By ERIK STIMPFLE, Research Analyst

Long Hours on the 'Slime Line'

Seafood processors key to Alaska's largest export

Seafood is one of Alaska's most lucrative natural resources — and with Alaska fishermen bringing in more than half of the country's poundage, it takes an enormous workforce to bring the product to market. Seafood processors are the largest share of workers in the fishing industry and also the largest group of seasonal workers in the state.

Processors must be physically fit and able to work long and repetitive hours in wet and slippery conditions. Their duties — which require rain gear, gloves, and boots — can include sorting, grading, washing, cutting, or trimming seafood. The work is sometimes by machine, but often by hand.

This job may not be glamorous — it's often called the "slime line" — but it's a critical step in a major supply chain.

A large, mobile workforce

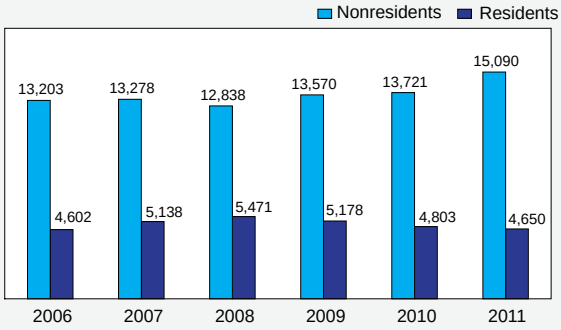
The seafood processing industry provides mostly seasonal jobs wherever there is commercial fishing. The various fisheries span the calendar, and facilities are spread across the state.

Though most salmon species are harvested during the summer only, various shellfish, cod, and bottom fish are harvested throughout the year. The processing industry as a whole employed 25,112 workers statewide in 2011. Of those workers, 19,740 were seafood processors. (See Exhibit 1.)

The areas with the biggest catches also have the highest employment. (See Exhibit 2.) The Aleutians East and Aleutians West census areas and Bristol Bay and Kodiak boroughs each had more than 2,600 processors in 2011. Together, those areas employed 51 percent of the industry's workers.

The industry relies on widespread recruiting to ensure they will have an adequate number of workers when it's time to process the fish, and they hire thousands for short periods of time. To meet the annual need, the largest employers host hiring events across the United States, which means a large pool of new workers each year. During 2011, more than 10,000 seafood processors were new hires, defined as those who didn't work for their current employer in any of the previous four quarters.

1 Seafood Processors
Alaska, 2006 to 2011



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

In 2011, 76.4 percent of seafood processors were nonresidents[1] — much higher than any other occupation. In the industry as a whole, 72.8 percent of workers were not Alaska residents.

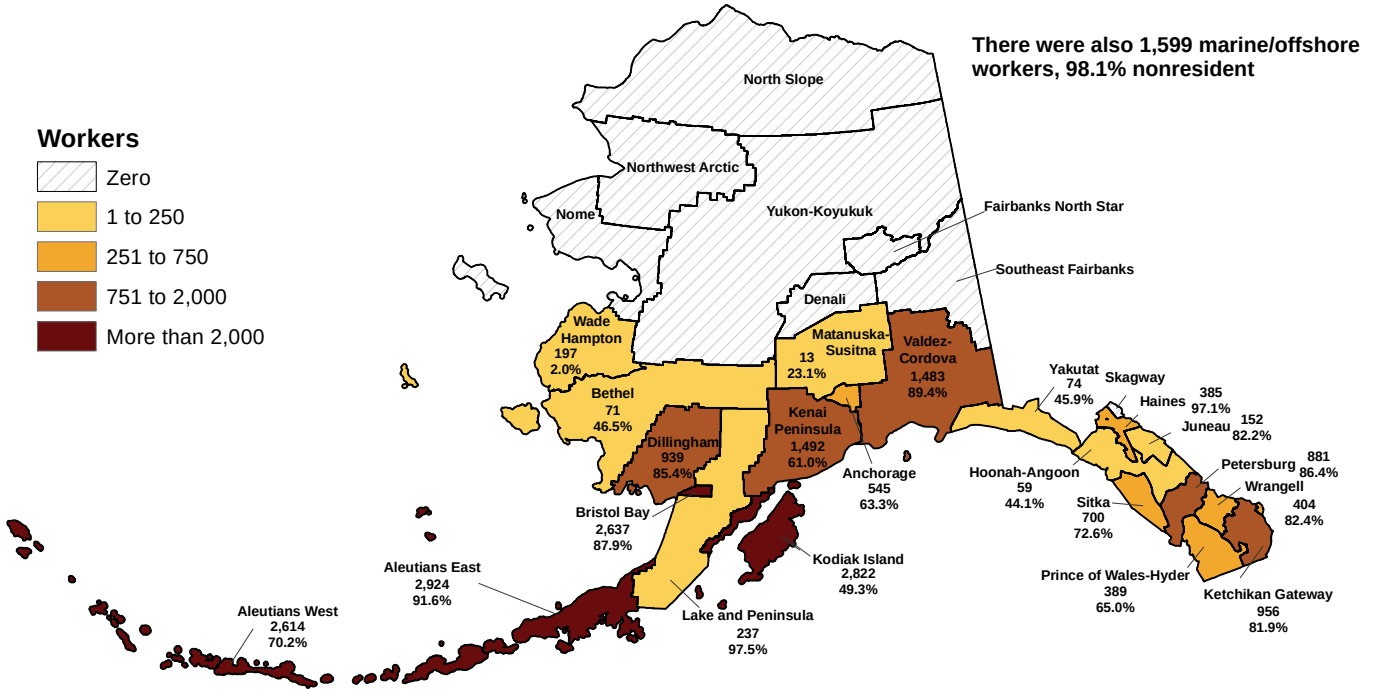
The rate of nonresident hire varies widely by area, though. In Kodiak Island Borough, 49.3 percent of its 2,822 processors were nonresidents in 2011 — a sharp contrast to 91.6 percent in Aleutians East.

Remote facilities such as those in Aleutians East have a greater need for nonresident workers because there isn't a large enough pool of locals to fill the jobs. Among workers on large offshore vessels, 98.1 percent of the 1,599 workers were nonresidents.

[1]Residency is determined by a match with the two most recent Permanent Fund Dividend applicant files. Data may not be comparable with the *Nonresidents Working in Alaska* publication due to differences in methodology.

2 Where the Seafood Processing Workers Are

Employment and percent nonresident, Alaska, 2011



Notes: The count of workers shown here represents those who worked at any time during 2011. Some may have worked in more than one borough and could be counted more than once. Nome Census Area has three seafood processing plants, but their wages are reported outside the processing industry.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Onshore and offshore work sites

Alaska has more miles of coastline than the rest of the U.S. combined, and workers process seafood in a variety of land-based facilities, ships, and barges close to the resource.

Shore-based facilities are of two types: canneries, and those producing seafood to be frozen or refrigerated. Statewide, there are 28 canneries and 173 facilities that do not can. A small number of the latter are local butcher shops that also handle fish, but the majority deal exclusively with seafood.

There are also 105 licensed processor vessels in Alaska waters, including floating processors and factory trawlers. Processor vessels receive and process deliveries of salmon and herring. They range in length from just over 100 feet to more than 300 feet, and the largest have crews of several hundred. Many of these vessels are owned by large companies with multiple vessels and shore-based facilities.

The other type, a factory trawler, catches and processes its own fish, targeting just a few species. For example, trawlers are used extensively for pollock, Alaska's largest catch. Alaska harvested about 2.8 billion pounds of pollock in 2011 — more than a quarter of all U.S. landings and more than any other species.

Ships shorter than 65 feet that process their own catch are called direct marketing processors, and they blur the lines between fishermen and processors. The business model behind this emerging trend is to bypass the middle man and sell directly to the market. These vessels, which are often owned by small businesses or independent operators, are typically not captured in the standard economic data because their owners are self-employed. In 2012, 135 direct marketing ships were licensed to process their own catch.

Pay and benefits vary

Pay varies by year and location, but many new employees make the minimum hourly wage of $7.75, sometimes with a monetary bonus for completing the season. Processors are expected to work overtime, sometimes logging 12 to 18 hours per day.

It's common for employers to provide room and board — some charge a daily rate, and for some it's

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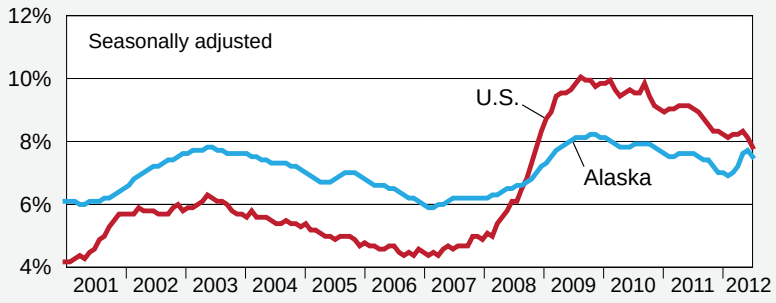
2 Unemployment Rates
January 2001 to September 2012



Source: Alaska Department of Labor and Workforce Development, Research and Analysis; and U.S. Bureau of Labor Statistics

3 Statewide Employment
Nonfarm wage and salary

Alaska	Preliminary 9/12	Revised 8/12	Revised 9/11	Year-Over-Year Change 9/11	90% Confidence Interval	
Total Nonfarm Wage and Salary[1]	342,900	351,800	342,000	900	-5,177	6,977
Goods-Producing[2]	46,500	53,200	48,000	-1,500	-4,466	1,466
Service-Providing[3]	296,400	298,600	294,000	2,400	–	–
Mining and Logging	17,300	17,400	16,500	800	-435	2,035
Mining	17,000	17,000	16,300	700	–	–
Oil and Gas	13,500	13,500	13,400	100	–	–
Construction	15,300	16,000	17,700	-2,400	-3,913	-887
Manufacturing	13,900	19,800	13,800	100	-2,259	2,459
Wholesale Trade	6,900	7,000	6,200	700	361	1,039
Retail Trade	35,900	37,200	36,400	-500	-1,284	284
Food and Beverage Stores	6,300	6,400	6,300	0	–	–
General Merchandise Stores	9,900	10,400	10,000	-100	–	–
Transportation, Warehousing, Utilities	23,700	25,100	23,400	300	-534	1,134
Air Transportation	6,200	6,400	6,000	200	–	–
Information	6,400	6,500	6,400	0	-275	275
Telecommunications	4,000	4,100	4,200	-200	*	*
Financial Activities	15,200	15,400	14,900	300	-567	1,167
Professional and Business Services	28,900	29,100	29,000	-100	-1,456	1,256
Educational[4] **and Health Services**	46,000	46,100	44,700	1,300	165	2,435
Health Care	32,300	32,600	31,700	600	–	–
Leisure and Hospitality	36,200	40,300	36,200	0	-2,669	2,669
Other Services	11,000	11,100	10,600	400	-421	1,221
Government	86,200	80,800	86,200	0	–	–
Federal Government[5]	16,400	16,800	17,400	-1,000	–	–
State Government[6]	26,700	25,200	26,700	0	–	–
State Government Education[7]	8,400	6,600	8,400	0	–	–
Local Government	43,100	38,800	42,100	1,000	–	–
Local Government Education[8]	25,200	20,500	24,200	1,000	–	–
Tribal Government	4,300	4,300	4,000	300	–	–

A dash means confidence intervals aren't available at this level.
[1]Excludes the self-employed, fishermen and other agricultural workers, and private household workers. For estimates of fish harvesting employment and other fisheries data, go to labor.alaska.gov/research/seafood/seafood.htm.
[2]Goods-producing sectors include natural resources and mining, construction, and manufacturing.
[3]Service-providing sectors include all others not listed as goods-producing sectors.
[4]Private education only
[5]Excludes uniformed military
[6]This number is not a count of state government positions, but the number of people who worked during any part of the pay period that included the 12th of the month (the same measure used for all employment numbers in this table). The numbers can vary significantly from month to month; when attempting to identify trends, annual averages are more useful.
[7]Includes the University of Alaska. Variations in academic calendars from year to year occasionally create temporarily large over-the-year changes.
[8]Includes public school systems. Variations in academic calendars from year to year occasionally create temporarily large over-the-year changes.

Sources for Exhibits 2, 3, and 4: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Department of Labor, Bureau of Labor Statistics

4 Unemployment Rates
Boroughs and census areas

	Prelim. 9/12	Revised 8/12	Revised 9/11
SEASONALLY ADJUSTED			
United States	**7.8**	**8.1**	**9.0**
Alaska Statewide	**7.5**	**7.7**	**7.6**
NOT SEASONALLY ADJUSTED			
United States	**7.6**	**8.2**	**8.8**
Alaska Statewide	**6.4**	**6.5**	**6.9**
Anchorage/Mat-Su Region	**5.7**	**6.0**	**6.3**
Municipality of Anchorage	5.3	5.6	6.0
Matanuska-Susitna Borough	7.1	7.4	7.7
Gulf Coast Region	**7.1**	**6.8**	**7.5**
Kenai Peninsula Borough	7.6	7.4	8.2
Kodiak Island Borough	5.0	5.3	5.4
Valdez-Cordova Census Area	7.1	6.1	6.9
Interior Region	**6.1**	**6.3**	**6.7**
Denali Borough	5.3	4.2	5.0
Fairbanks North Star Borough	5.4	5.8	6.0
Southeast Fairbanks Census Area	9.6	9.2	9.7
Yukon-Koyukuk Census Area	13.3	13.4	14.2
Northern Region	**9.8**	**10.3**	**10.1**
Nome Census Area	11.3	12.2	11.7
North Slope Borough	5.6	5.8	5.8
Northwest Arctic Borough	14.9	15.5	15.2
Southeast Region	**5.6**	**5.4**	**6.0**
Haines Borough	4.8	4.2	5.3
Hoonah-Angoon Census Area	12.0	10.5	11.1
Juneau, City and Borough of	4.4	4.6	4.8
Ketchikan Gateway Borough	5.3	5.1	5.5
Petersburg Census Area[1]	6.8	7.7	7.7
Prince of Wales-Hyder Census Area	12.7	11.4	13.2
Sitka, City and Borough of	4.9	4.4	5.6
Skagway, Municipality of	2.4	2.7	5.1
Wrangell, City and Borough of	6.9	6.1	6.9
Yakutat, City and Borough of	5.7	7.0	7.1
Southwest Region	**12.8**	**12.2**	**11.8**
Aleutians East Borough	11.3	9.2	10.0
Aleutians West Census Area	7.9	7.0	6.6
Bethel Census Area	15.7	16.4	14.9
Bristol Bay Borough	3.0	2.2	2.9
Dillingham Census Area	9.2	8.1	9.4
Lake and Peninsula Borough	5.6	5.9	6.1
Wade Hampton Census Area	21.0	22.7	18.9

SEAFOOD PROCESSORS
Continued from page 11

included. Room and board is a necessity at remote locations and on larger floating processors.

The median hourly wage for seafood processors was $9.03 per hour in 2011, but those working in Southeast made a higher median wage by nearly $3 per hour.

Most processors are men

Age and gender are only available for the 23.6 percent of processors who are Alaska residents. Their average age was 40.7, and 68.1 percent were male. Most of their processing jobs were short-lived, with 22.7 percent having worked in the occupation for more than five years. Just 48.9 percent worked for a processor the previous year.

Economist Josh Warren contributed to this article.