

STATEWIDE IN ALASKA

Highlights: A new seafood plant, having a highly diversified processing capability, is to be established in Kodiak. According to the Kodiak Daily Mirror, the facility, owned by American Freezership Company, will create in excess of 100 new jobs in the Kodiak area. The plant will process a wide variety of fish and shellfish including shrimp, salmon, halibut, crabs and clams. Plans call for permanently establishing the Kalakala, a giant floating freezership, as a shore plant. Previous to becoming a freezership, the Kalakala was a Puget Sound ferry, the pride of the Washington State ferry system.

The plant, when it is established, will further reflect the trend towards diversification that is being noted in Alaska's seafood processing industry. Most of the new seafood processing plants in Alaska are designed to utilize a wide variety of species. An example of this is the cold storage being built in Yakutat under an Economic Development Administration grant. This facility will handle virtually every commercial species of fish and shellfish found in Alaskan waters. In addition, many established plants, particularly in South-central Alaska, are being converted to process a wider variety of seafood. Early this year work was completed on an expansion to the Seward Fisheries' plant in Seward. Included in the project was a modification of the facilities to handle scallops in addition to salmon and halibut. More recently, this plant has also been processing shrimp.

The trend towards diversification probably stems from the unpredictability of seafood catches, for a given species, from year to year. Processors operating in Alaska have often been burned by poor salmon seasons. In Kodiak, many king crab processing facilities were established as a result of a substantial market demand for this shellfish, only to see catches decline dramatically. Diversification of processing facilities solves the problem of poor seasons for a given species. This is because during a depressed season, say for salmon, manpower and equipment can be utilized to process other species.

Diversification also means more non-seasonal employment for Alaskans in seafood processing. A large portion of the 100 plus jobs to be created by the new Kodiak facility will probably be year round positions. Shrimp and clams can be taken throughout the year, while halibut can be caught from spring to fall and crab into the winter months. This will have a definite stabilizing effect on Kodiak's fisheries dependent economy. As more and more such plants become established throughout the State, a similar stabilizing affect should be realized for Alaska's total seafood processing industry.

Salmon Pack Second Best in Twenty Years: According to figures released by the Alaska Department of Fish and Game, Alaska's 1970 salmon pack at 3.68 million cases, was the second highest in the past two decades. This year's canned salmon production was surpassed only by the 1966 pack which totaled 3.9 million cases. Making the largest contribution to the total was the red salmon pack which alone accounted for nearly 1.8 million cases. Of the red salmon catch, 64 per cent came from the Bristol Bay area which experienced a banner salmon season. Next came pink salmon with a total pack of 1.3 million cases. All species except king salmon showed gains in total pack over 1969 figures.

This outstanding salmon season was strongly felt in Alaska's food processing industry. For the State as a whole during the primary salmon canning months of June, July and August, cannery employment was substantially above 1969

Statewide in Alaska

November, 1970

levels. In the Bristol Bay area alone, it is estimated that 1,000 to 1,200 more persons were employed by canneries than in 1969. This increased employment undoubtedly proved of great benefit to that community, which has an economy based on fishing and fish processing.

Salmon Roe Market Expanding: As a result of demands on the Japanese specialty market, production of cured Alaska salmon roe is on the increase. In 1967 the State produced a total of 3,000 tons of the cured product. By 1969 this figure had risen slightly to 3,300 tons. However, preliminary estimates for 1970 indicate that roe production will be between 5,700 and 5,800 tons, almost double the 1967 figure.

The increase in roe production has been accompanied by a greater acceptance of the Alaska processed product on the Japanese market. Roe produced during the past season in Alaskan facilities is generally considered by the Japanese to be comparable in quality to that produced on Japanese motherships. This increase in quality of the processed Alaskan product has been due largely to improved processing methods.

The greater market acceptance by the Japanese of the Alaskan product seems certain to spur Alaska's roe production further upward. As this occurs, it will result in more jobs for Alaskans as more processing facilities convert to roe production.

Reindeer Industry Expanding: Virtually unknown outside the State, reindeer herding provides an important contribution to the economy of Northern Alaska. According to the State Division of Agriculture, some 570,000 pounds of reindeer meat was produced during 1969 from 15 herds totaling between 25,000 and 30,000 animals. This production contributed to the incomes of between 400 and 500 Alaskans, most of whom were natives.

One of the main reasons for the relative obscurity of Alaska's reindeer industry is the fact that most of the meat is utilized within Alaska. Of the 1969 production, 25,000 pounds were shipped to Germany. Another 50,000 pounds found its way onto the gourmet market primarily in New York and Los Angeles. The balance was used to satisfy demands from within the State itself.

From all appearances, there is considerable room for expansion of the reindeer industry. Because of the large demand locally, little if any attempt has been made to market reindeer meat outside of Alaska. In spite of this, in addition to the 25,000 pounds of meat shipped to Germany, requests were received for nearly 100 tons more for export. Expansion to meet this excess demand, particularly if accompanied by a concerted marketing effort, could create much additional employment in reindeer herding and slaughtering for residents of northern Alaska.

Timber Harvest Down: The U. S. Forest Service reports that during 1969 a total of 659 million board feet of timber was harvested from National Forest, State and Indian lands in Alaska. This represents a decline of 0.7 per cent from the 1968 figure. Of both the 1968 and 1969 production, the largest share came from Tongass National Forest in Southeast Alaska. Production in 1969 from this area was 519 million board feet compared with 529 million in 1968.

Statewide in Alaska

November, 1970

When they are available, 1970 figures will probably reflect a further decline in total timber harvest. The drop will come as a result of the strike against Ketchikan Pulp Company which occurred during the latter half of June. Although the strike itself lasted only about a week, it resulted in depressed levels of logging employment during both July and August. These reduced levels of employment are important because these two months normally see logging activity in Alaska reach its seasonal peak.

Rowen To Seek Seafloor Gold: Rowen Drilling Company, in a joint venture with General Crude Oil Corp., will be investigating the feasibility of mining gold deposits offshore of Seward Peninsula near Nome this winter. The operation, which will be accomplished by a large specially designed drilling rig operating from sea ice, is the most extensive of its kind ever attempted. Employment on the project will be around 18 persons, most of whom will be Nome area residents.

If the venture proves the feasibility of mining seafloor gold, it could have considerable impact on metal mining prospects in waters around Seward Peninsula. These offshore lands have long been known to hold placer deposits of many heavy and precious metals. Up until now, mining technology has been unequal to the task of extracting these potential riches because of the extreme weather conditions which prevail in the area. If, however, the exploration by Rowen and General Crude is successful, then the way may be paved for extraction of these other metals.

Dillingham To Get Manpower Center: Based on a skill survey conducted in Bristol Bay area communities, the Department of Labor will establish its fifth rural manpower center in Dillingham. The survey, which was conducted under the Department of Labor's Smaller Communities Program, established that there was a definite need for on the spot manpower services in the Bristol Bay area. Some 682 area residents, nearly 14 per cent of the area's total population, filled out Job and job training applications. Dillingham was selected as the site for the office because it is the trade and transportation hub for 18 neighboring villages. Since the inception, in 1968, of the Department of Labor's rural manpower center program, offices have been established in Bethel, Barrow, Glennallen, and Kotzebue.

Total Employment: Seasonal factors forced layoffs in most industries as total estimated employment fell by 6,000 from August to September. Major declines came in mining, food processing, and Federal Government. Over the year employment advanced by 4,500 with gains being noted in most sectors of Alaska's economy.

Mining: Employment in mining fell by 300 from August to September. The decline lacks significance, however, since it is in large measure a reflection of layoffs of persons hired on a temporary basis by the oil industry on the North Slope. These hires were made to unload a single, massive seaborne shipment of supplies that arrived at Prudhoe Bay during August. Over the year employment in the industry was down by 1,700. This is a reflection of the continuing lull in North Slope petroleum activity. From all appearances this lull will extend into the winter. Though some drilling plans have been announced, industry sources report that, in general, without a firm completion date for Trans-Alaska Pipeline construction, oil companies are reluctant to commit money on new exploratory drilling programs. As a result, mining employment may show very little gain in the coming months since the marginal gains expected to occur in the petroleum sector will be offset by seasonal declines in metal mining.