



Meeting Summary Ocean Products Cluster Working Group - Summit Meeting December 13, 2011

Thank you to all who joined us for the Southeast Economic Summit held on December 13, 2011, at Centennial Hall in Juneau Alaska from 8:00 AM to 5:00 PM. This document is a summary of the proceedings of the Ocean Products Cluster Working Group breakout session.

Cluster Meeting Process

Co-Chair John Sund, Executive Director of Oceans Alaska, welcomed all to the Ocean Products Cluster Working Group (CWG) meeting and asked each attendee to introduce him or herself. John then reviewed the CWG work to date and said the purpose of the meeting was for the action initiative champions to report on the status of the CWG's initiatives and to discuss any new initiatives the attendees wanted to propose.

Meeting Discussion Notes

The following initiative updates were provided:

Action Initiative 1 - Develop a Sea Otter Management Program in Southeast Alaska

The McDowell Group was hired to update a 2005 report on the economic impact of the growth of sea otter population in Southeast Alaska. With the 12-13% annual growth in sea otter population in southern part of the region, along with the increase in the number of divers (now 35-40 active divers) and current \$12-15 million ex-vessel value of the harvest, the fishery is unsustainable. Sea otter increases are less dramatic (4-5% yearly) in the colder northern Southeast Alaska waters because there is less food for them and consequently a smaller potential fishery, so the focus must stay on waters from Kake south.

The Sitka Tribe has a marine mammal tannery in development and needs partners to address training for skin sewers, cash flow to enable the tannery to purchase pelts, pay artists and develop a marketing strategy. There is also a need for outreach and education of tribal members on the regulations governing sea otter harvest as the limited market for the pelts and overzealous enforcement were deterring harvesting.

The group is looking for federal support for regulation and enforcement changes that will facilitate an increase in sea otter harvest to allow otters and the dive fishery to coexist sustainably. A controversial proposal to permit sale of pelts to non-Tribal members was mentioned but that was not identified as a strategy likely to gain traction as a CWG initiative.

Action Initiative 3: Ensure Southeast’s Fishing Future: Targeted Education and Training in the Acquisition and Financing of Fishing Permits, Quota and Fishery Businesses. This initiative addresses the “graying of the fleet” and the need to provide financial and educational infrastructure to enable a new generation of entrepreneurs to create or acquire financially viable fishing operations. Information was presented about the Alaska Young Fishermen’s Summit to be held in Juneau on February 13-14, funded by Alaska SeaGrant Advisory Program.

There seems to be good support from banks, state and federal programs for financing asset transfers. The industry is well understood by existing lenders. UAS was credited with listening to industry, as well as fishing community, identified training needs.

The group is looking for federal and state support to provide small business management training out of resources currently available for workforce development (Alaska Department of Labor) and entrepreneurial assistance (USDA RBEG & RBOG grant). In conjunction with the UAF Fisheries and UAS Fisheries Technology program, the group is looking to the UA to sponsor more frequent and with greater regularity short specialty courses on a range of topics applicable to various career pathways, such as intro into fishing careers, processor technical services (i.e. marine refrigeration and electrical), direct marketing, as well as boat ownership. Alaska Seafood Processing Institute’s program could be developed into a two-year AA degree program.

Action Initiative 6: Enhance Salmon Production. This initiative addresses increasing wild salmon production through habitat restoration and development of hatcheries. This effort was stalled with the departure of Chris Knight who was championing the effort through the Taku Gillnetters Association. However the initiative group needs to be resurrected because this is one of the US Forest Service’s targeted interests. An RBEG grant for \$50k was not funded for a nursery on Prince of Wales. Only two Alaska projects were forwarded to federal approvers.

Whether to focus on hatchery vs. restoration of habitat is a scientific and economic analysis exercise that must be industry led and driven. The CWG needs to work in conjunction with environmental organizations to push the initiative.

There was discussion about whether habitat restoration reliably improved productivity of species vs. more certain returns from investment in hatcheries. Coho habitat is the most degraded and that species is the indicator species for research. Watershed impacts pinks and chums to a lesser degree because they reproduce in estuarial waters. Other concerns are the impact of wild and stray farmed fish interactions and development of zero check Kings (there are three different Chinook stocks on Southern Baranof Island that go out to sea their first year). Funding for studies and for Fish & Game management is a priority.

Action Initiative 10: Enhance Mariculture Industry. This initiative is being reformulated. A team will work on redefining the language of the initiative. The priorities of the initiative are:

1. Secure seed supply for oyster farms. This year the existing operations got less than 50% of the seed needed. Oceans Alaska is working on this, as is Sealaska. A seed setting facility, algae production and developing cost models are needed.
2. Education and training for oyster farmers. The Weekend Warrior program in Naukati is an example that could be replicated. USDA supported this with training money.

3. Funding that supports expansion of a seed nursery/hatchery, including development of a locally prolific brood-stock program. Currently seed comes from just one producer in Hawaii.
4. Funding for PSP monitoring. Divers do an excessive amount of harvesting just for PSP sampling. When PSP is found it takes a long time to obtain clearance even after it resolves.
5. Funding for shelf-life extension during transportation (live holding) to smooth out and extend the fishery's cash flow.
6. Funding for seaweed production.
7. Funding for northern latitude algae production. Having local resources would cut transportation and energy costs. Spawning water temperature needs to be 70 degrees.
8. Streamlining the permitting process to allow use of uplands, which are 90% owned by the USFS. Identifying and prequalifying wholesale tracts of land suitable for mariculture by the USFS would help.

There was a lot of discussion about how agreement on a region-wide plan made it impossible for any local group to get a project going because there is no funding for planning and those groups that are not interested stall the others.

Participants

Andrew Thoms	The Sitka Conservation Society
Anthony Lindoff	Haa' Aani/Sealaska
Barbara King	Petersburg Indian Association
Bart Watson	Armstrong-Keta, Inc.
Camille Ferguson	Sitka Tribe of Alaska
Casey Campbell	Wells Fargo
Floyd Kookesh	Kootznoowoo
Garry White	Sitka Economic Development Association
Gary Williams	Organized Village of Kake
Geron Bruce	Alaska Department of Fish and Game
Harvey Shields	Saxman OUS/Saxman IRA Council
Heather Hardcastle	Fisherman's Daughter Biofuels, Taku River Reds, TU
Helaire Echohawk	Angoon Community Association
Jim Seeland	UAS Fisheries Tech
John Pugh	University of Alaska, Southeast
John Sund	Oceans Alaska
Jon Martin	USDA Forest Service
Joseph Reeves	Ketchikan Indian Community
Keith Criddle	SFOS UAF
Patricia Phillips	Pacific Fishing Inc.
Phil Doherty	SARDFA (Dive Fisheries Assoc)
Rodger Painter	Alaska Shellfish Growers Association
Russell Dick	Haa' Aani/Sealaska
Stacey Skan	Craig Tribal Association
Steve Ignell	NOAA/Auke Bay Laboratories
Sunny Rice	Alaska Sea Grant
Tom Gemmell	United Southeast Alaska Gillnetter's Association

Tom Henderson
Zach Wilkinson

Oceans Alaska
Juneau Economic Development Council