

Whiting: To know where it's h

As whiting season kicks off this year under the new Trawl Rationalization Program — with a U.S. optimum yield that is nearly 50 percent higher than last year — you can't help but begin to reflect on how we got here.

And where we might be going as an industry.

A decade ago, whiting was primarily used for surimi, and the price per pound hovered somewhere around 4 cents. Surimi demand was plummeting at that time, affected in some part at least by external factors that were as diverse as global economic conditions and, for a period of time, the cattle industry.

Mad cow: Pacific whiting contains enzymes that cause the muscle meat to degrade rapidly. Processors were able to mitigate this action with the addition of a natural compound made, in part, from bovine blood plasma. Trouble was, in the late '90s and early 2000s, the world was nervous about bovine spongiform encephalopathy — “mad cow disease.”

Although only one cow was found to be infected in the United States, consumers were increasingly wary, even of the fish they ate.

But, by the middle of the last decade, head-and-gut (H&G) products dominated the market, surimi had decreased significantly, and prices hit a high of 12 cents per pound. The number of boats participating grew, particularly in the shoreside whiting sector. In 2006 alone, five new processors entered the H&G whiting market.

Throughout that time, Westport emerged as the largest port for

shoreside whiting, and Ocean Gold, the largest shoreside processor. But that growth wasn't always apparent. The opportunity of H&G wasn't always clear, and the revenue in whiting wasn't always on an upward trajectory.

When Ocean Gold, historically known for its Dungeness crab production, decided to build a processing infrastructure that would handle large volumes of Pacific whiting in the mid-'90s, it was precisely at the same time that mad cows were pushing down the surimi markets and overall whiting demand was down.

At the same time, whiting processors were going out of business and many whiting boats were left without markets.

It's been a great thing for the fishermen and for the industry to see those opportunities emerge.

Crazy: “Everybody thought we were crazy,” explained Dennis Rydman, president of Ocean Gold. “No one thought we'd ever make any money at it.”

But as surimi was declining, pollock prices were off the charts and became out of reach for the large markets in Eastern Europe and Russia. The opportunity to fill that void with another, more affordable whitefish was there. It was well known that Russians historically harvested whiting to be processed as an H&G product.

As the infrastructure at Ocean Gold was under construction, efforts were made to start building relationships with partners in Eastern Europe and Russia. In the first year the plant operated, it processed about 11 million pounds of whiting, and its marketing partners were struggling to sell and distribute the products. For a brief period, efforts were even made to start Middle Eastern markets. But everyone knew the real market was in Eastern Europe and Russia, where hungry people were looking for a replacement for their pollock that was then selling for 24 cents a pound.

Pacific Seafood: A marketing relationship was forged between Ocean Gold and Pacific Seafood in 1999. Ocean Gold had the processing capacity, and Pacific Seafood had the marketing sophistication and relationships to start filling those former Eastern Europe/Russian pollock markets with whiting.

Between 1999 and 2003, Ocean Gold processed between 20 million and 30 million pounds of whiting annually. In 2004, that number jumped to 62 million. And in 2006, it was 103 million pounds.

With that growth, new boats were beginning to deliver shoreside whiting, and opportunities and competition grew with it.

“In addition to fishing for whiting offshore, I tried for many years to find an onshore processor I could deliver fish to,” said Chris Peterson, co-owner and skipper of the F/V *Pacific Challenger*.

“It was a difficult and frustrating process because my vessel is one of the largest catcher vessels in the whiting fleet. Other fishermen didn't want me delivering whiting to the processors they were using because they were afraid that it would impair their ability to deliver fish. That changed when Ocean Gold began processing whiting.”

All of this growth prompted the National Marine Fisheries Service

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headed, look to the past

to note in its 2008 environmental assessment of the whiting fishery that H&G exports "greatly exceed" surimi exports. The study further said, "There is some information indicating at-sea ex-vessel prices are about 15 percent lower than prices for shore-based deliveries."

Money: Over the years 2003 through 2007, estimated Pacific whiting ex-vessel values averaged about \$29 million. In 2008, these participants harvested about 248,000 metric

resurgence in some of the surimi markets and development of a market for whiting filets domestically and in the European Union. In addition, opportunity continues to exist with other products from H&G whiting. Ultimately, it's up to the industry to continue to innovate with creative responses to market changes, harnessing the ingenuity of fishermen and processors, along with the relationships built in marketing and distribution.

Predictions of the fishery's demise have

always been a part of the industry. Yet we keep bouncing back. We are an industry made up of fiercely independent people who are survivors by nature. Navigating market changes while balancing the costs of doing business with regulatory requirements certainly mean that fishing is not for the faint of heart or the weak of will.

But as has been evidenced in the history of whiting, opportunity is there for those who are willing to occasionally risk being labeled "crazy." ↓

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tons of whiting worth about \$63 million in ex-vessel value based on shoreside ex-vessel prices of \$254 per ton — the highest ex-vessel revenues and prices on record.

And because a number of vessels delivering shoreside also worked with off-shore fleets, the impact of shoreside growth after Ocean Gold's facility was built was being felt by the off-shore sector as well.

According to Brent Paine, director of United Catcher Boats, "The development of shoreside whiting processing in Westport at Ocean Gold really opened up new markets and allowed for healthy competition. It's been a great thing for the fishermen and for the industry to see those opportunities emerge."

If there is one constant in the fishing industry, it's change. And whiting provides a good glimpse into how that change happens, how the industry responds to change, and the impacts felt on the water.

Catch shares: As the industry works to navigate the new trawl rationalization program, with quota shares allocated to fishermen and processors based on their historic participation in the fishery, we enter a new chapter of change. The end of the "race for fish" will allow fishermen to harvest whiting when it is in the best condition for the markets that demand it. That improved quality and less frenzied pace of the fishery, many argue, will help to improve values across the board and lengthen the fishing season.

In addition, we are beginning to see a

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