

CHAPTER 2. DEFINING YOUR GOALS

The starting point in planning for a fish plant is *defining your goals*.

People have many different reasons for starting village fish plants. Some of these may include:

- **Making money.** Earning money for the people or organization operating the plant—such as a private entrepreneur, a Native corporation, a village council, or a CDQ group.
- **A market for fish.** Providing a market for fishermen in an area where there aren't any processors or where processors operate only some of the time.
- **Better prices for fish.** Paying fishermen better prices than existing processors do.
- **Jobs and income.** Creating job opportunities for local residents.
- **Other processing.** Providing a facility for processing other products besides fish, such as berries, reindeer, and subsistence foods.

Sometimes different goals for a fish plant may conflict with each other. For example, the more you pay fishermen, the less money you will have to pay plant workers or keep as profits. So having your own fish plant doesn't necessarily mean that you will be able to pay fishermen a higher price *and* pay workers a high wage *and* earn profits. So if you have multiple goals, you need to think about which goals are most important to you.

As a first "planning step," you should write down your own goals for starting a fish processing plant in your village. Try to be as specific as possible. This can help you think about whether your goals are realistic. If you apply for a grant or a loan, the organization you apply to will also want to know about your goals.



Do you have a clear understanding of your goals and why you want to start a fish plant?



Providing jobs is a goal for many village fish processing plants.

Emmonak residents filleting thawed chum salmon.



Loading wetlock boxes of fresh H&G salmon a flatbed truck at the Quinhagak plant to to take them to airport



Financial Objective

Part of defining your goals is defining your financial objective, or how much money you want or need to make. Even if “making money” isn’t your goal, you still need to think about your financial objective. No one can afford to think that because they’re not trying to make money, they don’t have to think about money in planning a fish plant.

Probably your financial objective is one of the following:

- **Make a profit.** Making a profit means doing better than breaking even. It means having money left over after you’ve paid your bills and your loan payments. Most privately-owned fish processing plants—those owned by individuals, families, partnerships or corporations—want to earn a profit on the money they have invested.
- **Break even.** This means earning enough money to cover your costs: to pay your bills and make your loan payments. Most fish plants need to at least “break even” most years in order to stay in business, although they may be able to afford to lose money some years if they earn enough in other years. Organizations with non-financial objectives, such as providing markets and creating local jobs and incomes, may be satisfied with breaking even.
- **Don’t lose too much.** If a “parent” company or organization, such as a CDQ group, is willing to cover your losses, your fish plant may not necessarily need to break even. But you still need to think about how much money you can afford to lose. There will be some limit to what they will be willing to pay to keep your fish plant going.

? *What is your financial objective?*

How much money do you want to make? Do you want to earn a profit on your investment? Would you be satisfied with breaking even? Would you be satisfied with losing money, if you can achieve other objectives?

How much money do you have to make? Do your fish sales have to cover all your costs? Or is there some other source of funding, such as a CDQ group, which could help cover the plant’s cost? How much funding would be available?

How soon do you need to make money? If you think the plant may lose money at first but will become profitable after one or more seasons, how long can you afford to lose money? If fish runs or markets are poorer than expected, how long can you afford to lose money?

How much financial risk are you able and willing to take? How much money are you willing to risk losing if things don’t work out the way you expect?



Marshall Fish Plant Goals. Here's how the feasibility study for a fish plant in Marshall described the benefits the plant would provide to the community:

Increased employment: the addition to the local economy of one full-time position and 32 season positions, which will generate approximately \$80,000 in personal income annually.

Increased income for fishermen: the fishermen will be able to harvest more of their resource, as they will not be restricted by harvest quotas previously applied by processors.

Increased capital: the profits can be used as investment capital to finance other ventures or to expand the fish processing endeavor.



Unalakleet Fish Plant Goals. Here's how a 1996 proposal described the goals for a fish plant in Unalakleet:

The ability to produce market ready products within our region moves us closer to our goal of regional empowerment and enables us to create marketing related businesses which otherwise would be sacrificed to other communities outside the Norton Sound region At present, the resource is totally in the control of a commodities-type market whose prices are set by outsiders.

Increasing the value of the fishing industry through higher prices will undoubtedly increase the value of the Limited Entry Permits, and in turn will hinder the current practice of fishermen selling their Limited Entry Permits instead of using them for fishing operations themselves. . . . Eliminating this anti-economic practice will contribute directly to greater regional fishermen employment while creating fish processing jobs.

The plant will retain 270 employees and create another 163 positions in all areas of the economy, which benefits from this proposed plant and the industry it will produce.

Due to climatic conditions and control of processing activities by outside interests, certain fisheries have not had buyers. The winter crab fishery is a good example. When the new plant is in place, we anticipate that 100,000 pounds of crab can be harvested commercially by and for the benefit of local fishermen.