



Economic Contributions of the Virginia Seafood Industry and the Effects of Virginia Seafood Products in Retail Stores and Restaurants in 2023

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Introduction

Virginia's coastal location and abundant marine resources make its seafood industry a vital contributor to the state's economy, supporting both local communities and tourism. This study applied input-output models and updates the economic contributions of the Virginia seafood industry using 2023 data, building on previous models that captured both direct effects and broader economic ripple effects. The retail sector is the largest private employer in the United States, supporting over 55 million jobs. In Virginia alone, the total economic impact of retail was \$128.1 billion in 2022, supporting more than 835,000 jobs (National Retail Federation, 2024). Similarly, the restaurant industry generated an estimated \$24.4 billion in economic output and supported more than 366,000 jobs in 2023 (National Restaurant Association, 2024). By not accounting for these downstream transactions, traditional seafood economic analyses risk underestimating the industry's true contribution to Virginia's economy. Thus, incorporating seafood-specific retail and restaurant expenditures into economic contribution studies provides a more complete approach. The analysis results for the retail and restaurant sectors should not be summed with the seafood industry totals to avoid double-counting. The study's results provide evidence-based insights to guide decision-making, inform stakeholders, and support continued investment in Virginia's seafood supply chain and related economic activities.

Methods

The study utilized an Input-Output (IO) methodology grounded in the IMPLAN framework, referencing data from 2023. Primary data on expenditures were collected through a survey. However, due to low participation, the models for retail and restaurants were considered questionable. Therefore, the analysis for the retail and restaurant sectors relied on secondary data from NielsenIQ and IMPLAN systems. The economic contributions of commercial fisheries, aquaculture, processors, and distributors were estimated based on updates and secondary data applied to existing primary-data models developed for the year 2019 (Goncalves et al., 2024). The study followed a framework that included identifying data sources, assessing expenditure data at the firm level, and using surveys to fill data gaps. For detailed information, see Additional Resources to access the peer-reviewed publication (Goncalves, et al., 2025) and other deliverables.

Results

Most of the seafood production is concentrated in Eastern Virginia, which is situated between Chesapeake Bay and the Atlantic Ocean. The survey was sent to 810 email addresses, and the QuestionPro platform showed a 12.8% completion rate. There were 39 responses representing 50 business locations. The Virginia seafood industry impacts 480 (91%) of the 528 existing industries in the state. The most affected sectors in terms of employment were nondepository credit

intermediation, commercial and industrial machinery and equipment repair, and insurance agencies.

The Virginia seafood industry contributed with over \$1.27 billion in total output and supported 7,187 jobs in 2023 in VA.

Seafood processors had the greatest impact on employment, labor income, and output within the supply chain. The industry's output multiplier was 1.29 in 2023, meaning every dollar spent contributed an extra 29 cents to the state's economy. In 2023, Virginia's seafood industry generated a total of \$164.4 million in taxes from federal, state, and local sources.

Table 1. Economic contributions of the Virginia seafood industry, 2023. Values expressed in 2023 USD.

Category	Total contribution
Employment	6,507
Labor income	\$238,331,103
Value-added	\$976,730,521
Output	\$1,272,407,353

The analysis for retail and restaurant sectors was kept separate to avoid double-counting with the seafood industry totals. Combined, Virginia seafood products from retail stores and restaurants generated \$74.7 million in taxes.

Table 2. Economic contributions of Virginia seafood products from retail stores and restaurants, 2023. Values expressed in 2023 USD.

Category	Total contribution
Employment	3,689
Labor income	\$136,704,431
Value-added	\$280,872,216
Output	\$458,043,246

Discussion and Conclusion

The study's results are conservative and likely underestimate the true economic contributions, as the survey's low response rate limited the collection

of primary data. In future studies, financial incentives may be needed to increase participation. Comparing the 2019 and 2023 economic contributions reveals a notable decrease in the number of active watermen and aquaculture farms, which has adversely affected job numbers and labor income. While the nominal output contribution has increased since 2019, the Virginia seafood industry remains relatively smaller than before the COVID-19 pandemic when adjusted for inflation. The decline in seafood sales in retail stores since 2020 points to shifting consumer behaviors, potentially influenced by a return to dining out and a preference for convenience and ready-to-eat meals.

Virginia seafood products sold in retail stores and restaurants contributed with over \$458 million in total output and supported 3,689 jobs in 2023 in VA.

Despite these challenges, the study provides an updated and comprehensive assessment of the economic contributions of Virginia's seafood industry, including the downstream impacts of retail and restaurant sales. These findings are essential for supporting evidence-based decision-making and continued investment in the state's seafood supply chain.

References

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Additional Resources

Additional information may be found in the full report, infographic, and video accessible through the QR code below or link

<https://www.arec.vaes.vt.edu/arec/virginia-seafood/resources/economic-contributions-seafood-2019-info.html>



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