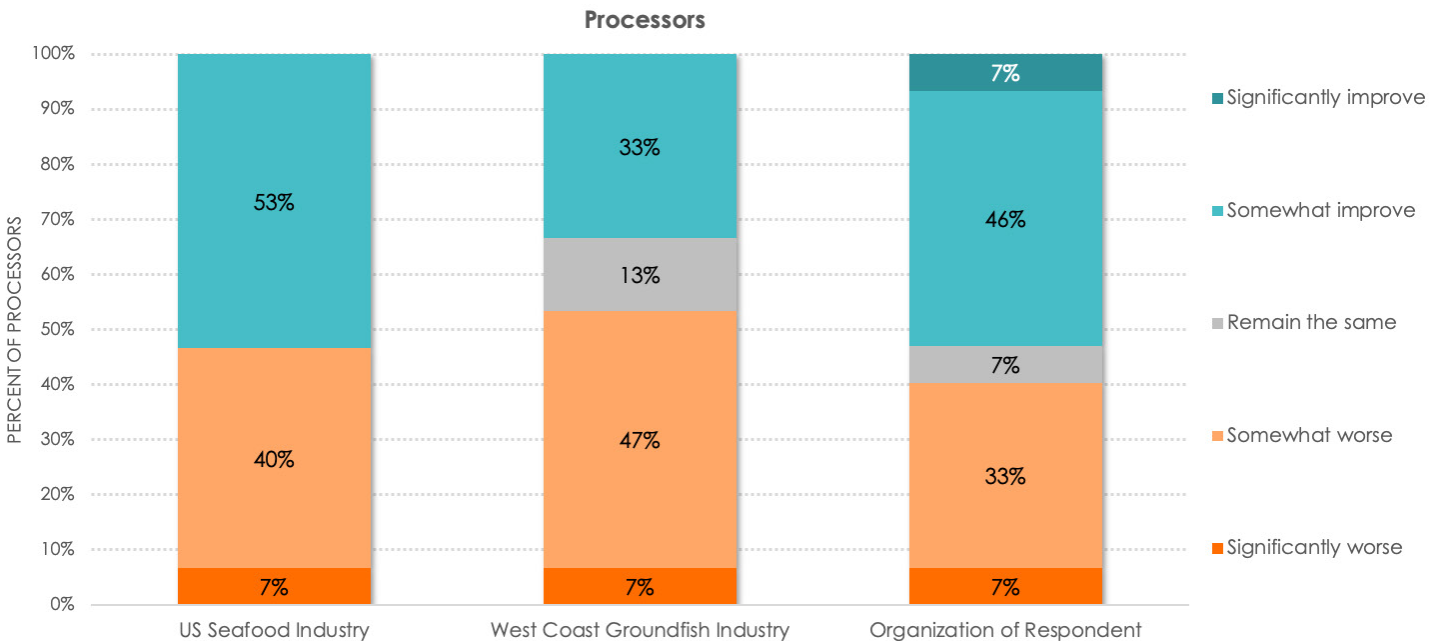




**Q1:** Please select the rating that best describes your view of the economic outlook for the next 12 months (compared to the most recent 12 months). I expect it will get ...



**Q1:** Please select the rating that best describes your view of the economic outlook for the next 12 months (compared to the most recent 12 months). I expect it will get ...





**Q1:** Please select the rating that best describes your view of the economic outlook for the next 12 months (compared to the most recent 12 months). I expect it will get ...





## 2. ORGANIZATIONAL INDICATORS

Next, we asked survey participants about their expectations of the probable change of key organizational economic indicators related to West Coast groundfish over the next 12 months.

Please note, when referencing the organizational indicators graphics, the orange bars are not inherently negative and the blue bars are not inherently positive. While declines in indicators like revenue and profit are negative, increases in indicators like input costs and cost per employee may also be negative, and certainly affect profit.

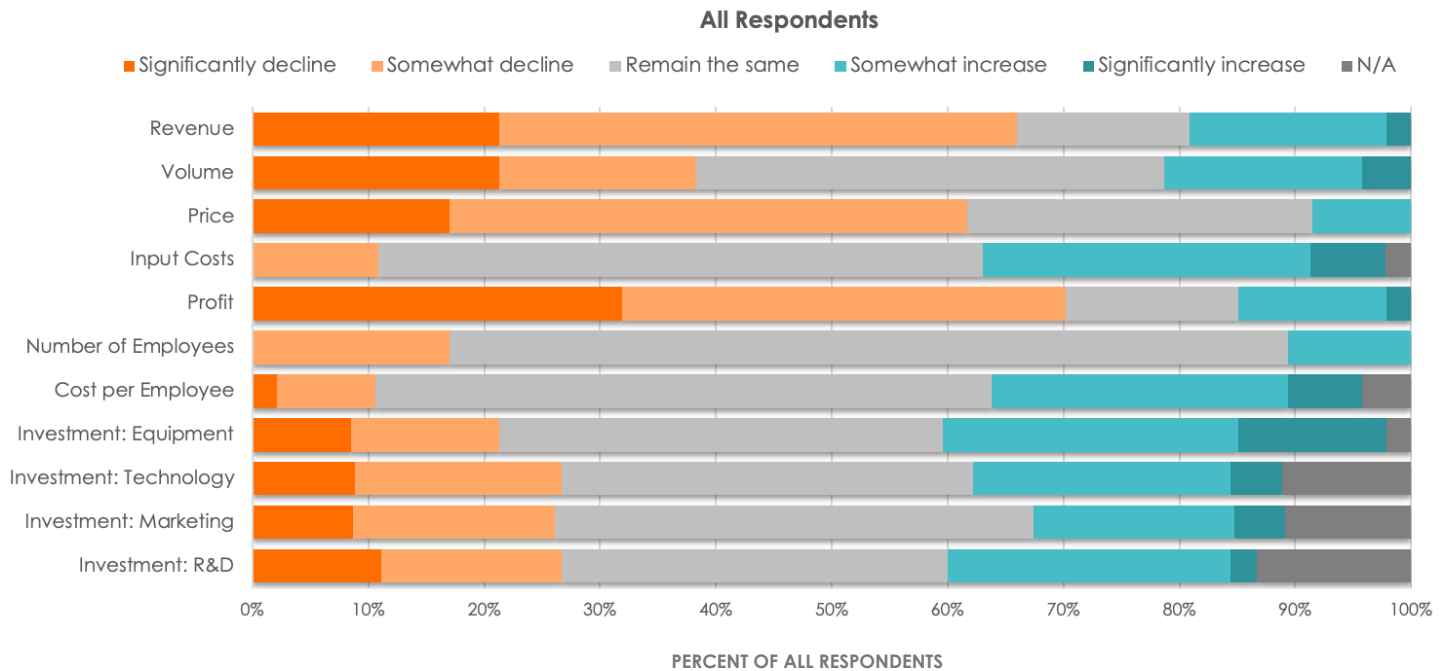
Two-thirds of all respondents expect their revenue from West Coast groundfish to decrease, while less than 20% expect revenue to increase. This loss in revenue seems to be driven by the expectation that groundfish prices will decline in the coming year, more so than a decline in volume. Over 60% of respondents expect prices to decline and less than 10% expect prices to increase, whereas less than 40% expect volumes to decline and over 20% expect volumes to increase. That said, over 20% of respondents expect production volume related to West Coast groundfish to decline significantly.

Profit from West Coast groundfish is expected to decline more than any other indicator. Seventy percent of respondents believe that their profit will decline, including almost a third who believe that profit will significantly decline. In addition to lost revenue, the majority of respondents expect their groundfish-related input costs to increase or remain the same. Over 70% of respondents expect that their number of employees will remain relatively stable and almost a third expect the cost per employee to increase. Many businesses in the seafood industry and across the broader U.S. market have experienced increases in operational costs and cost per employee during the COVID-19 pandemic.

Respondents are relatively split on changes in West Coast groundfish-related investments in equipment, technology, marketing, and research & development. Approximately a quarter of respondents expect investments to increase and another quarter expect investments to decline. Organizations planning to invest are likely responding to market changes, new opportunities in the West Coast groundfish industry, and groundfish product innovation in order to adapt to changing market conditions and grow their businesses. Although, most commonly, respondents expect that their investments will remain the same indicating that they are at least somewhat confident in the West Coast groundfish market.



**Q2:** Please indicate your view of the probable change over the next 12 months (vs most recent 12 months) for your organization, for the following key indicators, as it relates to WC Groundfish.



## Results by Participant Group

Similar to economic outlook, commercial fishermen are the most pessimistic about organizational indicators related to West Coast groundfish. Processors are more optimistic than fishermen, but somewhat split on their views of probable change across indicators. While CSFs and CPGs are the most optimistic group overall, although their sample size is much smaller than the other two groups.

Almost 90% of commercial fishermen expect their West Coast groundfish revenue to decline in the coming year, and a third of all fishermen expect that revenue will significantly decline. The consensus among fishermen is that the decline in revenue will be the result of decreases in groundfish prices, with over 80% expecting that prices will decline. Though price seems to be the primary driver impacting revenue, about 50% of fishermen expect landing volumes to decrease, including a third who believe volumes will significantly decrease. Given the state of the U.S. economy, it is not surprising that fishermen expect their revenue to decline because seafood is considered a luxury item that can be substituted with lower cost protein options.

As for processors, most expect that their West Coast groundfish revenue will decline, but about a quarter believe it will remain the same and another quarter believe it will increase somewhat. Similar to commercial fishermen, processors expect that reductions in price will be greater than reductions in volume. The quarter of processors who expect revenue and volume to increase may anticipate the return of their foodservice customers as businesses reopen or increases in retail customers and retail sales.

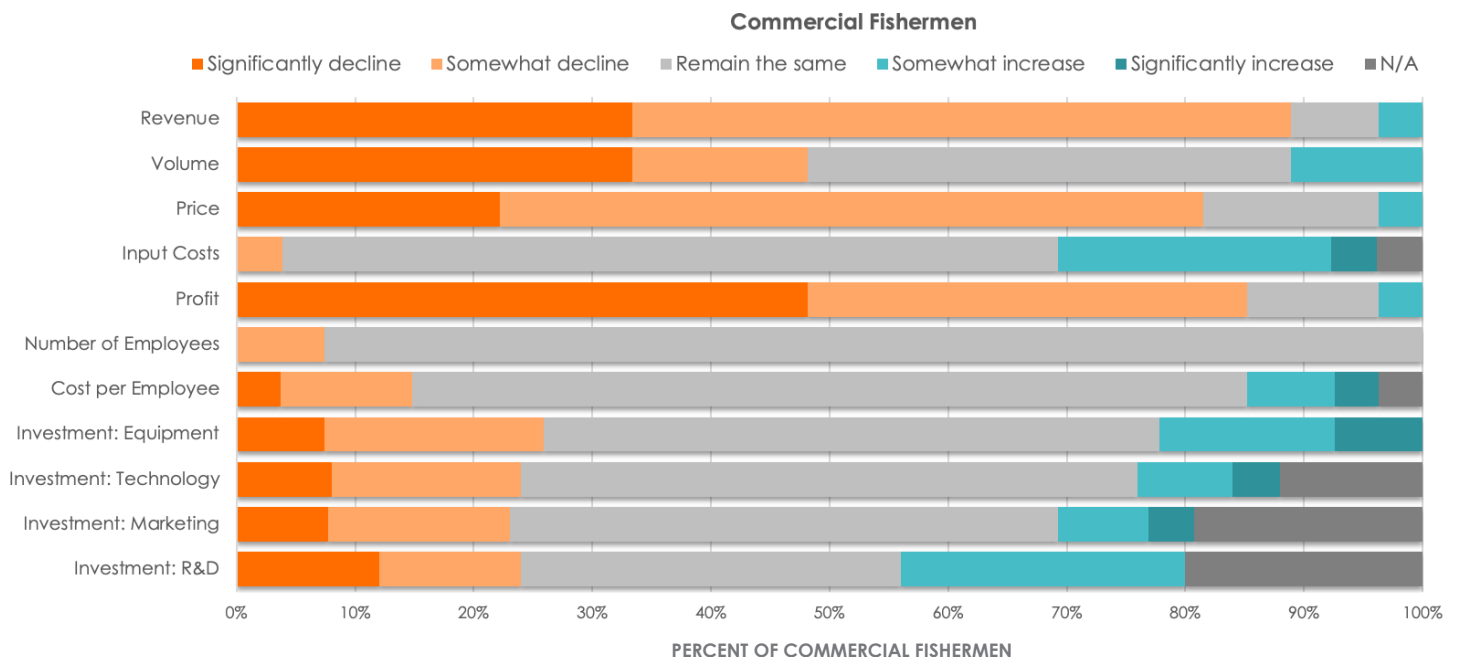


Quite opposite from fishermen and processors, CSF and CPG respondents are highly optimistic about West Coast groundfish revenue in the coming year. Eighty percent believe that revenue will increase and the remaining 20% expect revenue to stay the same. For CSFs and CPGs, the increase in revenue is linked to increases in production volume, with 60% believing volume will increase in the next year. The majority of CSFs and CPGs expect prices to remain the same and none expect prices to decrease. Their optimistic outlook on probable changes in these indicators is likely due to the success of their businesses during the pandemic. They are taking advantage of changes in the market and consumer behavior, and expect more consumers to use their products and services.

Expectations of change in West Coast groundfish profit follow a similar pattern to revenue. Eighty-five percent of all fishermen expect profit to decline, with almost 50% believing that profit will significantly decline. Fishermen are more pessimistic about profit than any other indicator. While some fishermen expect increases in input costs and the cost per employee, the majority expect that these factors will remain the same. Therefore, their expectation of significant profit loss is more strongly linked to declining revenue as opposed to increasing costs.

Sixty percent of processors also expect West Coast groundfish profit to decline. But in the case of processors, 40% expect input costs to increase and two-thirds of all processors expect the cost per employee to increase. According to some processors, operational costs have skyrocketed due to the pandemic, including increased sanitation, providing COVID-19 testing, and supplying personal protective equipment for employees, just to name a few. These costs are expected to continue in the foreseeable future. For processors, their expected profit loss is attributed to increasing costs more so than directly linked to decreases in revenue.

**Q2:** Please indicate your view of the probable change over the next 12 months (vs most recent 12 months) for your organization, for the following key indicators, as it relates to WC Groundfish.



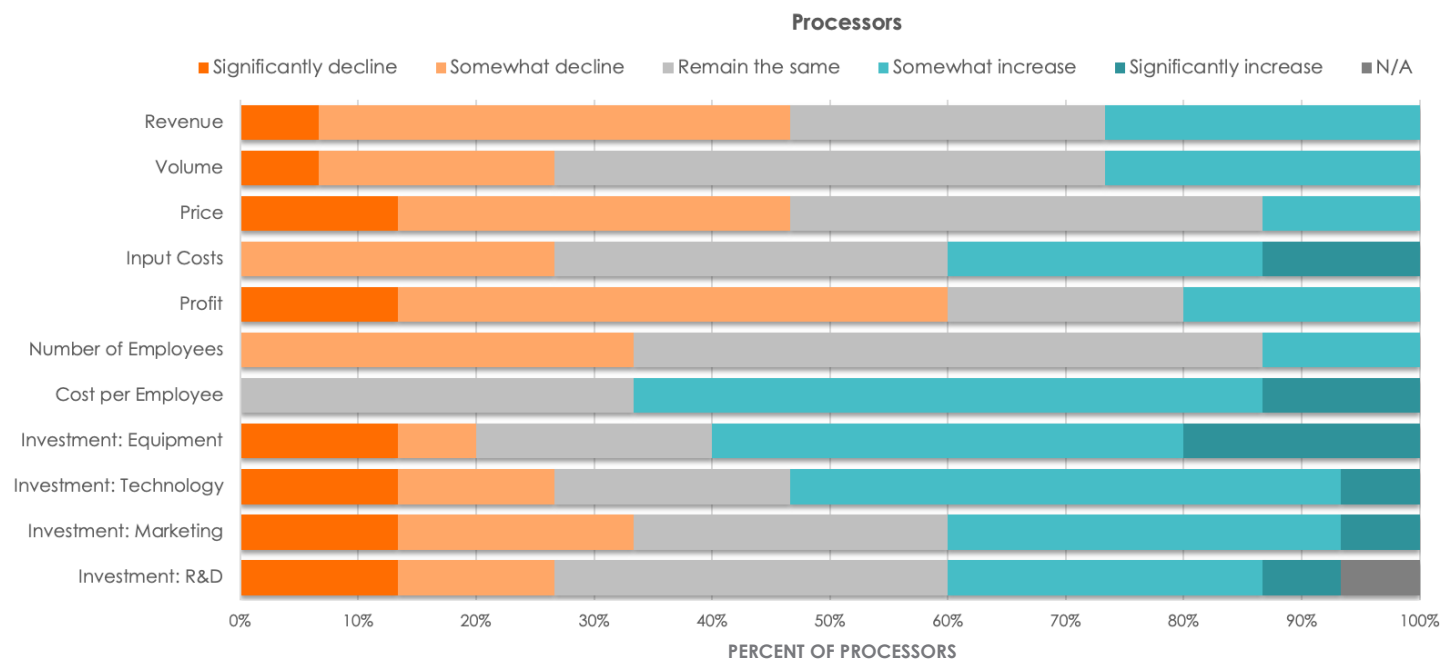


CSFs and CPGs expect West Coast groundfish profit to increase, but more conservatively than revenue. Sixty percent expect that profit will increase and only 20% believe that it will decrease in the coming year. Sixty percent also expect that input costs and the cost per employee will increase. Consequently, the profit gains expected by CSFs and CPGs are linked to increases in sales volume and only minimally affected by increasing costs. This suggests that CSFs and CPGs are expecting more customers and increased consumer demand in the coming year.

As for probable change in West Coast groundfish-related business investments in equipment, technology, marketing, and research & development, commercial fishermen expect their investments to be relatively stable but decline more than increase. Stable investments are not surprising as commercial fishing generally requires constant investments, especially in equipment. But next year, the majority of fishermen do not plan to grow their businesses in the downturned market. The overwhelming majority of commercial fishermen expect their number of employees to remain the same. Stable employment numbers combined with relatively stable investments suggest that fishermen intend to stay in the West Coast groundfish fishery even though they expect revenue and profit to decline in the coming year.

Processors expect to increase their investments more so than they expect to decrease them. Two-thirds of all processors plan to increase investments in equipment and over half expect to increase investments in technology. One explanation for processors investing more in equipment and technology may be that they are planning to automate processing due to a lack of skilled filleters and rising employee-related costs. This sentiment was reflected in the survey commentary. The move to automation may also contribute to expected decreases in the number of employees. While most processors expect to have the same number of employees next year, a third believe that their employment numbers will decrease. Additionally,

**Q2:** Please indicate your view of the probable change over the next 12 months (vs most recent 12 months) for your organization, for the following key indicators, as it relates to WC Groundfish.

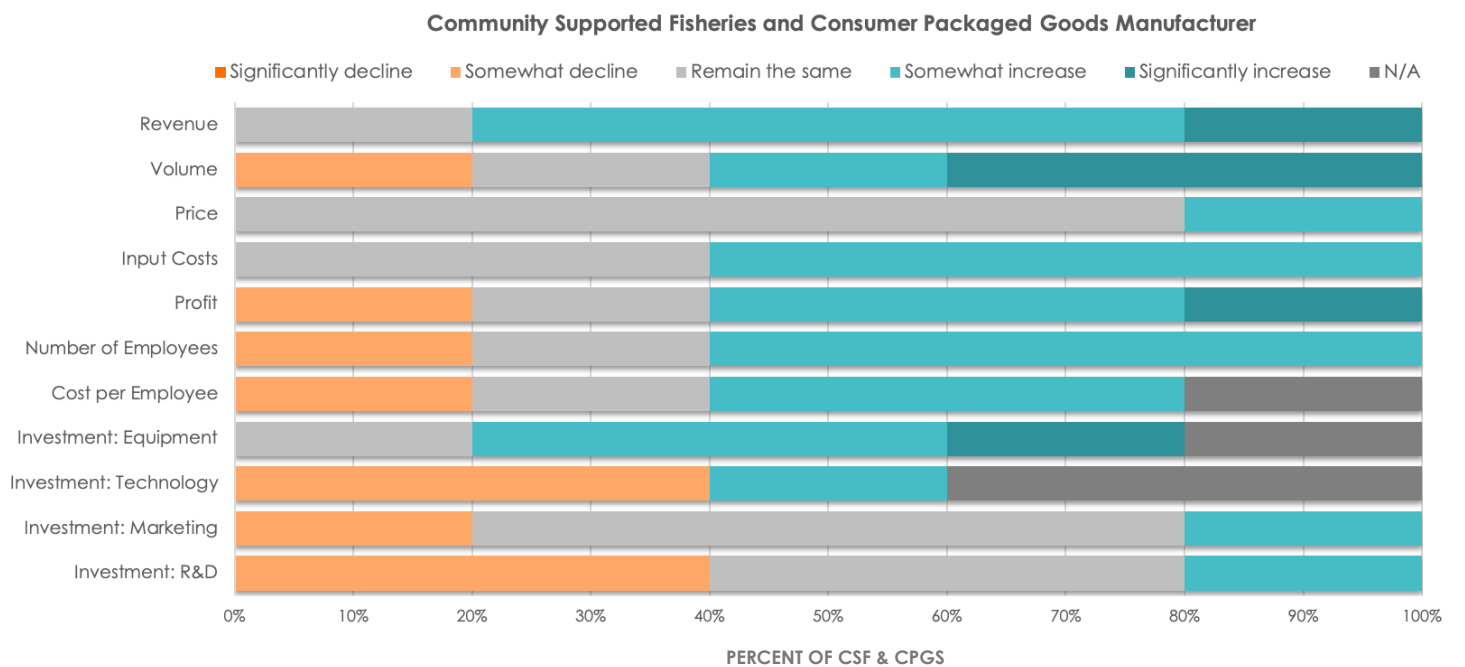




the majority of processors plan to continue investing or increase their investments in marketing and research & development. Plans to increase investments and maintain stable employment numbers indicate that processors are confident in the long-term potential of the West Coast groundfish market.

Finally, CSFs and CPGs plan to increase their investments in equipment more so than the other investment categories. Sixty percent of CSFs plan to invest more in equipment, whereas only 20% plan to invest more in technology, marketing, and research & development. CSFs and CPGs may be investing more in equipment given that they expect their production volume to increase, and therefore, need to increase production capacity. Their need for more capacity is supported by the fact that 60% of CSFs and CPGs expect to increase the number of employees in their businesses. While the majority of CSFs and CPGs expect investments in marketing and research & development to remain the same or increase, the majority also expect investment in technology to decline or are unsure about their investment level in this category. Their expectation to decrease investment in technology is particularly interesting as CSFs and newer CPGs tend to rely on online sales, so one might expect increasing or at least stable investment in technology from this group. Regardless, the plans of CSFs and CPGs to invest more in equipment, increase production capacity, and hire more employees reflect their overall confidence in the West Coast groundfish market and recognition of opportunities for growth.

**Q2:** Please indicate your view of the probable change over the next 12 months (vs most recent 12 months) for your organization, for the following key indicators, as it relates to WC Groundfish.





### 3. RELATIVE IMPORTANCE OF WEST COAST GROUND FISH

The third question of this survey asked participants about the relative importance of West Coast groundfish to their organizations over the next 12 months. Responses to this question were grouped based on the business of the respondent. Once grouped, a familiar response pattern emerged, similar to the patterns seen in responses to the previous two questions about organizational economic outlook and key organizational indicators.

Commercial fishermen expect the least amount of change and are the most pessimistic about West Coast groundfish increasing in importance in their businesses. Seventy-four percent of commercial fishermen expect that West Coast groundfish will remain as important in the coming year, while only 15% expect change in either the positive or negative direction. This was the only group that indicated West Coast groundfish may decrease in economic importance. Given that most fishermen do not fully utilize their groundfish quota, there is room for this fishery to increase in economic value by increasing landing volumes. The minimal amount of change expected by fishermen is probably not because they lack quota. It is much more likely that they do not believe they could sell more groundfish than they currently sell. It may also be true that many of the fishermen represented in this survey are primarily groundfish fishermen. Therefore, groundfish is already the most important fishery to their business and they expect it to remain the most important fishery in the next year. But, the data indicates that they do not plan to expand their West Coast groundfish business. Additionally, fishermen may not be able to diversify their businesses as easily due to permitting and quota regulations as well as the sizeable investment in gear for different fisheries.

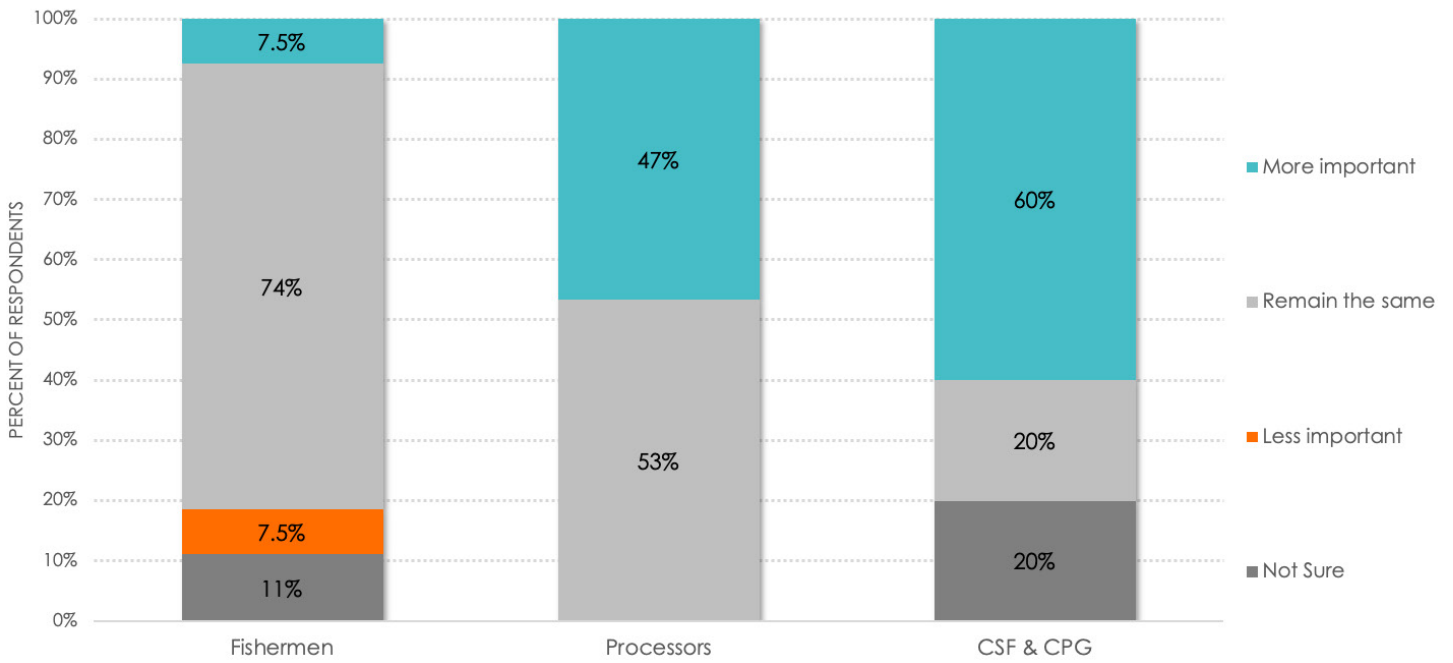
Processors are relatively evenly split in their business expectations about West Coast groundfish in the coming year. About half expect West Coast groundfish to increase in business importance and the other, slightly larger, half expect it to remain as important to their businesses. The processors who expect no change in groundfish importance may simply expect consistent performance from the groundfish products in their business portfolio. It may also indicate they believe that they could not sell more groundfish, even if it was available, similar to some fishermen. Alternatively, these processors may lack the capacity to increase production volume of groundfish. The processors who believe that West Coast groundfish will increase in importance may have access to insights about market opportunities, product innovations, and consumer demand for West Coast groundfish that result in their optimistic forecasting. Another consideration is that some processors may predict positive change because they expect U.S. consumers to eat more domestic whitefish, as opposed to imported whitefish, as a result of the pandemic.

CSFs and CPGs are the most optimistic about West Coast groundfish increasing in importance in their businesses. Sixty percent expect West Coast groundfish importance to increase, 20% expect it to remain as important, and 20% are unsure. It is most likely that the optimism of CSFs and CPGs results from increased sales of West Coast groundfish during the pandemic and anticipated business growth due to increased demand. Further, because CSFs tend to be small, they are fairly adaptable and responsive to local customers. Their close relationships with consumers may provide insights about growing demand for West Coast groundfish compared to demand for other species they sell in their local markets.





**Q3:** What is your expectation of the relative importance of West Coast groundfish to your organization over the next 12 months? I expect...





## 4. PRODUCTION FACTORS: EMPLOYMENT

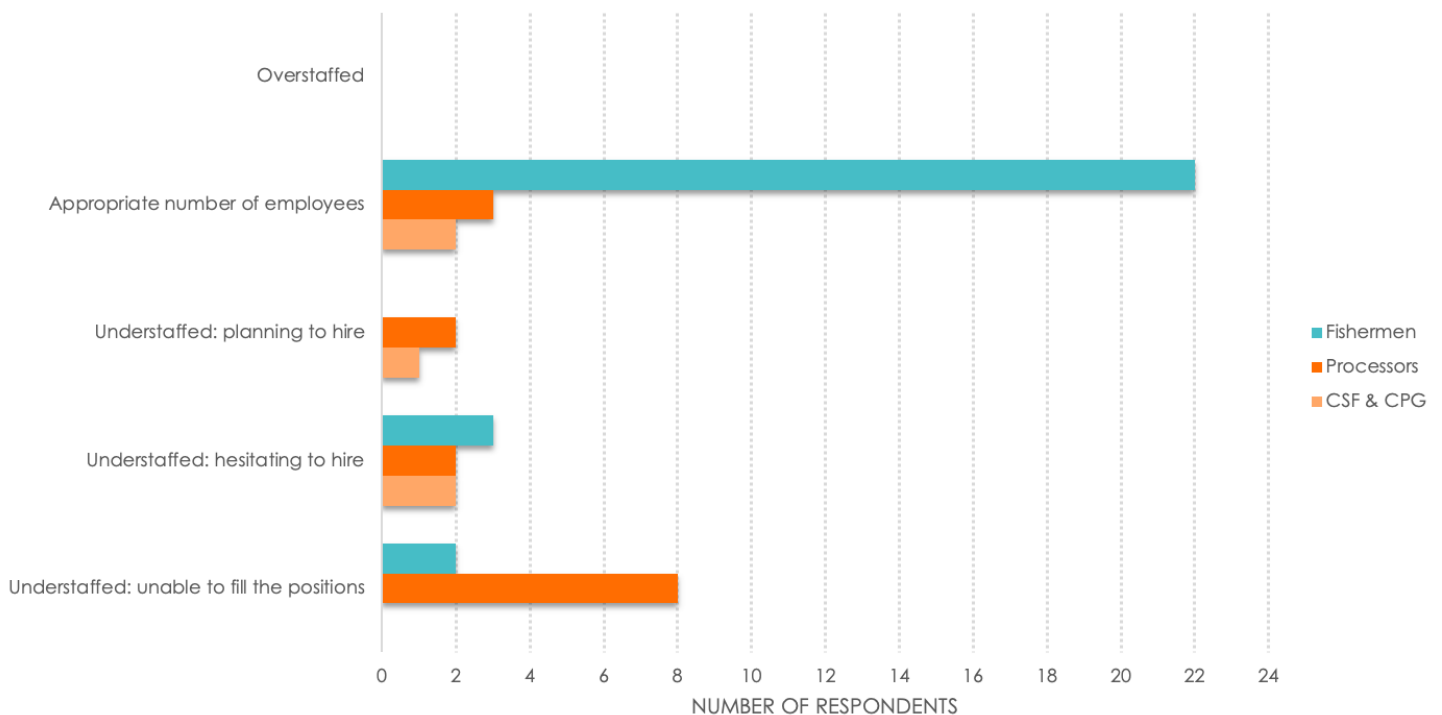
The fourth, fifth, and sixth questions of the economic outlook survey asked about organizational production factors. These factors are key operational inputs that shed light on areas for growth, systemic inefficiencies, and bottlenecks restricting growth in the West Coast groundfish sector. Question 4 asked participants to characterize their overall staffing levels relative to their needs.

Over 80% of commercial fishermen feel that their businesses have the appropriate number of employees, whereas only 20% of processors feel similarly. The majority of processors report that they are understaffed but unable to fill the positions, while most commercial fishermen, CSFs, and CPGs with understaffed businesses are hesitant to hire.

It is concerning that over half of processors are unable to find employees to fill open positions. In the survey commentary, one processor wrote, “Our biggest challenge is a lack of skilled seafood workers. For the last 5 years, our staffing has been only 70% of what we need. If we could produce more, we could sell it.” As this comment suggests, understaffed processors likely buy less groundfish than their processing facilities are designed to handle. Long-term, understaffing may lead to the closure of processing plants. These consequences of understaffed processors significantly impact the profitability of commercial fishermen and the industry as a whole.

Currently, the COVID-19 pandemic has resulted in record high unemployment in the U.S. Still, processors cannot find filleters for their processing lines. This lack of skilled labor is a key bottleneck restricting growth of the industry.

**Q4: Employment** - Given current conditions, how would you characterize your overall staffing situation relative to your needs?





## 5. PRODUCTION FACTORS: EQUIPMENT CAPACITY & UTILIZATION

Question 5 of the survey asked participants to characterize their overall production capacity relative to demand for their groundfish products.

Sixty-eight percent of respondents report that their organizations underutilize available production and equipment capacity (i.e., processing machinery, vessel size, etc.) relative to demand for their groundfish products. Over 80% of commercial fishermen and more than half of processors feel that their production capacity is underutilized. Twenty-one percent of respondents believe that their available capacity is utilized well relative to demand and the remaining 11% of respondents feel they have reached maximum utilization of their capacity.

Given that over two-thirds of respondents indicate that they underutilize their production and equipment capacity, it is likely that their organizations could grow without investing in equipment or additional facilities. Looking back at the responses from question 2 about economic indicators, almost 80% of commercial fishermen expect their equipment investments to remain the same or decrease in the coming year. These expectations align with the just over 80% of fishermen who report that they underutilize their production and equipment capacity. This suggests that the fishing sector has more than enough vessels, gear, and other equipment to expand production output. Therefore, it is relatively unlikely that West Coast groundfish fishing equipment capacity will increase in the coming year.

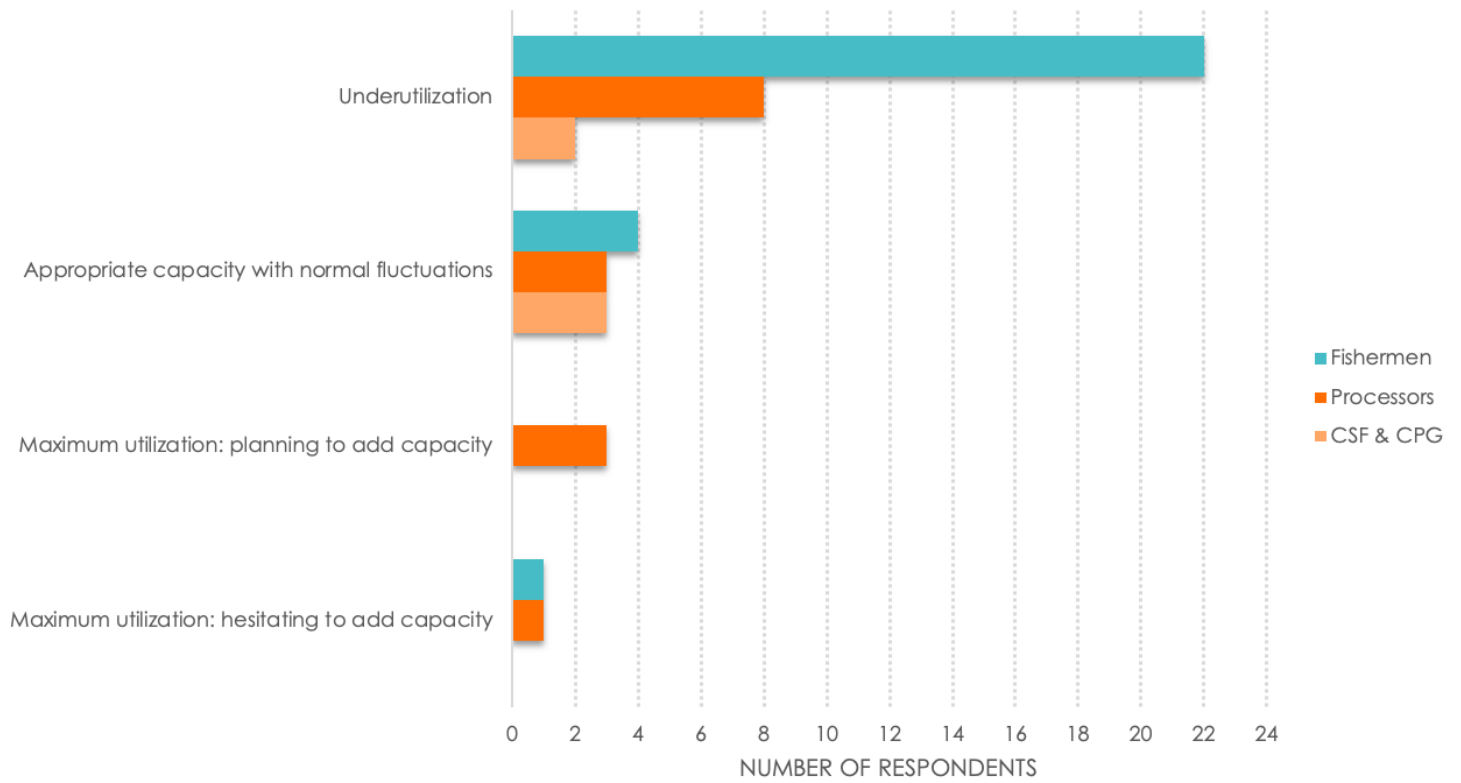
From question 2, sixty percent of processors reported probable increases in equipment investments next year. On the surface, these expectations do not align with the majority of processors who indicate that they underutilize their production and equipment capacity. Growth should be possible without increasing equipment investment levels. However, processor underutilization of capacity could be due to the lack of skilled employees more so than low demand. To offset understaffed processing plants, processors may be planning to automate processing lines. Automation requires investment in new machinery and may explain the discrepancy between underutilized capacity and expectations of increasing investment in equipment. Although, in this situation, it is difficult to forecast growth in this area.

Most CSFs and CPGs indicate that they utilize their capacity well relative to demand, but some report underutilization of capacity. It is interesting to compare responses from question 2 in which the majority of CSFs and CPGs expect to increase investment in equipment. As the CSFs and CPGs represented in this study are small and growing businesses, they may be anticipating expanding operations or developing new product lines in the coming year. Their optimism is likely tied to increased demand for their products and services during the pandemic.

The underutilization of production and equipment capacity exposes economic inefficiencies in the West Coast groundfish industry. Resources that could be used to increase revenue are unused because of understaffing due to the lack of skilled labor and insufficient demand. Increasing consumer demand is necessary to resolve these inefficiencies.



**Q5: Production Capacity/equipment** - Given current conditions, how would you characterize your overall production capacity situation relative to demand for your product?





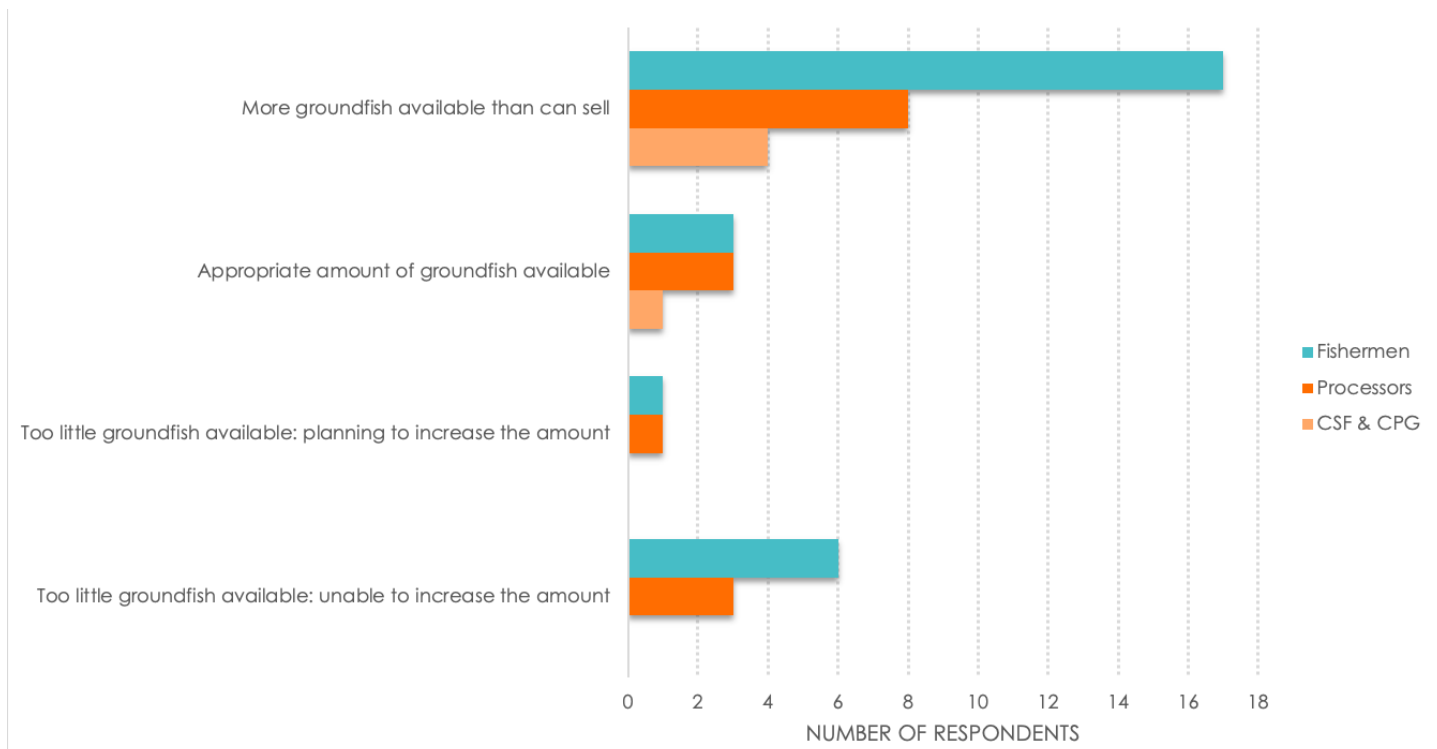
## 6. PRODUCTION FACTORS: GROUNDFISH AVAILABILITY & ACCESS

Question 6 of the survey asked participants to characterize their overall availability and access to West Coast groundfish relative to demand.

The majority of commercial fishermen, processors, CSFs, and CPGs report that there is more West Coast groundfish available but not enough demand to justify increasing the supply. Excess West Coast groundfish in the market would only lead to lower ex-vessel and wholesale prices and unsold groundfish products. In this study, 63% of fishermen are underutilizing their available quota, 53% of processors don't need fishermen to catch more because they can't sell more, and 80% of CSFs and CPGs have access to more groundfish than they can sell. Until consumer demand increases, underutilization of quota will continue to be a source of economic inefficiency in the West Coast groundfish industry.

Fifteen percent of respondents are satisfied with the availability of West Coast groundfish. For this group, their supply meets their demand. Conversely, just over a quarter of both commercial fishermen and processors feel that demand outweighs their supply and would like access to more West Coast groundfish. Within this group, 22% of fishermen and 20% of processors report that they are unable to increase their supply of groundfish due to a lack of access or availability. In general, these fishermen lack the quota needed to catch more fish and this impacts the processors, who may be further affected by inconsistencies in landings. Inadequate access to West Coast groundfish in certain locations is another key bottleneck restricting growth of the industry.

**Q6: Fish Availability** - Given current conditions, how would you characterize your overall availability/access to West Coast groundfish relative to demand?





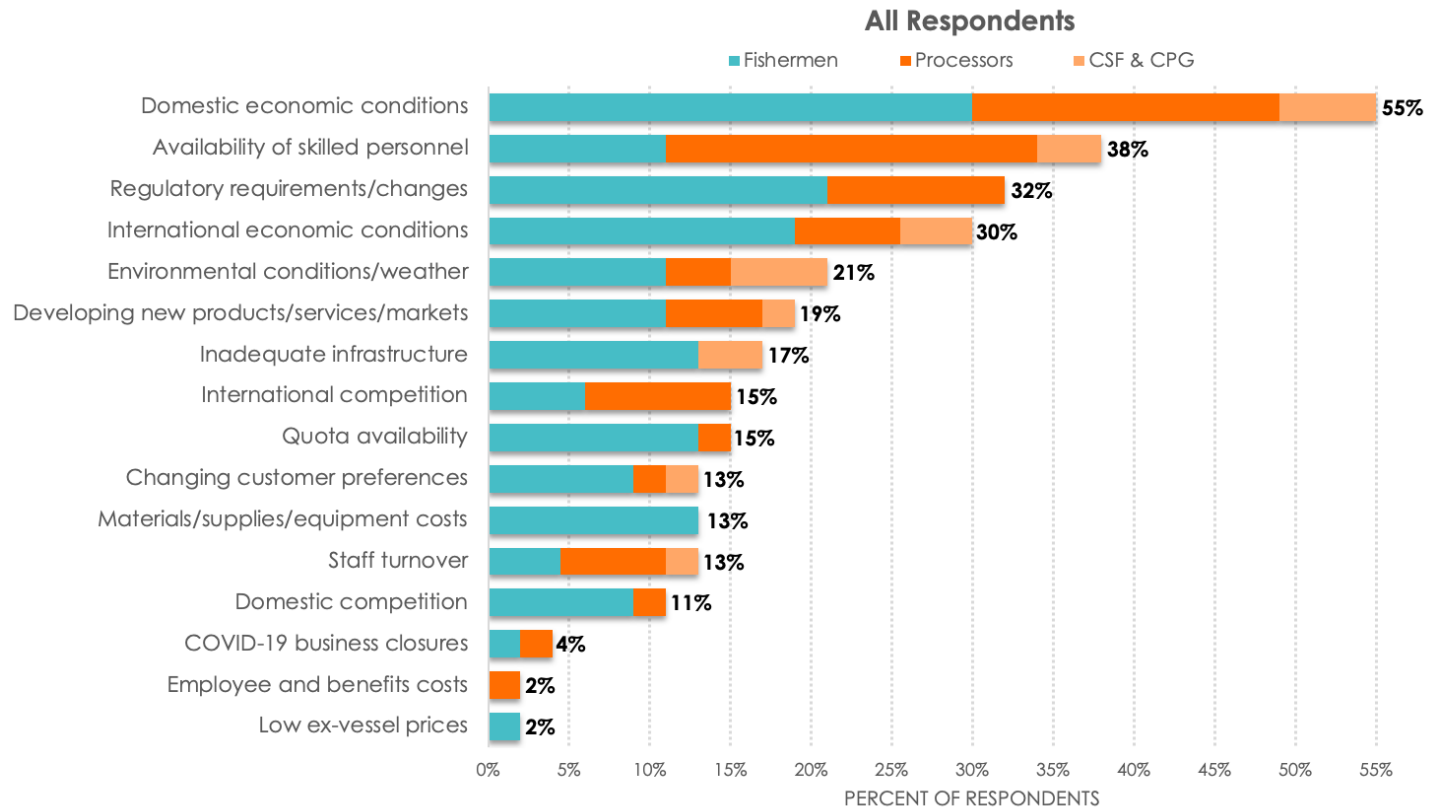
# 7. KEY CHALLENGES

Question 7 of the survey asked participants to identify the top three areas that present challenges for their businesses at the moment.

Fifty-five percent of respondents selected domestic economic conditions as a key challenge for their businesses. This was the most commonly identified challenge and the only challenge selected by a majority of respondents. Interestingly, in the 2019 economic outlook study, none of the participants chose domestic economic conditions as a challenge. In one year, the state of the U.S. economy went from the bottom of the list of challenges to the top. Clearly, this reversal is a result of the economic consequences of the COVID-19 pandemic. The West Coast groundfish industry has faced decreases in price, volume, and sales during the pandemic and many respondents are concerned that this trend will continue. Uncertainty, economic instability, and a depressed U.S. economy negatively impact business and pose a significant challenge to respondents.

Availability of skilled personnel, chosen by 38% of respondents, was the second most commonly identified challenge. It is not surprising that the availability of skilled labor is a top concern as it was shown to be a bottleneck to growth in question 4. Lack of skilled personnel was followed by regulatory requirements/changes and international economic conditions, both identified

**Q7:** Please indicate the **top 3 challenges for your business.**





as key challenges by about a third of respondents.

Regulation continues to challenge the industry. In the survey commentary, respondents identified restrictions, exclusionary policies, administrative requirements, and the sheer cost as pain points. Finally, much like the U.S. economy, international markets are depressed. Foreign trade has slowed and even stopped in some cases. Although West Coast groundfish is primarily a domestic product, the seafood market is global. Changing international conditions can have a large impact on seafood sales, especially when foreign markets close. This may challenge processors because they work on an international scale. Fishermen who sell to foreign markets may also face additional challenges. For the West Coast groundfish industry, it seems that business will not be business as usual in the coming year.

## Results by Participant Group

While the business challenges vary by participant group, three themes emerge across the groups: external market challenges, policy-driven challenges, and operational challenges.

Domestic economic conditions were the most common challenge selected by commercial fishermen, CSFs, and CPGs. It was the second most common challenge for processors. Fifty-two percent of fishermen, 60% of CSFs and CPGs, and 60% of processors are struggling with external market factors in the U.S. Respondents wrote a lot about the impacts of restaurant and foodservice business closures as well as reduced tourism and travel in the survey commentary.

A third of commercial fishermen and 40% of CSFs and CPGs rank international economic conditions as a top challenge. Seafood trade is international and fishermen participate in foreign markets. Therefore, fishermen may be sensitive to change in these markets. Since CSFs are primarily small, community-based businesses selling local seafood, the effect of international markets on their businesses is unclear. Neither fishermen nor CSFs provided commentary explaining their challenges with international economic factors.

Processors, however, were less concerned with international economic conditions and more concerned with international competition. Almost 30% of processors view international competition as a key challenge. Because U.S. processors often compete directly with foreign processors that have lower operational costs, this challenge is difficult.

Regulatory requirements and changes are in the top three challenges for both fishermen and processors. Almost 40% of fishermen and a third of processors believe that certain regulatory policies hinder business. One respondent said, “The [Pacific Fisheries Management] Council and National Marine Fisheries Service could help considerably by mitigating the major regulatory drags from the catch share program.” Another explained that current policies may be causing future problems for the fishery. “Now it makes more economical sense to lease [quota] to the highest bidder. That doesn’t leave much for the younger upcoming generations, therefore, not many young people want to fish and crew is getting harder to find.” Still others spoke about the costs of regulation.



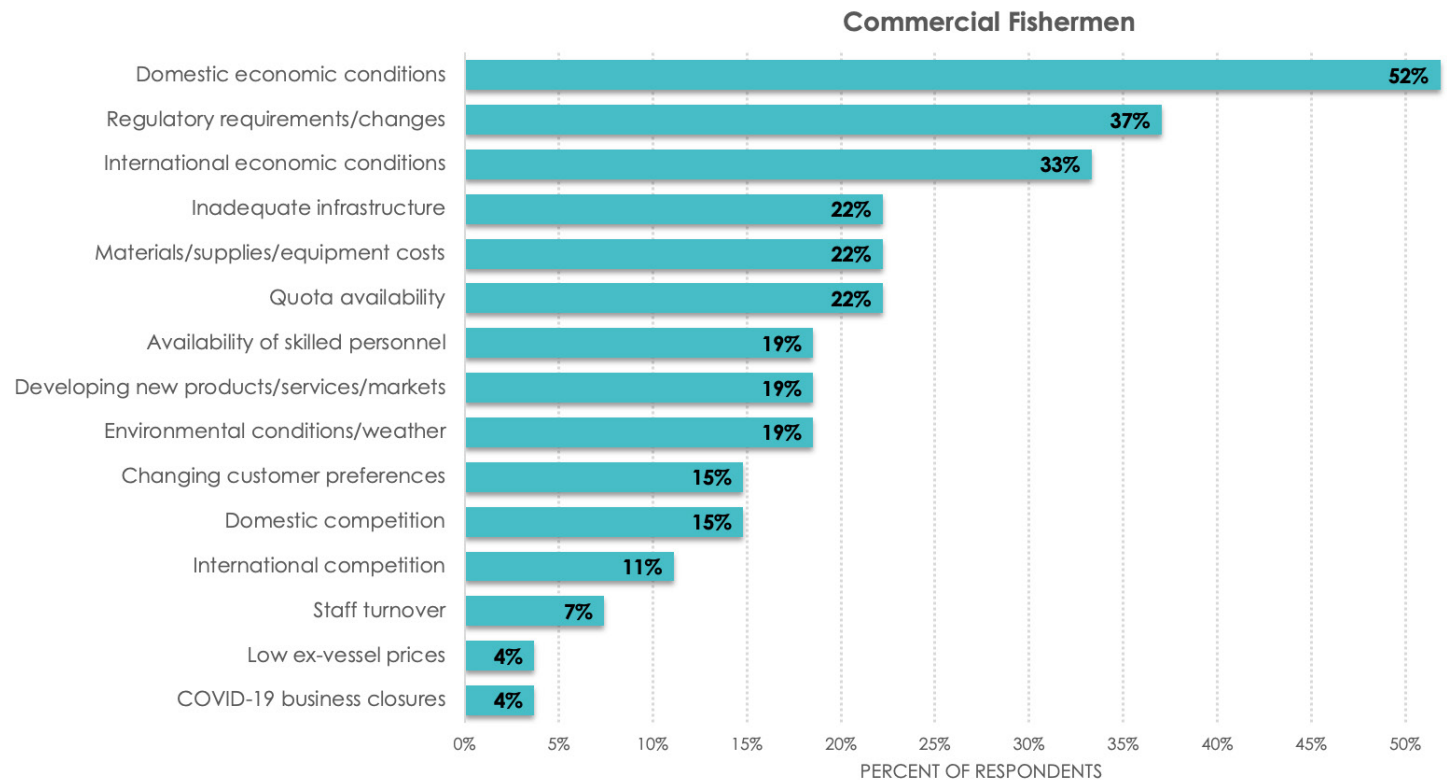
While lack of quota was not in the top three for fishermen (22%), six fishermen selected quota as a top challenge. This is equal to the six fishermen from question 6 who indicated they would like more access to West Coast groundfish but are unable to do so.

Operational and labor challenges were also represented in the top challenges of each group. The number one challenge reported by processors was the lack of skilled labor. Seventy-three percent of processors struggle with finding willing and qualified employees, which echoes the responses in question 4 from the 80% of processors who are understaffed. Lack of processing capacity is a challenge for the whole industry, not just processors. If processors don't have enough filleters, they can't buy more fish from fishermen. If understaffing continues for too long, processors may be forced to close processing plants. Then, fishermen will have to travel farther to deliver their fish, which is an added cost. This lack of skilled workers is a significant challenge to the West Coast groundfish industry.

Other operational challenges near the top of the list include inadequate infrastructure and the cost of materials, supplies, and equipment. Infrastructure concerns will need to be addressed to grow the industry, whereas materials, supplies, and equipment are needed to keep the industry working and producing. However, if businesses are not profitable, it is difficult to afford day-to-day expenses and even more difficult to invest in infrastructure improvements.

In addition to the challenges already discussed, CSFs and CPGs reported environmental conditions and weather as a top challenge. Weather and environmental conditions may affect the consistency of their catch and therefore, their ability to deliver their products and

**Q7: Please indicate the top 3 challenges for your business.**



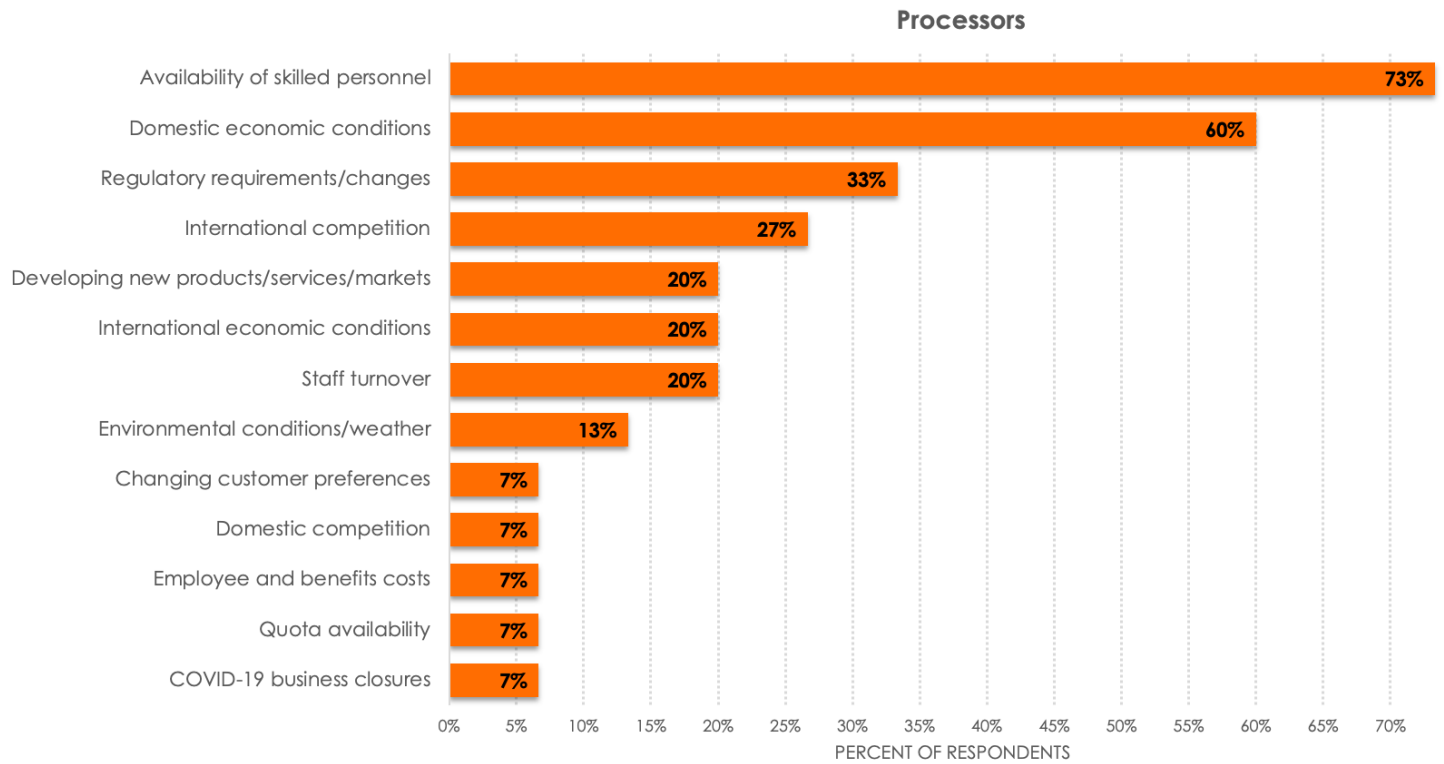




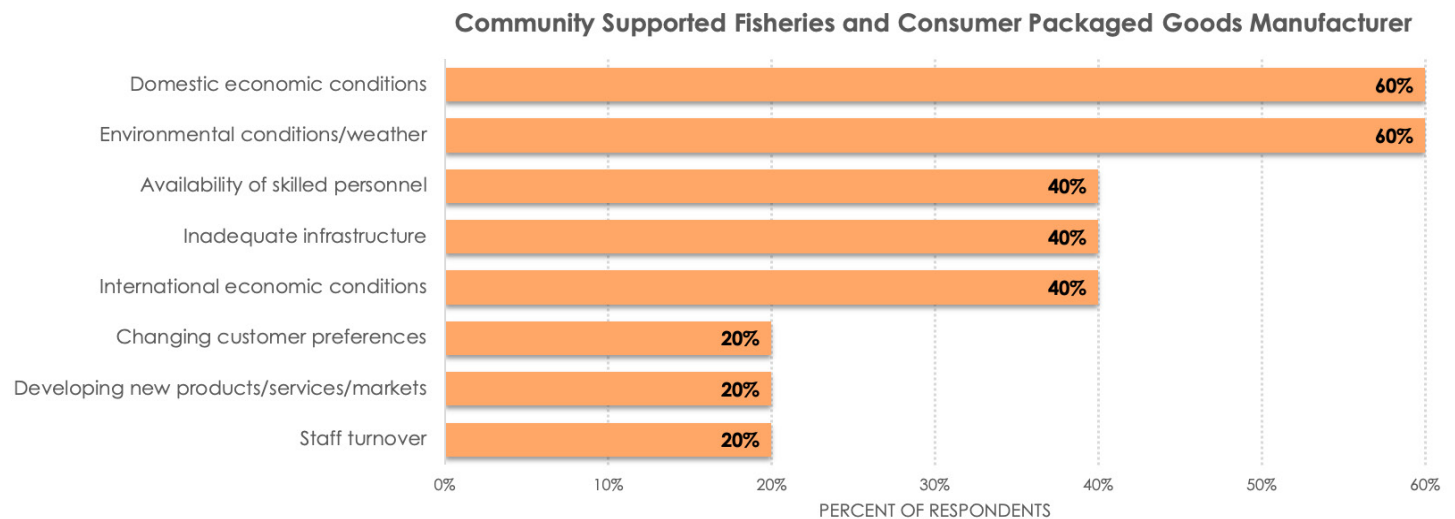
services. Because of their small size, hyper-local sourcing, and focus on fresh products, it may be difficult to compensate or substitute other products when the weather affects business.

Overall, a depressed U.S. economy, lack of skilled labor, and expensive regulatory policies are the most pressing challenges for the respondents from the West Coast groundfish industry.

**Q7: Please indicate the top 3 challenges for your business.**



**Q7: Please indicate the top 3 challenges for your business.**





## 8. IMPACTS OF THE COVID-19 PANDEMIC

The impacts of the COVID-19 pandemic influenced respondents' economic outlook for the coming year and their responses throughout the survey. This was evident in the overall survey commentary. In addition, the eighth question asked participants to describe their expectations of the pandemic's effects on their businesses over the next 12 months. Some respondents explained the initial and current impacts of the pandemic, while others forecasted how the pandemic will continue to impact their businesses.

Given the array of negative consequences resulting from the pandemic, it is not surprising that about 90% of responses were pessimistic. Respondents' pessimism seemed to increase for their predictions about the future. The most common themes were decreases in prices, volume, production, and sales as well as the associated negative effects on revenue and profit. Many respondents also described the significant impacts of foodservice and restaurant closures, including the loss of a market and decreased demand for their products. Some stated that this is the worst season they have ever experienced.

According to individual respondents, their landing volumes and production decreased by as much as 50%, ex-vessel prices declined by 30%, sales prices dropped by 20%, and sales diminished by almost 40%. Commercial fishermen are making fewer fishing trips and offloads, and they expect this trend to continue. They are concerned that lower ex-vessel prices may become the "new normal." Processors lost accounts when much of the foodservice industry closed. Recovering these sales channels will take time, especially for premium groundfish products.

For many West Coast groundfish businesses, reduced revenue is compounded by increased operating costs. COVID-19 tests, personal protective equipment, increased sanitation and cleaning, and quarantine accommodations are significant investments for employers to ensure the health and safety of their employees and the supply chain. Mounting costs are shrinking already tight profit margins, and, at the moment, it is difficult to raise capital. Both fishermen and processors need to sell higher volumes of groundfish to offset rising business costs.

The pandemic magnified several existing challenges in the West Coast groundfish industry. As previously mentioned, processors and commercial fishermen are unable to find employees to fill open positions, even in the midst of all-time high unemployment rates. The lack of skilled labor throughout the supply chain slows production, increases inefficiency, and decreases profitability. Long-term, this will likely lead to further automation of seafood processing or the consolidation of businesses.

Second, the direct-to-consumer sales market is generally underdeveloped in the seafood industry. Prior to the pandemic, foodservice businesses purchased the majority of West Coast groundfish. There was no economic incentive to invest in the direct-to-consumer market. However, with the closure of restaurants and increasing consumer demand for seafood to cook at home, suppliers needed to adapt to the new conditions and develop direct-to-consumer business strategies. Some survey participants responded to these changes in the market and new sales opportunities by creating online consumer marketing and sales platforms.



Additionally, there are only a handful of groundfish processors and processing facilities on the West Coast. Several respondents commented that the lack of competition among processors hinders dockside price increases. As the demand for large volumes of West Coast groundfish decreased as a result of the pandemic, already low ex-vessel prices dropped even lower and commercial fishermen had no leverage to negotiate higher prices for their fish.

Lastly, the pandemic drew attention to the inadequate market penetration of West Coast groundfish products in the retail sector. When consumers could no longer eat at restaurants and fresh seafood counters closed, sales of packaged seafood products increased. Unfortunately, there are very few consumer-packaged West Coast groundfish products available. Therefore, the majority of the West Coast groundfish industry did not profit from the increase in retail sales of packaged seafood. Moving forward, product innovation and a larger presence in retail stores will benefit the industry.

Respondents described the impacts of foodservice and restaurant closures more than any other consequence of the pandemic. The West Coast groundfish industry depends heavily on sales of fresh groundfish products to the foodservice sector. With shuttered restaurants and large organizations working from home, orders for West Coast groundfish were cancelled and invoices went unpaid. Many businesses in the West Coast groundfish industry suffered significant financial losses. Making matters worse, the retail sector does not offer a comparable price point for premium groundfish products, according to one processor. Demand for West Coast groundfish products remains low in the foodservice industry due to continued restrictions and reduced overall business capacity.

Despite the slew and scale of negative impacts from the pandemic, there is still optimism in the West Coast groundfish industry. Respondents described increased demand for local seafood products and the services of community supported fisheries (CSF). The majority of CSF owners expect their revenues to increase in the coming year and half expect their profits to increase. CSFs and others in the West Coast groundfish industry have responded to the conditions of the pandemic by expanding online business and offering home delivery. Some respondents are also optimistic about the growing community of home chefs. By influencing this group, the industry has the opportunity to increase usage of West Coast groundfish in consumers' homes.

Although uncertainty and concerns about economic instability intensified as a result of the pandemic, West Coast groundfish suppliers expressed optimism about their ability to meet consumer needs both now and in the future.



# COMPARISON OF THE 2020 AND 2019 SURVEY RESULTS

The 2020 West Coast Groundfish Industry Economic Outlook Study is the second annual study of this type conducted by Positively Groundfish. The first economic outlook survey was launched in November of 2018 and closed in December of 2018. The survey results were published in the 2019 report.

Twenty-three respondents participated in the first survey: 12 commercial fishermen, nine processors, and two CPGs. No CSFs responded to the survey in late 2018. The 2020 survey had 47 participants, doubling the study size, and included four CSF representatives. In both studies, over 50% of respondents were commercial fishermen and about one-third were processors. Also similar, the large majority of participants operated small businesses with 50 or fewer employees based in Oregon.

## Economic Outlook

The overall economic outlook of West Coast groundfish industry participants in 2020 is quite pessimistic compared to the cautiously optimistic economic outlook reported in 2019. In 2020, about half of respondents expect the economic condition of their businesses to worsen in the next year and about 60% expect conditions to worsen in the West Coast groundfish and U.S. seafood industries. Only about one-third are optimistic about their businesses improving economically and less than a quarter believe that the West Coast groundfish and U.S. seafood industries will improve. Clearly, the majority of participants expect that economic conditions will be worse in the coming year.

Conversely in the 2019 report, about half of respondents expected that their businesses would improve economically, and about 40% believed the West Coast groundfish and U.S. seafood industries would improve. Less than one-third thought the economic condition of their businesses would worsen and less than a quarter expected the West Coast groundfish and U.S. seafood industries to decline economically. In the first study, the large majority of respondents anticipated economic improvement or stability over the following year. The substantial shift in economic outlook from late 2018 to August 2020 is likely the result of the COVID-19 pandemic and its impacts.

Also noteworthy, in the previous study, commercial fishermen believed that the U.S. seafood market would improve more than the West Coast groundfish market, while processors believed that the opposite was likely. However, the 2020 study indicates that both groups are more pessimistic about the West Coast groundfish industry. This may be due in part to restaurant and foodservice closures during the pandemic. Until these industries recover, sales of fresh West Coast groundfish will suffer because there is no comparable market for these products. Despite the significant differences in the two studies, there are two notable similarities. First, respondents tend to be more optimistic about their businesses as compared to the West Coast groundfish and U.S. seafood industries. Second, the economic outlook of processors is generally more optimistic than that of commercial fishermen.



## Key Organizational Indicators

Similar to overall economic outlook, respondents' views of probable change in key organizational economic indicators in the next year are far more pessimistic in 2020 than in the previous study. In both studies, respondents expected profit to decline more than any other indicator. However, previously, about 40% predicted their profits would decline, whereas in 2020, over 70% believe their profits will decrease in the coming year.

Additionally, respondents in the two studies predicted different indicators as the cause of reduced profits. About 70% of respondents in the previous study believed input costs would increase, while less than a third expected volume to decrease and less than 10% expected price to decrease. In the 2020 study, about two-thirds of respondents expect revenue to decline due to decreases in both price and volume, while only about one-third believe input costs will increase. Therefore, the previous study predicted increased input costs as the primary cause and the 2020 study predicted decreased revenue would reduce profits.

In the 2019 report, more respondents expected revenue, volume, and price to increase than decrease. The reverse is true in 2020. Over 60% of respondents now believe price will decrease and almost 40% believe volume will decrease, which explains why two-thirds expect their revenues to decline.

The two studies also show differences in anticipated investment levels. The most noticeable difference is the probable change in equipment investment. In the 2019 report, over 80% expected to increase their equipment investments and less than 10% expected these investments to decrease. But in 2020, less than 40% expect to increase their equipment investments and over 20% expect these investments to decrease. The other investment categories share a similar pattern. In general, this suggests there is less commitment to business investments in 2020.

While the expectations of commercial fishermen are fairly consistent with the overall differences described above, processors' expectations are more variable between the two studies. Processors were relatively optimistic in the previous study but much more pessimistic in the 2020 study. In the 2019 report, none of the processors expected decreases in prices or investments. However, in the 2020 study, almost half believe prices will decrease and at least 20% expect their investments to decline. Yet, unlike the overall 2020 trend, the majority of processors still anticipate that they will increase their equipment investments in the coming year; although the percentage dropped from almost 90% to 60%.

Once again, in both studies, the expectations of commercial fishermen tend to be far less optimistic than those of processors regarding probable change in key indicators.



## Relative Importance of West Coast Groundfish

Participants' expectations of the relative importance of West Coast groundfish in their businesses are quite similar in the two studies, with one small exception. In both studies, three-quarters of commercial fishermen and about half of processors expect West Coast groundfish to remain as important in the coming year, while the other half of processors expect West Coast groundfish to become more important in their businesses. The one difference is that no one in the previous study believed that West Coast groundfish would decrease in importance but, in the 2020 study, two commercial fishermen selected this option.

Overall, in spite of the pessimism in preceding sections and the challenges of the pandemic, the consistency between studies in the business importance of West Coast groundfish suggests that respondents are committed to this industry.

## Production Factors

Like relative importance, respondents' characterizations of production factors remained fairly consistent from year to year. Thus, the systemic bottlenecks and inefficiencies in the West Coast groundfish industry reported in 2019 prior to the pandemic, still seem to exist. Also, these inefficiencies have not significantly worsened (or improved) as a result of the pandemic.

**Employment:** In both studies, the large majority of commercial fishermen reported that they had the appropriate number of employees, whereas the majority of processors felt understaffed and were unable to find qualified, willing candidates to fill open positions. None of the respondents in either study reported being overstaffed. Since the number of survey participants doubled in the 2020 study, it is not surprising that a small minority of processors reported being adequately staffed and a few more commercial fishermen felt understaffed compared to the previous study. In general, the response pattern in the 2019 report is still apparent in 2020. The availability of skilled labor remains a key bottleneck restricting growth in the West Coast groundfish industry.

**Production and Equipment Capacity:** The majority of respondents in both studies reported underutilizing their production capacity relative to demand for their products. Similar to the previous study, more than half of processors feel that they underutilize their equipment and production capacity, while only a few processors feel that they fully utilize their capacity. Though, the issue of underutilization seems to be more prevalent among commercial fishermen now than it was in the previous year. In the 2019 report, 50% of commercial fishermen reported underutilizing their capacity. But in 2020, over 80% underutilize their capacity. The increased prevalence of underutilization among commercial fishermen may be a result of slow business due to the pandemic. Regardless of the source, underutilized capacity due to lack of demand represents an unresolved inefficiency in the West Coast groundfish industry.



**Fish Availability and Access:** Similar to production capacity, the majority of respondents reported underutilizing available West Coast groundfish in both of the studies. About two-thirds of commercial fishermen indicated that they had access to more groundfish than they could sell. Thus, they underutilized their quota. Likewise, about half of processors reported underutilizing accessible West Coast groundfish resources. Here again, low demand results in underutilization of resources and unresolved inefficiency in the West Coast groundfish industry.

In both studies, a lack of West Coast groundfish relative to demand with the inability to access more was the second most common response; although less than 20% of respondents chose this option in either study. The lack of West Coast groundfish supply is another bottleneck restricting the growth of affected businesses. Also, it exposes yet another systemic inefficiency in the industry: some participants have excess West Coast groundfish supply, while others do not have enough.

## Key Challenges

The year-on-year differences in key challenges for respondents are particularly interesting. In 2020, participants selected a broader range of challenges and their responses were more evenly distributed among the challenges. This may indicate that respondents are currently facing a wider array of challenges.

The most frequently selected challenges in the previous study were 1) regulatory requirements or changes, 2) availability of skilled labor, 3) inadequate infrastructure, and 4) quota availability. Whereas the top challenges in the 2020 study were 1) domestic economic conditions, 2) availability of skilled labor, 3) regulatory requirements or changes, and 4) international economic conditions. Though availability of skilled labor and regulatory requirements or changes appear in the top of both lists, the percentage of respondents who chose these options are quite different. In 2019, 65% of respondents chose regulation and 61% chose skilled labor as challenges. In 2020, only 32% of respondents chose regulation and only 38% chose skilled labor. While inadequate infrastructure and quota availability were among the top challenges in 2019, they ranked seventh and ninth, respectively, on the 2020 list.

Domestic economic conditions were the number one challenge in the 2020 study, selected by 55% of respondents. However, domestic economic conditions did not even appear in the previous year's list. Additionally, international economic conditions were fourth in 2020, selected by 30% of respondents, but were near the bottom of the list in the previous study, only chosen by 9% of respondents. Rising concerns about domestic and international markets among participants are likely due to the pandemic and economic instability in the U.S. and across the world. Since seafood is traded internationally, many respondents may track international markets. Overall, these changes signify that respondents are focused on challenges from external markets.



There are several differences in the key challenges for commercial fishermen between the two study periods. In 2020, domestic economic conditions replaced regulatory requirements or changes at the top of the list. Also, the percentage of fishermen who selected regulation as one of their top three challenges dropped from 75% in the previous study to 37% in 2020. However, regulation remains near the top of the 2020 list at number two. International economic conditions are third on the 2020 list of challenges, displacing inadequate infrastructure, which was previously second. Availability of skilled labor and availability of quota were previously top challenges, selected by a third of commercial fishermen. In 2020, less than a quarter of fishermen selected these as one of their top three challenges.

The key challenges for processors also differ between the study periods. Availability of skilled labor remains the number one challenge for processors. However, while 100% of processors previously selected skilled labor as one of their top three challenges, only 73% selected it as a top challenge in 2020. Domestic economic conditions replaced regulatory requirements or changes at number two and regulatory challenges moved to third in 2020. Additionally, the proportion of processors who selected regulation as one of their top three challenges dropped from two-thirds to only one-third in 2020. International competition, which is fourth on the 2020 list for processors, did not appear on their list in the previous study. Conversely, inadequate infrastructure, which was third on their previous list, does not appear on the 2020 list of challenges for processors.





# CONCLUSION

The 2020 West Coast Groundfish Industry Economic Outlook Study provides an insightful view of the experiences, perspectives, and sentiments of industry participants. Overall, the majority of survey respondents expect the economic conditions of their businesses, the West Coast groundfish industry, and the U.S. seafood market to worsen in the coming year. Their pessimistic outlook contrasts the cautiously optimistic outlook reported in the previous economic outlook study conducted by Positively Groundfish in late 2018.

Without question, the COVID-19 pandemic significantly impacted the West Coast groundfish industry in 2020. In the survey commentary, a commercial fisherman lamented, “Price has dropped, demand is way down, and fishing days are limited. You practically have to beg for your ‘turn’ to fish for the market.” Respondents attribute decreases in prices, production volumes, sales, and demand to the conditions resulting from the pandemic. They point to restaurant and foodservice closures as a substantial source of lost business, declining revenue, and tighter profit margins. With the ongoing challenges in the foodservice industry, one processor worries that, “premium West Coast groundfish items have not found a profitable price point in retailers.” The industry expects the negative economic consequences of the pandemic to continue until the situation is resolved.

Despite the challenges of the pandemic and concerning economic conditions, some industry participants remain optimistic. A hopeful owner of a community supported fishery (CSF) described recent circumstances as “advantageous” for business. In general, CSF owners anticipate business growth in the next year due to increased demand for their products and services. Other West Coast groundfish industry decision-makers plan to expand their digital marketing and sales presence in response to new and broadening market opportunities.

Although much has changed since the previous economic outlook study, similar systemic inefficiencies and growth bottlenecks continue to affect the West Coast groundfish industry. Persistent low demand contributes to underutilization of West Coast groundfish quota and production capacity. While understaffing at processing facilities due to a lack of skilled labor restricts growth of the industry. Until consumer demand increases and staffing issues are resolved, the West Coast groundfish industry will operate below its market potential.

Thus far, 2020 has been a difficult and challenging year for the West Coast groundfish industry. According to a commercial fisherman, “this has been the worst season in a long, long time.” For many industry participants, their predictions about the future are bleak and clouded by uncertainty. They are concerned that profits will continue to decline and hesitant to increase their business investments. Yet, others see opportunities in the changing conditions and plan to invest more in equipment, technology, marketing, and research & development. They are optimistic in their economic outlooks of their businesses and the West Coast groundfish industry in spite of the prevailing pessimism among the majority of respondents.

While no one can predict the future, it is encouraging that almost all study participants anticipate that West Coast groundfish will remain an important component of their businesses in the coming year. Their expectations suggest that they are confident in West Coast groundfish products and committed to the industry.



**2020 West Coast Groundfish Industry Economic Outlook Survey**

**State of operation**

CA    OR    WA

**Type of Organization**

- Groundfish Fisherman
- Groundfish Processor
- Groundfish CSF
- Groundfish CPG

**Size of Organization**

- 1-4 employees
- 5-10 employees
- 11-50 employees
- 51-250 employees
- 251+ employees

**Your Position**

- Captain/Skipper
- CEO/Owner
- General Manager
- Head of Sales/Distr./Marketing
- Head of Production/Plant Mngr

**1. Please select the rating that best describes your view of the economic outlook for the next 12 months (compared to the most recent 12 months). Choose 1 per row.**

	significantly WORSE	somewhat WORSE	approx. the SAME	somewhat IMPROVED	significantly IMPROVED	Not sure
US Seafood Industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
West Coast Groundfish Industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your Organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**2. Please indicate your view of the probable change over the next 12 months (vs most recent year) for your organization, for the following indicators, as it relates to West Coast Groundfish.**

	DECLINE significantly	DECLINE somewhat	REMAIN the same	INCREASE somewhat	INCREASE significantly	Not sure/ Not applicable
Revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Volume	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Input Costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Profit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost per Employee (Wages, Recruitment )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment Equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment - IT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment - Marketing & Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment – R&D	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**3. What is your expectation of the relative importance of West Coast groundfish to your organization over the next 12 months? I expect...**

- West Coast Groundfish will become MORE important to my organization
- West Coast Groundfish will become LESS important to my organization
- West Coast Groundfish will REMAIN as important to my organization as it is now
- Not sure

**4. Employment:** Given current conditions, how would you characterize your overall staffing situation relative to your needs (i.e., do you have excess capacity or are you stretched)?

- We have more employees than we need
- We have the appropriate number of employees
- We have too few employees, but are hesitating to hire
- We have too few employees and are planning to hire
- We have too few employees but are unable to fill positions

**5. Production Capacity:** Given current conditions, how would you characterize your overall production/harvesting capacity situation relative to demand for your product?

- We don't fully use our production/harvesting capacity (i.e. underutilization)
- We operate at the appropriate level of production/harvesting capacity utilization
- We have reached maximum capacity utilization, but are hesitating to add capacity
- We have reached maximum capacity and are planning to add capacity

**6. Availability of Groundfish:** Given current conditions, how would you characterize your overall availability/access to West Coast groundfish relative to demand?

- We have more West Coast groundfish available than we can sell (i.e. underutilization)
- We have the right amount of West Coast groundfish available to us
- We have too little West Coast groundfish available and are planning to increase the amount
- We have too little West Coast groundfish available but are unable to increase the amount

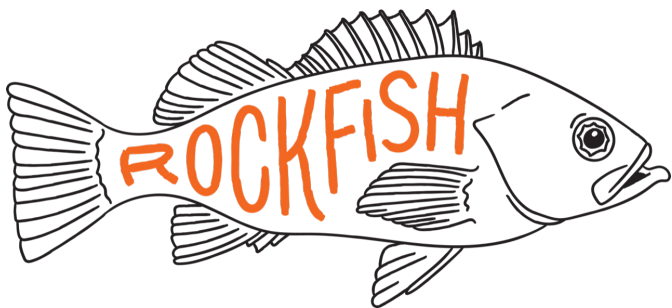
**7. Please indicate the top 3 challenges for your organization at the moment. Choose 3.**

- |   |  |
|---|--|
| <input type="checkbox"/> Regulatory requirements/ changes   | <input type="checkbox"/> Domestic economic conditions      |
| <input type="checkbox"/> Quota availability                 | <input type="checkbox"/> International economic conditions |
| <input type="checkbox"/> Environmental conditions & weather | <input type="checkbox"/> Tariffs & taxes                   |
| <input type="checkbox"/> Materials/supplies/equipment costs | <input type="checkbox"/> Domestic competition              |
| <input type="checkbox"/> Inadequate infrastructure          | <input type="checkbox"/> International competition         |
| <input type="checkbox"/> Availability of skilled labor      | <input type="checkbox"/> Developing new markets/products   |
| <input type="checkbox"/> Employee costs                     | <input type="checkbox"/> Changing consumer preferences     |
| <input type="checkbox"/> Staff turnover                     | <input type="checkbox"/> Other _____                       |

**8. What impact do you foresee the Covid-19 pandemic to have on your organization over the coming 12 months?** \_\_\_\_\_

**9. Please provide any commentary and contextual information about your previous answers. (optional)** \_\_\_\_\_

**10. Please provide your name for potential follow-up questions. (optional)** \_\_\_\_\_





## ABOUT POSITIVELY GROUND FISH

Positively Groundfish is a new non-profit organization (501c6) that was incorporated in April 2018, but it represents a fishery that has been around for generations and that was once the economic and cultural backbone of coastal communities along the West Coast. The story of the West Coast Groundfish fishery has all the elements of a classic tale of success, downfall, and redemption; and Positively Groundfish was formed to give it its happily-ever-after. West Coast Groundfish faced ecological collapse and was declared a federal economic disaster in 2000, but, thanks to comprehensive sustainability measures, has since experienced a remarkable recovery and is now considered “the ecological comeback story of the century” (quote: NOAA) and a posterchild for what sustainable fisheries management can achieve. However, more work is needed to also make it an economic success story, to communicate this hopeful story to the public, and make West Coast Groundfish a truly compelling case study that can persuade other fisheries around the world to adopt better practices. That is the work of Positively Groundfish.

Positively Groundfish was formed as a collaborative multi-stakeholder initiative by a collective of environmental non-profits, fishermen associations, seafood processors and academia that have partnered with a shared vision for a healthy and vibrant fishery. Positively Groundfish’s stated mission is to tell the positive story of sustainable underutilized West Coast Groundfish to cultivate public appreciation and support the long-term economic success of local fishing communities. It is spreading a message of hope and positive responsible engagement with our ecosystems in which ecological and economic goals go hand-in-hand.

To learn more visit [www.positivelygroundfish.org](http://www.positivelygroundfish.org).



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