



Alaska Fisheries Development Foundation, Inc.

BULLETIN

NOVEMBER 1981

MODEL WHITE FISH PROCESSING PROJECT

Fisheries development in Alaska has repeatedly ignored the schedules and scenarios set out for it by government, consultants and other mystics. A major missing link is U.S. processing capacity for the white fish species. At stake is over three billion pounds of these fish, mostly cod and pollock, caught annually in Alaska's waters. While joint ventures depending upon foreign processing vessels are growing rapidly, only a few U.S. processors are moving aggressively to gain a share of the resource.

During the coming year, the cornerstone of the AFDF program will be a commercial demonstration of white fish processing technology and economics. The project will be undertaken with Trident Seafoods Corporation, in a new facility at Akutan in the Aleutian chain. Details will be published by AFDF as the project moves ahead in the coming months.

Successful development of the domestic white fish processing industry in Alaska will require: capital investment to develop or adapt the necessary technology; development of adequate support systems for transportation, storage, utilities, etc.; a skilled labor force; total utilization of landed product; technical expertise; careful product handling prior to and during processing; funds and opportunity to perform test marketing and product research and development and analysis of results; and most importantly the ability to compete in the world marketplace with subsidized foreign fisheries.

The goal of the AFDF project is to stimulate the development of the domestic white fish industry through support for model processing operations.

The project objectives are:

- To obtain and employ the best technology available for white fish handling and processing in Alaska.
- To demonstrate the use of mechanized equipment and proven technology where appropriate.

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MODEL
WHITE FISH
PROJECT
(continued)

- To train a labor force in the proper handling, processing and preservation techniques, with the goal of improving quality and raising productivity.
- To develop and expand U.S. markets for Alaskan white fish products.
- To make available to the fishing industry and the general public a description and analysis of model processing operations that will serve as a guide to domestic industry.
- To encourage total utilization of the harvested resource and thus maximize return on investments in white fish processing.

ALASKA
POLLOCK:
Is it a
Red Herring?

Two hundred industry leaders, experts and participants will attempt to answer that question at the Alaska Pollock Conference November 18 and 19 at the Sheraton hotel ballroom in Anchorage.

The Conference, sponsored jointly by the Alaska Fisheries Development Foundation, the National Marine Fisheries Service, and the State of Alaska, will target on improving understanding and development of the pollock industry. Speakers will focus on the needs and questions of industry decision-makers, as well as the political and financial aspects of the pollock fisheries.

The first day of activities will include a presentation by Natural Resources Consultants, evaluating the pollock resource, its production, and marketing. Japan Fisheries Association representatives will also speak.

The second day of the conference will feature four panels of industry experts who will discuss their experiences with the production, product forms, and marketing of pollock. The luncheon address will be given by a representative of Korea Deep Sea Fisheries Association.

Industry leaders and experts from Seattle and elsewhere, as well as from Alaska, will attend the conference, and all presentations will be later published by AFDF. For further information about the pollock conference, contact the Foundation at (907) 276-7315.

ALEUTIAN
MISTRESS:
Preliminary
Report is
Completed

A report on Phase I of the ALEUTIAN MISTRESS project is now available from the AFDF office. Though at this point it is too early to draw final conclusions about the project, indications are that the ALEUTIAN MISTRESS conversion to combination crab vessel and longliner/processor is a potentially viable enterprise.

The Phase I report, by Frank Orth & Associates, compiles data collected by an on-board observer during last year's operations. The report sets up a framework by which more in-depth analysis can be made after this winter's season. At that time, a second report will be issued, offering more comprehensive economic and technological feasibility data.

Currently, ALEUTIAN MISTRESS is in the Dutch Harbor area for the crab season. In early November she will unload her pots and crabbing equipment and set up her longline gear for another cod season. Efforts this year will focus on maximizing the vessel's efficiency--increasing pounds per hook and number of hooks set per day--as well as streamlining processing operations.

AFDF has fielded some criticism over the ALEUTIAN MISTRESS project, including complaints that previous reports have been too optimistic in view of the fact that the boat is not yet making a profit. If ALEUTIAN MISTRESS doesn't actually break even in her first seasons, is the project a failure? Is the report invalid? The value of the project and the economic success of the vessel are two different things. The purpose of the project is to examine the technological possibilities and the potential profitability of this type of operation. The ALEUTIAN MISTRESS serves as an example for other crabbers which face a bleak future without some other kind of income. The \$4.5 million vessel is the most sophisticated, completely-equipped boat of her kind; thus, it may take longer for her to break even. But with such a sophisticated boat, we are able to explore the widest spectrum of variables possible. In this way she provides a good model for other boat owners, who can learn from her example and apply the appropriate information to their vessels.

SALT FISH
PROCEEDINGS
REPORT NOW
AVAILABLE

We apologize for the delay in printing and distribution of the Proceedings from the Salt Fish Workshop. This is a comprehensive overview of the salt fish industry potential in Alaska, and the report is now available to those who did not attend the workshop for \$10.00, which covers only the Foundation's printing and mailing costs.

If you have requested a copy of the Salt Fish Proceedings Report, you should be receiving it within the next few weeks. If you would like to request a copy, please contact AFDF by phone or mail in your request with the \$10 fee.

PROJECT
UP DATE
Bering Sea
Fishermen's
Association
Extension
Service Contract

Bering Sea Fishermen's Association has contracted with the United Fishermen of Alaska to prepare a primer on the essentials of gathering, reporting, and disseminating fisheries news in Alaska. This primer will emphasize the production and dissemination of news most relevant to rural western Alaskans. In addition to preparing this primer UFA will conduct fisheries news workshops in the communities of Kotzebue, Nome, Bethel, and Dillingham in the fall on the essentials of fishery news reporting. These workshops will be open to all fisheries organizations, interested fishermen, and industry. The Bering Sea field extension agents will also receive individual instruction in the production of fisheries news.

Bering Sea Fishermen's Association also filled the position of interim field coordinator on July 15th by hiring Norman Cohen. Norman led a visiting delegation of Japanese trawling interests on a tour of the Yukon/Kuskokwim Delta. The Delegation met with local fishermen and processors in an attempt to understand the importance of the salmon resource in the Western Alaskan economy.

Norman, at the request of Lower Yukon and Norton Sound fishermen, is assisting in the preparation of comments on the proposed Norton Sound OCS lease sale. Norman has also been assisting the Central Bering Sea fishermen develop regulations which would increase local participation in the herring fishery.

S-K PROJECTS
AWARDED

The National Marine Fisheries Services completed their nationwide review of the S-K proposal submissions, and out of approximately \$7 million distributed in approved projects nationwide, the Alaska region received a total of \$1.3 million.

Two projects were awarded to Alaska Seafood Marketing Institute, and the following projects were approved and will be administered by AFDF. Totalling almost \$1 million, the projects were:

Minced Pollock Processing

Processing Cod at Sea

Baiting Systems for Longline Gear

Automated Longline Gear Demonstration

Remote Area Small Vessel Cod Fishery

Marketing of Sablefish

The Foundation will be seeking a contractor to perform the Automated Longline Gear demonstration project, using a small vessel. Anyone interested in conducting this project should contact AFDF.

NEW MEMBERS
NEEDED!

AFDF is a membership organization, and as such thrives on contributions of time, energy and ideas from our associates and program participants. Therefore, now and then we send forth a plea for new members, who are the lifeblood of our association.

And for members and future members alike, here is an excerpt from a Great Lakes area fisheries newsletter, encouraging its members to help their association by NOT following these ten commandments:

HOW TO KILL AN ORGANIZATION

1. Always have something else to do when a meeting is called.
2. If you attend a meeting, be sure to find fault with the officers and fellow members.
3. Decline to hold office, as it is easier to criticize than be criticized.
4. Get sore if you are not put on a committee.
5. If you are put on a committee, fail to serve.
6. If the president or chairman asks for opinions, by all means keep silent, but later tell others what should have been done.
7. When a few of the fellows roll up their sleeves to help things along, always preach that a clique is running your organization.
8. Stick to telling what you have done in the past for the organization; never look to the future.
9. Delay paying your dues as long as possible, and never reply to requests or reminders.
10. Never bother about getting new members--always let GEORGE do it.

In these trying times, the industry needs the interest and dedication of every licensed fisherman and processor. If you haven't done so already, please address your membership inquiries to the AFDF office.

ON A
SORROWFUL
NOTE

AFDF was recently notified of the accidental death of Martin Rogers in Oregon on September 15th. Martin worked with AFDF for several months, and his contributions to the Foundation were appreciated. To his parents, Rob Rogers (Seward Fisheries), Randy Rogers (Swiftsure Fisheries), and Ryan Rogers (Icicle Seafoods), our sincere sympathy.

WORLD'S LARGEST
FOOD FAIR

The ANUGA '81 World Food Market opened in Cologne, Germany on October 10th. The exhibition was the largest food show in the world, attracting over 127,000 visitors from 87 countries, and providing an opportunity for seafood processors and marketers to meet with the most important food buyers in the world.

Pacific Northwestern and Alaskan seafood companies were represented at the exhibition with a number of booths located in the U. S. Pavilion, which was sponsored by the U. S. Departments of Agriculture and Commerce.

Alaska Seafood Marketing Institute and AFDF coordinated product shipments to ANUGA '81 and worked with the show's designers and others on behalf of the firms participating in the show. The design firm of Gene Davis & Associates was responsible for photo enlargements and other design features of the U. S. Seafood Pavilion. Dick Montague, formerly of the Alaska State Tourism Office, assisted the Foundation in planning cocktail receptions and breakfast seminars.

In 1980, European importers purchased \$323 million worth of U.S. fish and shellfish, a 15% increase over the previous year. This year, the totals are expected to exceed that figure. Exporters find in Europe a ready market for "high value" fish and shellfish, such as salmon, king and tanner crab, shrimp, lobster, oysters, scallops (including scallop roe), crabs, flounder, snapper and trout. In addition, many species that are less popular with U. S. consumers, such as eel, squid, octopus, carp and mullet, enjoy high demand in some European markets.

In short, the European food market provides excellent outlets at top prices for exporters who can guarantee a high quality product. Our Alaskan representatives worked to improve our image in the international market by displaying our seafood in an attractive, professional manner that would highlight the richness and diversity of America's fishery resources. A report on the success of this coordinated marketing effort at ANUGA '81 will be included in the next Bulletin.

ARCTIC SEA, INC
Progress
report for
AFDF bulletin

The summer salmon season has been the busiest time of year for Arctic Sea, Inc., a marketing service directed toward small rural seafood producers.

Settlement of contracts between salmon producers and buyers, and logistical arrangements that follow take up most of Arctic Sea staff time. The contract negotiations require many hours of telephone conversations and meetings with potential buyers, and with three to five buyers generally bidding on each production unit, the process of bid selection is very time consuming. The salmon contract for Norton Sound Fishermen's Co-op was finalized in July, as was the salmon contract for NANA Seafoods in Kotzebue. Arctic Sea marketed both chums and cohoes domestically, to augment foreign contracts. In addition, Arctic Sea assisted with the selection and purchase of tender boats for Norton Sound Fishermen's Co-op and Kotzebue.

During the first part of salmon season, Arctic Sea received an emergency request from the village of Quinhagak, saying that the fishermen had no fish buyer. Arrangements were made to send three vessels to Quinhagak to pick up the fish.

Arctic Sea assisted a Bristol Bay set net operation with marketing their fish, and with logistics such as arranging charter planes to haul the product from Naknek to a Kenai processing plant.

During the first part of August, Terry Reeve accompanied a flight of fresh Kotzebue chum salmon via Anchorage to Japan. The salmon had been handled carefully, and were packed in 60 pound Styrofoam containers. Upon arrival in Japan, the fish were trucked to six major regional fish markets, and auctioned off to buyers by local Japanese firms operating on commission. The average selling prices were between \$2.00 and \$3.00 per pound. These prices were well above the fresh market possibilities in Alaska. This fish flying venture was primarily to introduce fresh Alaskan chum salmon to the Japanese market, and the results were very positive. A high level of interest was shown in obtaining more fresh fish from Alaska.

**200 MILES
OF FISH**

**Byline:
George Pigott**

The United States fishing industry, a potential giant, sleeps among the fraternity of world fishing powers. In our country, the world leader in food production, U.S. produced marine products hardly make a wave. Perhaps we are akin to our friend, the codfish. A codfish lays 10,000 eggs in one day and never says a word while a hen lays one egg and cackles. Are we being heard or do we even have a story to tell? Many thought that the Fishery Management and Conservation Act of 1976, commonly called the 200-mile Limit Law, would be an immediate panacea for the U.S. doldrums. Yet today, several years later, our industry perhaps is experiencing harder times than ever before.

Where do we go from here? Can we, the champions of free enterprise, overcome world politics, foreign ownership and market control, negative thinking and unskillful bureaucratic performances to take advantage of a long-sought-for opportunity? I think those of us looking to the North Pacific can, but it is going to take a lot of mature consideration and cooperation often missing from segments of the industry. First, let's take a good, realistic look at the relationship between the Pacific Northwest and Alaska from the standpoint of past, present and future fishing operations.

--- to be continued ---

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Development Foundation, Inc.**

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