

February 5, 1985

ALASKAN FISH PROCESSOR MAKES TOP QUALITY SURIMI

OPENS UP \$3 BILLION NEW INDUSTRY

KODIAK, AK -- An Alaskan fish processor has broken the barrier into a \$3 billion a year industry by making top-quality surimi on American shores for the first time in history.

Alaska Pacific Seafoods (APS) of Kodiak is making the surimi--a deboned, refined fish paste made from Alaska pollock--under a contract with Alaska Fisheries Development Foundation (AFDF). AFDF is a private non-profit development firm chartered to help the U.S. seafood industry regain control of sea resources now primarily harvested by foreign interests.

The AFDF/APS surimi plant is the first full-scale surimi production line in Alaska, and the first pollock surimi line ever built in America.

Before now, all commercial-scale surimi production had been done by Japanese companies using Alaska pollock acquired through directed fishing allocations and joint ventures with U.S. fishermen.

The AFDF/APS line began turning out high-quality surimi after only seven days of initial production.

Chris Mitchell, AFDF executive director, said, "The fact that [APS was] able to accomplish high quality production within such a short time is indicative of the potential of U.S. successes in this industry.

"We had brand new equipment, plant workers inexperienced with surimi, some untried technology and three years worth of discouraging advice from Japanese experts, and APS was able to equal the top Japanese surimi technology in a very short period of time."

Japanese advisors have long held that top-quality surimi production on shore was impossible; Japanese companies produce only lower-quality surimi on shore, and rely on factory trawlers to produce their highest quality product.

The AFDF/APS surimi line combines proven Japanese equipment with some sophisticated quality control technology from the U.S. food industry. AFDF production manager Chris Riley, who oversaw production startup, said he believes "now that we've at least equalled the best Japanese product, we will go on to improve their technology."

Alaska Pacific Seafoods will produce an initial pack of 860,000 pounds of surimi for the AFDF project. The surimi will be sold to U.S. food companies now making surimi-based products and seafood analogues. Some will be distributed free to companies just beginning product development work, in order to help lower the costs of expensive research on new applications for surimi.

"We intend to provide for the U.S. food industry a reliable, low-cost supply of surimi that is not subject to import tariffs or currency fluctuations, and is made on American shores using American technology," Mitchell said. "The more surimi we import from Japan, the more we contribute to the trade deficit, and the more control of our own important protein resources we relinquish to foreign interests."

Of the 2.6 billion pounds of Alaska pollock harvested annually, about 70 percent--or 431.2 million pounds--is used by Japanese companies to make surimi. Latest figures show Japan exported more than 32,000 metric tons of surimi and surimi-based products to the U.S. in 1984.

Most of the Alaska pollock in the northern Pacific ocean lies within the U.S. 200-mile limit. Full utilization of that resource would mean that the U.S. seafood industry would benefit from revenues now earned by Japanese fishing and processing companies.

"Industry experts from both sides concur that the potential value of the surimi industry in America would be in excess of \$6 billion a year if the resource were tapped by Americans instead of by foreign companies," Mitchell said.

The surimi production line in Kodiak is under close scrutiny by about 200 U.S. food companies, some of whom are now ready to apply American-made surimi to their products. Among the 50 largest food firms in the U.S., at least twenty are pursuing surimi as a food base. Because of the competitiveness within the industry, many of those companies do not want to be identified, and some work through agents or intermediaries in order to keep their intentions private.

Alaskan seafood processors who say they will be next in the surimi business are also watching the line closely. One western Alaska processor who asked not to be identified has indicated they plan to be in full-scale surimi production by the end of 1985.