## U. S. Department of the Interior Bureau of Ocean Energy Management Gulf of Mexico OCS Region

## **Technical Announcement**

Date: June 2016 Contact: Caryl Fagot (504) 736-2590

## An Analysis of the Impacts of the Deepwater Horizon Oil Spill on the Gulf of Mexico Seafood Industry

## OCS Study BOEM 2016-020

Some of the most severe and complex economic effects of the *Deepwater Horizon* oil spill (DWH) were on the Gulf of Mexico's seafood industry. Though there have been some previous analyses of parts of these effects, this study built a framework for analyzing these economic effects in aggregate. This project created a model that examines the effects of initial shocks (such as the DWH) throughout the supply chains of various fisheries. In particular, the model estimates the impacts of a change in fishermen's revenues for a certain species (such as shrimp or oysters) to harvesters, dealers, processors, distributors, marketers, and restaurants. The study used two modeling scenarios: 1) using observed prices following the oil spill and 2) controlling for price changes by using pre-spill prices. Overall, the estimated negative impacts were greater under Scenario 2 because prices generally rose following the spill. There were sizable negative impacts to the oyster and menhaden fisheries under both scenarios; impacts to the shrimp fishery were only negative under Scenario 2. This study also entailed a descriptive analysis of the oil spill's impacts on the seafood industry, which provides context to the model's results. This study provides a useful framework for understanding the impacts of the spill on the seafood industry that future researchers can build upon. BOEM can also use the results from this study to analyze the effects of various potential future events on the seafood industry.

This report is available on CD from the Bureau of Ocean Energy Management, Gulf of Mexico OCS Region, for \$15.00, and free of charge as a pdf file downloaded from the BOEM Website. Copies can also be viewed at selected Federal Depository Libraries.

To order a CD, use the Gulf of Mexico OCS Region contact information below and reference OCS Study BOEM 2016-020. To download a pdf copy, use the <u>Environmental Studies Program Information System</u> (ESPIS) and search on the study report number. This report can also be obtained from the National Technical Information Service; the contact information is below.

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