CHAPTER 2. EXAMPLES OF VILLAGE PROCESSING PLANTS

In this chapter we briefly describe eight village processing plants that have been built in seven western Alaska villages over the past two decades. The villages are shown on the map below. Parts of this handbook use experiences of these plants as examples.

These eight village fish processing plants differ in many ways. They differ in size. They differ in the kinds of fish that they buy and the products they produce. They differ in how they are owned and managed. They differ in the kinds of challenges they have faced, and how successful they have been in overcoming these challenges.

The descriptions of the plants in this chapter are very short and don’t tell the “whole story.” The “whole story” for each plant is much more complicated. Different people who were involved with each plant might have different perspectives about what happened and why it happened and what went well or didn’t go well.

Different people would draw different lessons from the experiences of these plants. Here are two of the most important lessons:

• There are many challenges in operating a village fish processing plant.

• It is possible for village processing plants to overcome these challenges and operate and provide economic benefits to their villages.
Dainty Island Seafoods

For many years Sidney Huntington operated a small fish processing plant on Dainty Island, about 25 miles up the Yukon River from Galena. The Dainty Island Seafoods operation evolved over several decades. It began as a family fish camp in the 1960s. Later Sidney Huntington began to sell traditional style smoked salmon strips, first locally and then in stores in Kotzebue, Barrow and other Northwest Alaska communities and to friends throughout Alaska. The demand for this product grew over time and was more than he could satisfy, partly because the product was reliably good and was consistently available.

In the 1980s Sidney Huntington ran into problems meeting Alaska Department of Environmental Conservation (DEC) regulations. He went through major remodeling and retrofitting so that his plant could meet these standards, which took several years and technical help from many sources. The operation received several small grants to assist in these upgrades. Afterwards the plant continued to produce smoked salmon strips. Sidney Huntington retired from the business in the late 1990s and it now operates intermittently on a smaller scale.

The plant was located in a plywood building about 30' by 40' with a butchering room, cooking room, brining area, and smoke room. Equipment included an oil furnace used to maintain steady heat for smoking and a generator for power. The operation used both chums and kings, most of which were caught by Sidney Huntington himself, although he also bought some fish from local fishermen. The operation involved heading, gutting, filleting, smoking and freezing the smoked product. At its peak, the plant produced about 10,000 pounds of fish and employed two or three local residents.
Maserculiq Fish Processors, Inc. in Marshall

Maserculiq Fish Processors, Inc. is located in Marshall on the lower Yukon River. The plant was one of several constructed with financing from the Community Enterprise Development Corporation (CEDC) during the late 1970s. It began operating in 1977 and processed about a million pounds of fish in 1978 and 1979, mostly chums and kings.

The operation began in a 60’ x 30’ metal building. After the successful 1978 season, the two-story Quonset style building shown in the picture was added. The plant operated several 27’ tender boats. In some years product was shipped in a flatbed truck to the Marshall airport and flown in small planes to Bethel; in other years it was shipped by river to St. Mary’s. The operation provided as many as 20 jobs.

For a period of time in the 1980s the owners leased the plant facilities to a Seattle-based company which continued to buy fish from local fishermen. The company was not able to hire enough workers locally so it brought in workers from outside the village.

In the mid-1990s the plant stopped processing fish and operated only as a buying station, providing ice and then tendering fish to St. Mary’s. It operated in 2000, using new smoking equipment purchased with a grant. However, it only produced a small volume due to very low Yukon River salmon returns.

The company’s new smoked products are marketed under the name Yukon King Seafoods. Their product "Yukon King Seafoods Traditional Salmon Strips" won the Grand Prize in the 2001 Alaska Symphony of Seafood competition. The judges praised the product for its color and smooth taste and noted that the company was able to produce a traditional "Indian candy-style" product using an FDA-approved smoking process.

Currently the general manager of the operation, who is also in charge of marketing, is an Anchorage resident. The plant foreman is a Marshall resident.
Quinhagak Fish Plant

The Quinhagak salmon plant was built in 1992 with federal and state grants and is owned by the Native Village of Kwinhagak IRA Council. The plan was to process fresh salmon from the Kanektok River and Goodnews Bay fishing districts at the mouth of the Kuskokwim River and fly it to Bethel. Traditionally, local fishermen had sold to tenders operating out of Bethel. However, except for the ice machine, the plant did not operate for a number of years. Groups that considered operating the plant decided that it wouldn’t be profitable because of several factors including the cost of flying fish out of the community, not enough local workers, and competition from other processing facilities, including their own operations.

In 1999, a subsidiary of Coastal Villages Region Fund CDQ group began to operate the plant but produced only 8000 lbs and lost money because of poor silver salmon runs. However in 2000 the plant did much better, increasing production to more than 400,000 pounds, producing high-quality headed and gutted and filleted fish, and paying relatively high prices to local fishermen. Fish were flown in wetlock boxes to Bethel and then on to Anchorage and the Lower 48. Coastal Villages Seafoods, LLC plans to expand production substantially in 2001 and is making major new investments to add new equipment and a bunkhouse and mess hall complex. By doing more of the processing in Quinhagak, they hope to reduce shipping costs and also create more local income.

The original plant was in a 30’ x 60’ modular building, with an attached ice room and cold storage room and a separate 30’ x 40’ refrigeration building. The current upgrades will double that size. During the 2000 season the plant employed about 40 people.

A talented and dedicated manager from the village has played an important role in successfully starting up the plant. The plant also benefits from the high quality of fish caught in ocean bright condition near the plant and consistent fishery openings over the season. Some of the challenges faced by the plant include the cost and logistics of flying fish in small planes and finding enough workers. The plant has offered employment to workers from other villages in the region.
Unloading king salmon at the Quinhagak fish plant dock, July 2000.

Cutting line in the Quinhagak fish plant, July 2000.
Mekoryuk Fish Plant

A small halibut processing plant was built in Mekoryuk on Nunivak Island in the early 1980s to provide opportunities for local fishermen to harvest halibut and have a place to sell their catch. The processed halibut are flown to Bethel for air transport to the fresh market.

At first, the Mekoryuk plant was operated by Bering Sea Reindeer Products, Inc., a subsidiary of the Native Village of Mekoryuk, which also operated a reindeer processing plant at Mekoryuk. The plants befitted from the exceptional management skills of Mekoryuk resident Ted Moses. Tragically Mr. Moses was killed in June 3, 1996, when the helicopter he was piloting crashed near the village.

After 1995, prices for the plant’s halibut fell when the IFQ program expanded the supply of fresh halibut from other parts of Alaska, and the plant lost money. Since 1999, the plant has been operated by Coastal Villages Seafood, LLC, a subsidiary of the Coastal Villages Region Fund CDQ group.

This picture shows the Mekoryuk halibut processing plant in 1994. The trailer on the right, with doors wide open on both sides, is the actual halibut processing facility. The trailer in the middle is the shaved ice making unit. The large building on the left is the Mekoryuk subsistence freezer.
Tanana Fish Plant

During the early 1980s a fish processing plant was constructed with private funding in the village of Tanana. The total cost of the building and equipment was more than one million dollars. The plant operated only briefly and the building and equipment was eventually abandoned. At one point it was bought as a tax write-off by several Oregon ranchers. Two very basic problems faced by the Tanana plant were the lack of adequate local fish supply and lack of a realistic business plan. At first the would-be operators didn’t even know the location and timing of the fish runs. They tried to buy fish lower down the river and fly them to the plant—an extremely expensive and impractical way to get fish.

The Tanana fish plant is a worst-case example of what can go wrong with a fish plant. It illustrates a simple but very important principle: a successful fish plant requires much more than a building and equipment, starting with a business plan and good management.
Yukon Delta Fish Marketing Coop, Emmonak

The Yukon Delta Fish Marketing Coop is a fisherman’s coop established in the late 1960s in Emmonak. At present the Coop has about 260 members, and a 9-member Board of Directors.

After beginning with a small shore-based plant, the coop now operates a large salmon freezing facility on a barge, as well as several tender boats, and has a supply and office building on shore. Funding for the Coop’s facilities and equipment has been provided by a number of grants, including a major refurbishing of the barge in the mid-1990s.

The plant produces frozen headed and gutted king salmon which are sold to Japanese buyers, as well as fresh and frozen H&G chum salmon. During the 1990s at the height of the run the plant employed as many as 100 people working on the barge, tender vessels, and onshore supply operations.

The Coop has survived for many years in the difficult Alaska fish business, and has provided a market for its members and jobs for local residents. However, it has also faced a variety of challenges. The most serious problem at present is the disastrous decline in Yukon River salmon runs, which has affected not only fish supply but also made it difficult for fishermen to repay loans made by the Coop. Other challenges have included competition for fish from other Lower Yukon River buyers and difficulties with the management of the Coop. Although the original plan was that the Coop would pay dividends to members from its profits, the Coop has never paid a dividend.
Yukon Delta Products, Emmonak

Yukon Delta Products is a small value-added processing plant in Emmonak owned by the Emmonak Tribal Council. A state grant in the late 1990s provided funding for the plant’s buildings and equipment. The facility was purchased as a modular unit in vans. A small office building has been added, and a refrigerated freezer van serves as a cold storage.

The plant doesn’t have a primary processing permit and doesn’t purchase directly from fishermen. Instead it buys headed and gutted fish from the Yukon Delta Fish Marketing Coop and other Lower Yukon River processing operations. Frozen H&G fish are stored for later thawing and processing.

The plant produces hot-smoked vacuum packed smoked salmon fillets. Steps in the production process include thawing, filleting, soaking in brine, drying, smoking, vacuum packing.

The facility is operated by a full-time manager with extensive earlier experience in fish processing, and employs as many as ten workers at peak periods.

Despite producing good quality products, the plant has faced several problems. Costs of operation are high. Some of the original equipment purchased with the plant did not work. The operation has had problems successfully marketing its products.

Yukon Delta Products modular smoker processing facility. The wooden building on the right is the new processor office.
Unalakleet Fish Plant

A series of locally-owned fish processing plants have operated in Unalakleet since the 1960s. The first plant was destroyed by a flood. A second plant was built in 1968 with assistance from the Community Enterprise Development Corporation. In 1973, Unalakleet fishermen organized the Norton Sound Fishermen’s Coop (NSFC) which purchased the plant and began operations. During the mid-1970’s the Coop was profitable for several years and created up to 60 processing jobs. In 1978, the Coop expanded operations and almost tripled purchases, buying fish from beyond Norton Sound, but lost money due to greatly increased costs.

Facing growing competition for fish from cash buyers, the Coop stopped operating in the early 1980s. In 1984 the Unalakleet Native Corporation took over the plant. From 1986 through 1992 Whitney Fidalgo leased the plant from the Native Corporation and operated it only as a fish buying station. Over time the plant deteriorated physically. In 1993 a grant from Norton Sound Economic Development Group (NSEDC), the CDQ group for the region, paid for renovations, and NSEDC used the facility to head and gut kings, chums and cohos for sale on the fresh market.

In the late 1990s, the old plant was torn down and a new $2 million plant was constructed with state and federal grants. The new plant is owned by the Native Village of Unalakleet and managed by Norton Sound Seafood Products (NSSP), a subsidiary of NSEDC. NSSP also operates several other seafood processing facilities in the region. The new plant began operating in 1998. The first years of operation of the new plant were not profitable but the plant was able to continue operating with financial backing from NSEDC, and purchased smoking equipment for value-added processing.

The Unalakleet airstrip has a 6000’ runway with jet service, which helps lower the cost of flying fresh fish to market.