CHAPTER 14. EXAMPLES OF VILLAGE PROCESSING PLANTS

This chapter briefly describes eight village processing plants that were built in seven western Alaska villages in the 1980s and 1990s. The villages are shown on the map below.

The experiences of these plants help to illustrate some of the significant challenges faced by village fish processing plants. As of 2008, when this handbook was updated, several of the plants had gone out of business. Several others had been taken over by CDQ groups, which had greater financial resources and other capacities to operate the plants than their original owners.

The descriptions of the plants are short and don’t tell the “whole story.” 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.

Although the plants faced significant challenges, several of them showed that it was possible to overcome these challenges and operate and provide economic benefits to their villages.
Dainty Island Seafoods

For many years Sydney Huntington operated a small fish processing plant on Dainty Island, about 38 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 Sydney 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 this time and was more than he could satisfy, partly because the product was reliably good and was consistently available.

In the 1980s Sydney 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 and other value-added products. Sydney 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 chums, cohos and kings, most of which were caught by Sydney 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., 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, of summer and fall 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 50 ~ 60 jobs.

For a period of time in the 1980s the plant facilities were leased 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.

The plant ceased operations for a couple years due to low fish runs, but resumed limited H&G production in 2003, and has hopes for resuming smoking with some new equipment (as of 2008). Currently the general manager for the operation, also in charge of sales, is an Anchorage resident, but the majority of employees are local residents.
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 Quinhagak 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 expanded production substantially in 2001, purchasing well over 1 million pounds, producing salmon caviar, and both fresh and frozen products. They made major new investments, adding new equipment, a bunkhouse and mess hall complex, thanks to a USDA grant. By doing more of the processing in Quinhagak, they hope to reduce shipping costs and also create more local income. Workers are flown in from many CVRF villages, around the Y-K Delta.

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 50 ~ 60 people. By the following season, it was well over 100. In following years, new freezing capacity was added, and the ability to ship out 40’ van loads of frozen product.

A talented and dedicated manager from the village had 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.
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 benefitted 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. There are five additional village halibut plants operated by CVS, from Kipnuk north to Hooper Bay, and they were able to catch the entire local quota of over three hundred thousand pounds in 2007. The grounds price for halibut has increased considerably, which has helped the effort.

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, in airplanes unsuited economically for the job — 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 Co-op, Emmonak

The Yukon Delta Fish Marketing Co-op was a fisherman’s co-op established in the late 1960s in Emmonak. The co-op had about 260 members, and a 9-member Board of Directors. After beginning with a small shore-based plant, the coop operated a large salmon freezing facility on a barge, as well as several tender boats, and had a supply and office building on shore. Funding for the co-op’s facilities and equipment had been provided by a number of grants, including a major refurbishing of the barge in the mid-1990s.

The plant produced frozen headed and gutted king salmon which were 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 co-op survived for many years in the difficult Alaska fish business, and provided a market for its members and jobs for local residents. However, it also faced a variety of challenges. The most serious problem was the disastrous decline in Yukon River salmon runs, which affected not only fish supply but also made it difficult for fishermen to repay loans made by the co-op, and for the co-op in turn to repay its own loans. Other challenges included competition for fish from other Lower Yukon River buyers and difficulties with the management of the co-op. Although the original plan was that the co-op would pay dividends to members from its profits, the co-op never paid a dividend. It has basically gone out of business.

Kwik'pak Fisheries, LLC, the fisheries arm of the Yukon Delta Fisheries Development Association, the local CDQ group, has taken over the co-op’s equipment, and is upgrading and making a major expansion of facilities and salmon production equipment for the 2008 and 2009 seasons. In addition Kwik’pak has purchased the Bering Sea Fisheries Co., also based at the mouth of the river, and the smoke plant operation in Emmonak, previously owned by the Emmonak Tribal Council. They plan to upgrade the smoking equipment and get training in quality production.

Kwik’pak is also making an all-out effort to follow strict quality control measures, such as requiring all fishermen to ice and bleed their product. They will be stressing the use of ice on the fishing grounds, with the goal of raising the quality and reputation of lower Yukon River kings and chums.
Yukon Delta Products, Emmonak

Yukon Delta Products was 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 was added, and a refrigerated freezer van served as a cold storage.

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

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

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

Despite producing good quality products, the plant faced several problems. Costs of operation were high, and some of the original equipment purchased with the plant did not work. The operation had problems marketing its products in a very competitive marketplace, especially given the cost of flying its products to market.

After sitting idle for several years, the plant has been taken over by Kwik'pak Fisheries, LLC, the fisheries arm of the Yukon Delta Fisheries Development Association, the local CDQ group, which has plans to upgrade equipment and begin operations in 2008.
Unalakleet Fish Plant

Several 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 Co-op (NSFC) which purchased the plant and began operations. During the mid-1970’s the co-op was profitable for several years and created up to 60 processing jobs. In 1978, the co-op 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 co-op 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, capable of handling jet service, although there is not current jet service. This could potentially lower the cost of flying fresh fish to market.