
the LODE STAR

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THE LODESTAR UPDATE

June 21, 1985

"The most promising words ever written on the maps of human knowledge are terra incognita -- unknown territory." (Daniel J. Boorstin)

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AFDF'S U.S.-MADE SURIMI MAKES INROADS into the traditional kamaboko market, with 200,000 pounds sold by this mailing. Most went to West Coast analogue makers, some to the East Coast. Most product sold so far has been either in the higher price range (\$0.75 and up) or the lower range (\$0.45 - \$0.55); little in between has moved. These sales show encouraging progress for domestic surimi in traditional markets, where most producers now buy exclusively Japanese. Though buying AFDF surimi means adjusting formulations (always necessary when changing supplies), an increasing number now seek to buy American and build a guaranteed future supply as efforts increase to Americanize the industry.

"BIG U.S. COMPANIES MUST GET INVOLVED now if this industry is going to become American," says Ken Ostebo, president of Sea/Lite Products, so far the only manufacturer of all-American surimi crab products. "We little scrappy guys can open the doors, but then the big interests have to follow up, or we won't be around too long." Sea/Lite is the first to make crab sticks from American surimi (AFDF) on American machinery (Ryan Engineering) with American flavors and ingredients (PPF Norda).

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Now faced with obligations to buy U.S. surimi or lose some pollock allocations, Japan's two controlling companies have decided to enter the American onshore surimi production scene. Nippon Suissan announced June 13 that its U.S. subsidiary, Universal Seafoods, will build a \$10 million surimi plant--probably in Dutch Harbor--this year. Rumors have Taiyo following suit with an American producer. Such joint ventures--especially those between Japanese companies and their wholly-owned subsidiaries--aren't everyone's idea of Americanization of the industry (there's grumbling that the Japanese are "buying surimi from themselves.") But there are benefits: U.S. fishermen will gain more experience delivering pollock--and workers in processing it; we'll learn about year-round pollock availability in Alaska; and U.S. food companies will gain confidence in the supply of surimi with the addition of two 100% private surimi plants on shore in AK. The move may also help a U.S.-owned processor gain access to capital. For AFDF's pollock industry development project, it's a coup: an Alaskan onshore surimi industry is a reality. Will U.S.-owned companies respond?

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A POLLOCK BY ANY OTHER NAME: FDA issued a June 10 policy guide for surimi product labels: 1) analogues must be labeled "imitation," and 2) must have product identity statement ("A blend of fish with ___"); 3) seafoods must be specifically named; 4) non-seafood analogues do not require "imitation" label; 5) labels may suggest uses, as in "Use like crabmeat." Talks continue with FDA to loosen the "imitation" requirement....

INFORMATION PLUS: "Surimi: An American Opportunity" gives you more information in eight minutes than forty elevator operators, and for only \$40 apiece, the ½-in. VHS video is a lot easier to take. Informative, sharp, accurate, and with a touch of class, the AFDF-sponsored video is an intro to the business of surimi: tailor-made for board meetings, new product introductions, research discussions, or simply to get someone else excited about American surimi. Contact AFDF with your order.

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"IF YOU CANNOT, IN THE LONG RUN, tell everyone what you have been doing, your doing has been worthless," said Erwin Schrödinger. What keeps publicly funded agencies on the right track, firmly attached to the meaningful and not the worthless? For AFDF, it's the S-K funding proposal deadline, when the

"AFDF has proven to the Japanese industry that it is possible to produce good quality surimi on shore in Alaska."

— Hugh Takagi, Japan Fisheries Association, June 12, 1985

(FRONT PAGE, CONT'D) Foundation evaluates past work, compares that to industry direction, and outlines strategies for the future. AFDF found this process challenging, exhilarating, edifying.

In preparing the funding proposal, staff described conditions of a fully-developed U.S.-dominated pollock industry, then struck conditions over which AFDF has no potential influence (weather, economic environment, etc.) and by outlining the tasks required to create those conditions, charted the course for AFDF's future. The focus: surimi, and other pollock products (formed fillets, roe, meal and oil). Market development targets meat processors, where there's already hot activity, and Japanese surimi companies are in mid-fray. AFDF's objective: to create an intelligence link between producers and markets so powerful as to draw into the vortex the kind of companies—Griffith Labs, PFF Norda, Ryan Engineering, Webb Foodlabs are examples—that will develop the industry themselves. The project also includes provisions for production of a million lbs. of surimi per year for three years. AFDF is doing its best to scope out where the industry wants to be in five years, and help hold open the doors for private companies to find profit in one of Alaska's largest resources: seafood.

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EARLY CONCLUSIONS ON AN UNEXPECTED PROTEIN POWER... Surimi will be highly compatible for most traditionally processed cooked meat systems, says a just-released study by Webb Foodlabs, Inc. on surimi's functional properties. One unexpected feature: it forms a light foam structure, promising potential in entirely new types of products. The study is part of AFDF's plan to hasten food product development by exploring more diverse uses of surimi. How does surimi behave in various formulations? How does it compare to other protein ingredients? Webb's report available from AFDF in July.

BATTELLE MEMORIAL INSTITUTE of Columbus, Ohio has taken on another portion of the product diversification project to study the functional properties of freeze-dried and spray-dried surimi, and to explore its potential as an ingredient in food processing. That study to be completed by late September.

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YOU PLAY, YOU PAY.... Alaska's Sen. Ted Stevens introduced legislation to reauthorize the Magnuson Fisheries Conservation and Management Act (MFCMA) or 200-mile limit law. Stevens' bill includes a 50% increase in the foreign fishing fees (welcomed by those who feel Americanization of the fisheries begins in the pocketbook). It also asks the President to halt fish allocations to nations imposing trade barriers to U.S. seafood products. Despite strong emphasis in industry on complete phase-out of foreign fishing by 1990, Stevens' bill mentions nothing of the kind; he will offer an amendment introducing the need to reduce foreign fishing, he said. FYI: since first authorization of the MFCMA in 1976, foreign fishing in U.S. waters has increased.

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A MOVING EXPERIENCE: AFDF is moving into new quarters the first week in July. At press time, new address wasn't certain, but be sure AFDF will let you know. (The telephone, telex and collective staff IQ will remain the same.)

THE LODESTAR is the voice of the Alaskan seafood resource in the U.S. food industry. Don't be singing the wrong tune. Read The Lodestar and keep up with the score. Where else can you get new product ideas, surimi technology, protein resource information, market contact, good graphics, and provoking editorials for only \$10 a year? Get yours. Write to The Lodestar, c/o AFDF, 805 West 3rd Ave., Anchorage, AK 99501.

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