

Economic Contribution of Seafood Processing in Mississippi and Alabama Gulf Coasts

In this issue, Dr. Posadas describes the economic contribution of seafood processing in Coastal Mississippi and Alabama counties. Coastal Mississippi consists of three counties, namely: Hancock, Harrison, and Jackson Counties, while Coastal Alabama includes Baldwin and Mobile Counties. The seafood product preparation and packaging businesses contributed \$20.277 million and \$35.866 million to the gross regional products of Coastal Mississippi and Alabama regions, respectively. Businesses were adversely affected by the lingering impacts of the man-made disaster associated with the prolonged and twice opening of the Bonnet Carre spillway from February to April and May to July 2019. The long-term economic impacts of the man-made disaster to these seafood businesses will take some time to assess. Instead, some benchmark data about these businesses during the past five years are presented.

Employment and Wages, Salaries, and Earnings

Seafood processing is represented by the seafood product preparation and packaging [NAICS](#) (2020) sector 311710 which comprises establishments primarily engaged in one or more of the following: (1) canning seafood (including soup); (2) smoking, salting, and drying seafood; (3) eviscerating fresh fish by removing heads, fins, scales, bones, and entrails; (4) shucking and packing fresh shellfish; (5) processing marine fats and oils; and (6) freezing seafood. Establishments known as "floating factory ships" that are engaged in the gathering and processing of seafood into canned seafood products are included in this industry.

The industry hired an increasing number of employees from 319 jobs in 2014 to 353 jobs in 2017 in the three Coastal Mississippi Counties. However, the number of jobs created by the industry started to decline in 2018 with 334 jobs and further fell to 327 jobs in 2019 (Fig. 1). The number of jobs directly employed by the industry averaged 335 persons per year from 2014 to 2018.

In Coastal Alabama Counties, the number of jobs in the industry continued to decline from 910 in 2014 to 834 jobs in 2018. On average, the industry employed 884 persons per year from 2014 to 2018 as compared to the 829 jobs in 2019.

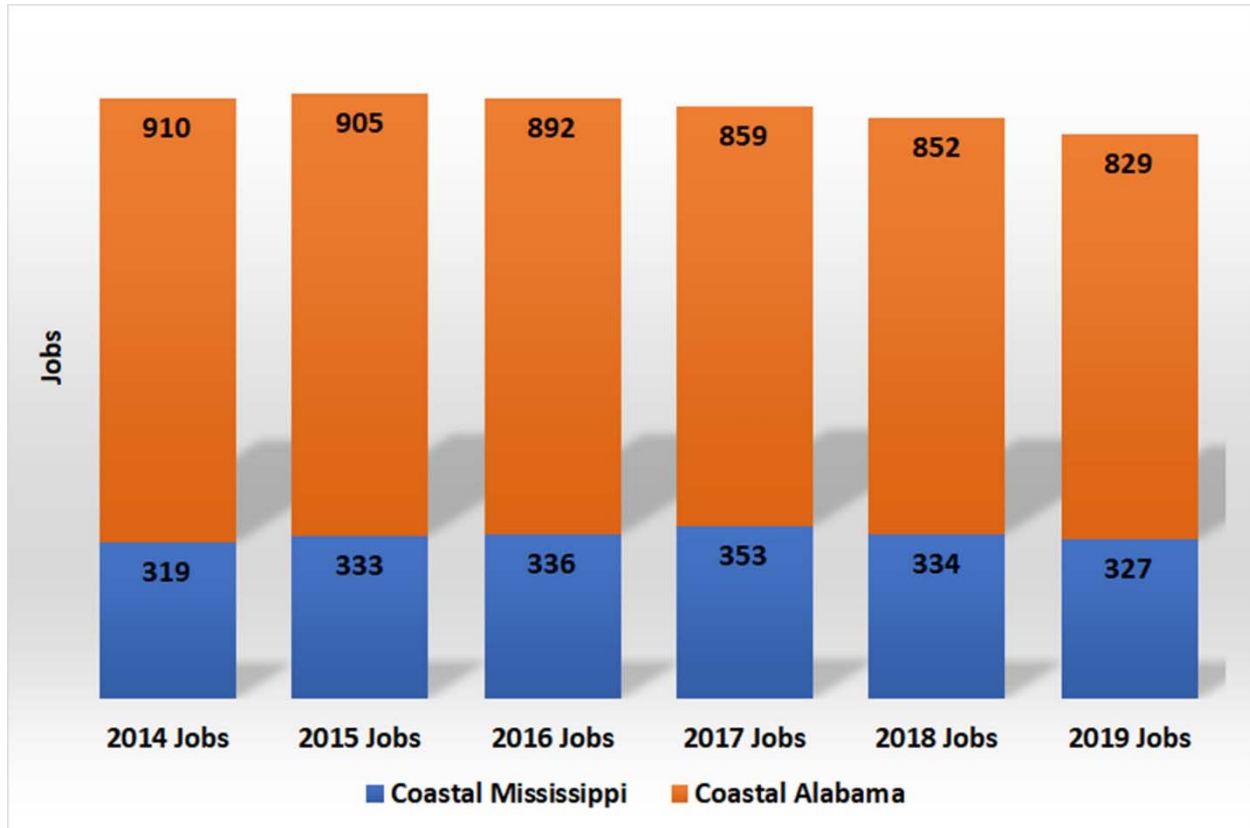


Figure 1. Annual employment of QCEW employees, non-QCEW employees, self-employed, and extended proprietors. U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages ([EMSI](#), 2019).

The combined wages, salaries, and proprietor earnings of all the QCEW employees, non-QCEW employees, self-employed, and extended proprietors in the three Coastal Mississippi Counties fell from \$45,417 in 2014 to \$40,698 in 2018 (Fig. 2). Higher combined wages, salaries, and proprietor earnings were observed in Coastal Mississippi, averaging \$43,129 per year during the past five years as compared to Coastal Alabama.

In Coastal Alabama, the combined wages, salaries, and proprietor earnings of all the QCEW employees, non-QCEW employees, self-employed, and extended

proprietors in the two coastal counties increased from \$22,177 in 2014 to \$27,954 in 2018. On average, the combined earnings in the industry averaged \$26,384 per year.

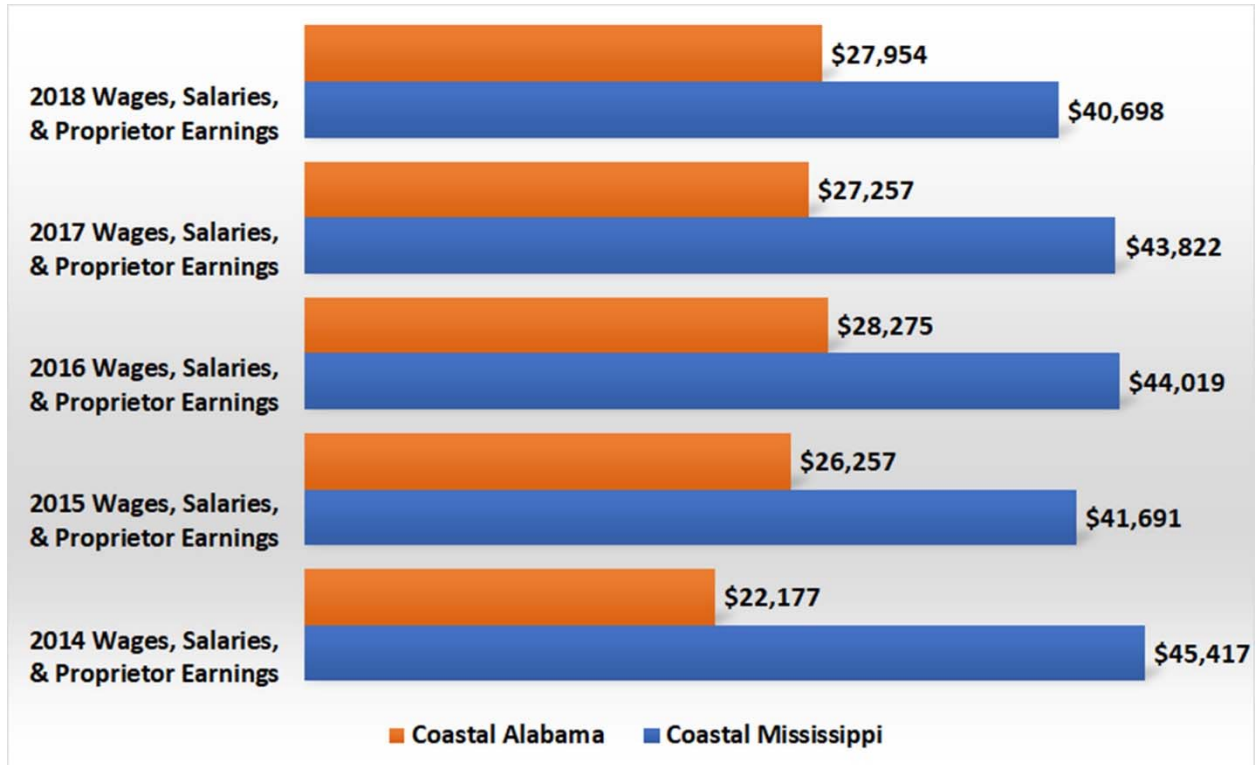


Figure 2. Average earnings of QCEW Employees, non-QCEW employees, self-employed, and extended proprietors. U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages ([EMSI](#), 2019).

Distribution of Workers by Gender

The 2019 industrial overview released by [EMSI](#) (2019) showed that among workers and owners in the three Coastal Mississippi Counties, 56.2 percent were male. About 43.8 percent of the workers and owners were female. In Coastal Alabama, a slightly different distribution of workers and owners by gender was reported, 53.9 percent were males and 46.1 percent were females. (Fig. 3).

Socio-Demographic Characteristics of Workers and Owners of Seafood Processing Plants				
Industry Gender Breakdown	Coastal Mississippi		Coastal Alabama	
Gender	2019 Jobs	2019 Percent	2019 Jobs	2019 Percent
Males	184	56.2%	447	53.9%
Females	143	43.8%	382	46.1%
Total	327	100.0%	829	100.0%

Figure 3. Distribution of QCEW employees, non-QCEW employees, self-employed, and extended proprietors by gender. U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages ([EMSI](#), 2019).

Distribution of Workers by Age

The 2019 industrial overview released by [EMSI](#) (2019) showed that workers and owners in the three Coastal Mississippi Counties averaged 48 years old (Fig. 4). More than 37 percent of the workers and owners are 55 years old and above. The 45-54 years old workers and owners added 23 percent of the total. Over 16 percent belonged to the 35-44 years old age group. More than 22 percent of the workers and owners are below 35 years old.

In Coastal Alabama, the workers and owners were slightly younger averaging 46 years old. More than 32 percent belonged to the 55 years old and above age group. The 45-54 age group consisted of over 26 percent. The 35-44 age group added almost 19 percent. The younger age group below 35 years old comprised almost 23 percent.

Socio-Demographic Characteristics of Workers and Owners of Seafood Processing Plants				
Industry Age Breakdown	Coastal Mississippi		Coastal Alabama	
Age	2019 Jobs	2019 Percent	2019 Jobs	2019 Percent
14-18	1	0.4%	3	0.4%
19-24	18	5.4%	58	7.0%
25-34	56	17.1%	126	15.2%
35-44	53	16.3%	155	18.6%
45-54	76	23.2%	220	26.5%
55-64	82	24.9%	197	23.8%
65+	41	12.6%	71	8.5%
Total	327	100%	829	100%
Average Age (yr)	48		46	

Figure 4. Distribution of QCEW employees, non-QCEW employees, self-employed, and extended proprietors by age group. U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages ([EMSI](#), 2019).

Distribution of Workers by Race or Ethnicity

The newly released industrial overview ([EMSI](#), 2019) also sorted workers and owners by race or ethnicity (Fig. 5). More than 36 percent of the workers and owners in Coastal Mississippi are White, followed by Asians (28%), and Hispanic or Latino (22%). The remaining workers and owners are Black or African American (11%), two or more races (0.8%), and Native American (0.5%).

In Coastal Alabama, over 35 percent of the workers and owners are White. Relatively more Asians work in the processing plants (34%) and fewer Hispanic or Latino (10%). More Black or African American workers and owners (20%) are engaged in seafood processing in Coastal Alabama. Over one percent of the workers and owners are of two or more races.

Socio-Demographic Characteristics of Workers and Owners of Seafood Processing Plants				
Industry Race Breakdown	Coastal Mississippi		Coastal Alabama	
Race/Ethnicity	2019 Jobs	2019 Percent	2019 Jobs	2019 Percent
White	120	36.6%	293	35.3%
Asian	93	28.4%	278	33.5%
Hispanic or Latino	73	22.4%	81	9.8%
Black or African American	37	11.5%	168	20.3%
Two or More Races	2	0.7%	9	1.1%
Native American or Alaska Native	2	0.5%	0	0.0%
Native Hawaiian or Other Pacific Islander	0	0.0%	0	0.0%
Total	327	100.0%	829	100.0%

Figure 5. Distribution of QCEW employees, non-QCEW employees, self-employed, and extended proprietors by race or ethnicity. U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages ([EMSI](#), 2019).

Seafood Businesses Registered in MarketMaker

If you need an online database of local fish and seafood processors, you may use the search tool in [Mississippi MarketMaker](#) or other state [MarketMaker](#) programs. There are 135 “fish/shellfish/seafood processors” in Mississippi and Alabama which registered their business profiles in MarketMaker. The Mississippi Department of Marine Resources website lists the licensed seafood dealers in Mississippi ([MDMR](#), 2020).

Search Markets

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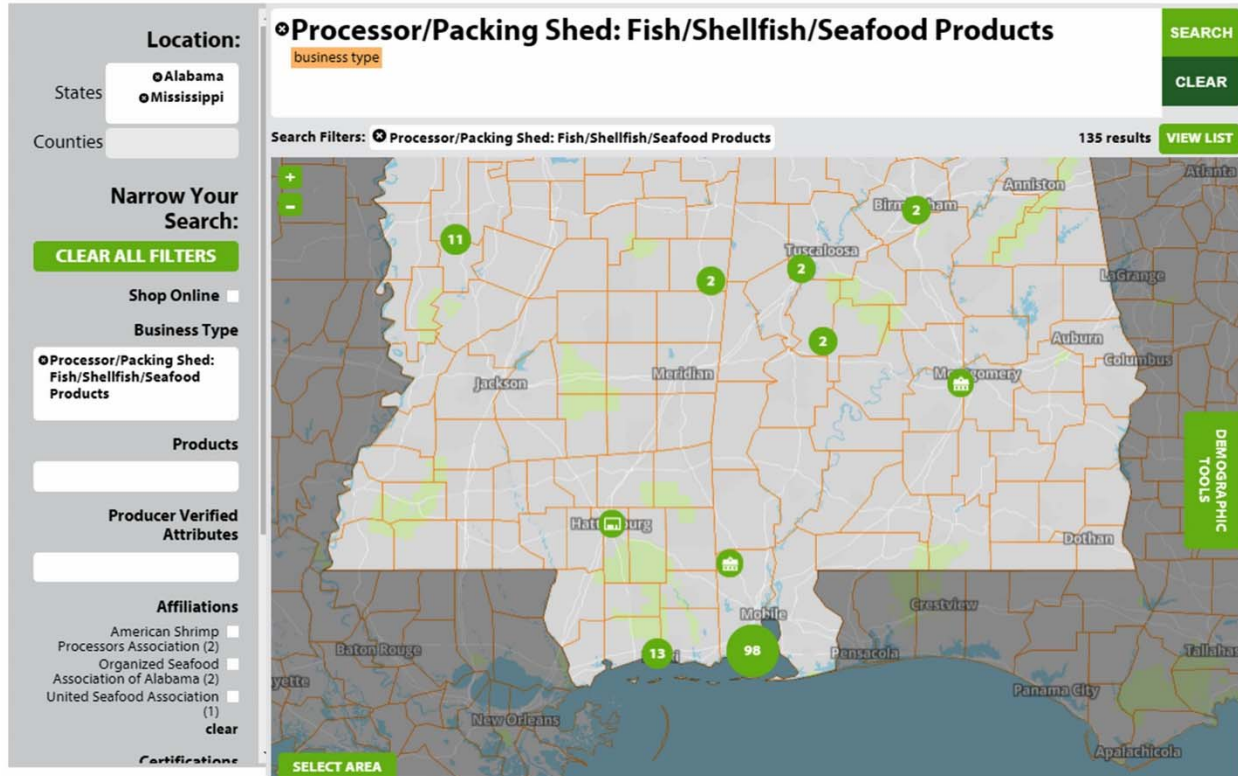


Figure 6. Map of the locations of fish and seafood processors in Mississippi and Alabama ([Mississippi MarketMaker](#), 2020).

Gross Regional Product

The total plant-gate sales of seafood processing plants in the coastal counties in Mississippi and Alabama reached \$210.27 million in 2018. Data retrieved from [EMSI](#) (2020) indicated that the industry sold \$75.943 million in the three Coastal Mississippi counties in 2018. In the two coastal counties in Alabama, the seafood processing industry report total plant-gate sales amounting to \$134.326 million in 2018.

The [Bureau of Economic Analysis](#) (2019) defines the gross domestic product (GDP) as the value of the goods and services produced in the United States. The gross regional product (GRP) is simply the GDP for the region of study. [EMSI](#) (2019) measures the GRP as the sum of total industry earnings, taxes on production and imports, and profits, less subsidies.

The gross regional product (GRP) in the three coastal Mississippi counties generated by seafood processors was estimated at \$20.277 million in 2018 ([EMSI, 2019](#)). The bulk of the GRP consisted of earnings (82%), followed by property income (15.4%), and taxes (2.6%).

The GRP in the two coastal Alabama counties produced by seafood processors was assessed at \$35.866 million in 2018 ([EMSI, 2019](#)). Most of the GRP consisted of earnings (81.5%), followed by property income (16.5%), and taxes (2.0%).

The combined gross regional products (GRP) in the five coastal Mississippi and Alabama counties reached \$56.144 million in 2018. The combined GRP represents about 26.7 percent of the combined total sales of the seafood processing plants in the coastal regions in Mississippi and Alabama.

Disaster Implications

To save lives, properties, and the way of life in New Orleans and surrounding communities, the Bonnet Carre spillway was opened to release floodwater into Lake Pontchartrain and eventually into the Mississippi Sound. The livelihoods and way of life of the seafood businesses and surrounding communities dependent on coastal tourism and the seafood industry are threatened by lingering effects of the man-made disaster associated with the prolonged and twice opening of the Bonnet Carre spillway since February to April and May to July 2019.

The massive volumes of freshwater which were dumped into the fertile fishery grounds of the Mississippi Sound brought with them harmful freshwater algae that bloomed all over the coast. Beaches were closed, and advisories were in place until Labor Day weekend and beyond. Massive losses in vital marine resources in Coastal Mississippi disrupted commercial and recreational fishing activities. The disruption of the local supply chains of seafood products adversely affected local seafood processing, wholesaling, retailing, and restaurant activities.

This man-made disaster is a negative externality that causes consumer and producer losses. Market forces cannot create a system of payments for the offended parties. The government needs to intervene and compensate for the losses suffered by consumers and producers. The effects of the disaster confronting the Mississippi Sound will linger for some time, and the economic hardships will further erode the quality of life of coastal households, businesses, and communities.

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