I. INTRODUCTION

The purpose of this handbook is to help you get started in planning a fish processing plant in your village. It provides step-by-step advice about what you need to think about. It can help you to figure out whether a fish processing plant can succeed in your village.

What is a “Village Fish Processing Plant”?  

There are many different kinds of fish buying and processing operations in Alaska. This handbook focuses on locally owned operations in western Alaska villages that buy or process fish. For simplicity we use the term fish plant for these operations—although they may also process other products such as meat or berries.

A fish processing plant can bring a lot of benefits to a village. It can provide a market for fishermen. It can provide jobs and income for village residents. It can provide opportunities to process other food resources, such as reindeer or subsistence foods.

But starting and operating a fish processing plant is not easy. It is a lot of work to plan the operation, get the funding, build the facility, buy and install the equipment, get the required permits, and hire the workers. And once you are ready to start processing fish, a lot of things can go wrong. Sometimes the fish don’t show up. Sometimes critical equipment breaks. Sometimes people don’t do the work they are supposed to. Sometimes transportation and marketing arrangements don’t work out the way you expected. For these and many other reasons, a village fish processing plant may not earn enough money to pay for its costs.

This handbook can help you think clearly about both the benefits of starting a fish plant and the things that can go wrong. It can also help you to prepare the information that you will need to apply for a grant or loan for a fish processing plant.

Most of what this handbook does is ask you questions you need to think about as you plan a village fish processing plant. The main way this handbook can help you is by reminding you of the most important questions you need to ask. As we ask each question, we explain why it is important. We also give you suggestions about how you can find answers for it. But only you can provide the answers that fit your village, your fishery resources, and your ideas for a fish plant.

“Planning Steps”

In this handbook, you will find many "planning step" questions in boxes marked with a stepping boot symbol. If you answer these questions, you will have much of the information you will need to apply for a grant or a loan to build a fish plant.
How This Handbook is Organized

There are ten chapters in the Handbook. Chapter 2 is a short overview of some western Alaska village processing plants. We use the experiences of these plants as examples in other parts of the handbook.

The remaining chapters discuss different basic topics in planning a fish plant. For each of these topics, the handbook asks planning questions. You won’t necessarily be able to answer the different questions in order, however. That’s because the answers to some questions depend on how you answer other questions.

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For example, the buildings and equipment you will need depend on the products you will produce. But the products you choose to produce will depend on your financial analysis of which products are most profitable. But that depends on the cost of your buildings and equipment! As you plan for your plant, you may need to revise your plans until you have figured out what kinds of products and what kind of fish plant can work best for you.

**Planning a Fish Plant: Everything Depends on Everything Else**
(or sometimes it seems that way)

- How much fish will you buy?
- What buildings and equipment will you need?
- How many workers will you need?
- How much will it all cost?
- What products will you produce?
- What prices can you sell your products for?
- Can you make enough money?

The most complicated part of planning a fish plant is the financial analysis, which we discuss in Chapter 10 at the end of the handbook. The purpose of the financial analysis is to add up all the different costs of your plant and to compare them with your expected sales revenues—so you can see whether the plant will be able to make enough money to meet your financial goals. Many of the different planning steps in the handbook ask for information you will need for your financial analysis. Depending on whether the financial analysis shows that your plant can earn enough money, you may wish to change the plan.
In different parts of the handbook you will find "reality check" boxes marked with a check symbol. Answering these questions can help you think about whether the kind of fish plant you are planning is likely to succeed or not, and whether you should make changes in your plans.

At the back of the handbook is reference information which may be useful in answering some of the planning questions.

It’s a lot of work to go through the different planning steps in this handbook. But keep in mind that planning is easy compared with actually building, equipping, and operating a fish plant.

Are there people in your village who are willing to do a lot of work to plan for a fish processing plant, to get it built, and to operate it?