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Kodiak Harvesters Lose Only Market 3 Months Before Season Start

OBI Seafoods Announces Exit from Kodiak's Alitak District Setnet Fleet

Kodiak, AK — After more than a century of harvest and processing on the southend of Kodiak Island, dozens of multi-generational family owned and operated salmon businesses have lost their only buyer and critical services just 3 months out from the 2024 season. Calls went out from OBI Seafoods leadership on March 8th that they would no longer be buying salmon from an entire Kodiak setnet district – about 40 operations. While other opportunities are being investigated, at this time there is no other buyer available to serve this remote Gulf of Alaska region.

While this is yet another symptom of a salmon and seafood market in steep decline, the announcement comes just days after the news that the USDA will be purchasing nearly \$70 million in seafood inventory from OBI Seafoods alone, along with large purchases from other seafood processors. This has left setnet fishermen in the Alitak district with questions about how to rebuild and bolster resiliency for fishing businesses of all scales.

Alitak District salmon setnet fishermen have asked OBI if the processor and fishermen could work together on a cooperative, interim plan rather than a full shut down. OBI has stated that they will consider purchasing Alitak setnet fish, but only if the small-boat setnet fleet is able to contract its own tender vessel services to transport the fish the 120 nautical miles to town, find their own ice source, and meet a list of requirements that are still being drafted.

As of March 14, OBI and other processors only plan to send tenders to the Alitak District this summer to buy from seine vessels. The skiff-based setnet operations may be able to purchase fuel from OBI tenders, but will not be able to sell fish, pick up ice, receive any necessary provisions such as groceries, or receive any other tendering services that fishing businesses across the state's remote salmon fisheries rely upon.

Many of the setnet fishing businesses are family operations with a multi-generational history in the fishery. The Alutiiq community of Akhiok is also located just a few miles north of the cannery, one of six remote Alutiiq villages on Kodiak Island. While plant ownership has changed hands across the last 130 years, village residents, including local commercial and subsistence fishermen, have always been able to purchase fuel, groceries and other goods from the cannery along with selling commercially caught fish. OBI is working with the Akhiok community and tribal leaders to problem solve the most critical services.

If no market opportunity emerges, there will be additional concerns about how to manage the

harvestable surplus of salmon headed to Alitak District river systems. Without an active setnet fleet fishing at typical effort levels, foregone harvest could lead to over-escaping salmon systems, which puts additional biological pressure on lake and river habitats and has the potential to exacerbate fluctuations in returning biomass. Even with additional or increased seine harvest, it's unclear whether the Alaska Department of Fish and Game would be able to manage harvest in a way that prevented over-escapement. Other potential impacts include the abrupt loss of biologic sampling done in the Olga and Moser setnet fisheries, which could affect brood tables and fishery forecasts conducted by ADFG..

While harvesters are hopeful that they will find at least a temporary solution by summer, the potential for impacts to businesses, communities and management are significant.

Fisherman Statements

Theresa Peterson — Cape Hepburn Fish Camp

“Last summer marked my 20th year setnetting in Alitak and my husband's 50th. He started fishing there when he was 12 with his brother. We met longlining in the Bering Sea and spent hours baiting gear on the back deck building our dream plan, get our own fishing operation in Kodiak built around salmon fishing in Alitak. The dream came true. It's not easy work and certainly not everyone's dream but with our crew from Akhiok we've been able to make it work through all the ups and downs. We all know times are tough in the fishing industry and as seasoned mariners we have been working hard to weather the storm. I thought we were all in this together, that as a fishing community we would work collaboratively to stay afloat.”

Marvin Agnot — Akhiok-based fish camp

“I was born and raised in Akhiok and have lived in balance with the ocean my entire life as did my ancestors before me. We live a subsistence lifestyle which intersects with commercial harvest of salmon to make it all work. My goal as a setnetter is to share my knowledge with the kids in Akhiok, to teach them how to setnet so they too can choose to stay in the village and fish if they want. We don't have a lot of options to earn money down here, fishing and the support services provided by the processor is a critical piece of the puzzle to subsist and keep our remote community viable.”

George Macey — Beaver Dam Fish Camp

“After 28 years of being a crewman for a family's set-net fishing operation, I was able to become an owner of my own commercial fishing business in 2023. It was a struggle to find financing for such a unique operation, but I persevered. I used my life's savings and took out a loan to make this happen, but to me it was worth it because my dream had finally come true. Last year was not the easiest year for the fishing industry in Alaska, but the fishing industry has had hard times before. We have survived natural disasters, the great depression, and world wars. I am devastated by the thought that I now have a fishing operation I cannot work, to help pay for itself. I will not be able to employ anyone. None of us will be able to contribute to Kodiak town's economy through purchasing goods and services. This has larger rippling effects.”

Hannah Heimbuch — Twin Peaks Fish Camp

“This would have been difficult news in September. In March, it's devastating. Maybe we'll find a

way to get our fish the 120 miles to town on our own, and come up with a quick plan for buying and distributing ice, fuel and other supplies. I don't know that any remote set-net fleet in Alaska could pull that together in a few weeks, but we have to try. This is what happens when processing capacity consolidates within the margins of a high-volume system — small-boat operations don't always pencil out for our larger supply chain partners. We need to innovate and problem solve proactively, not persist in the same models until catastrophe. My partner and I are lifelong Alaska fishermen. This would have been our third season with our own camp, and we're still committed to showing up because the drive to fish goes deeper than the work. We're going to work through this alongside our neighbors, alongside processors, and find a way. We just want the opportunity to go fishing."

Nina Burkholder — Grayback Fish Camp

"This is an emotional roller coaster. I feel Anger over decades of management changes that whittled away at loss of harvest opportunities. Slowly putting sites out of business while guaranteed paychecks kept doing the same thing with no care to resolve it. I'm thankful that in my lifetime I have had an occupation to be extremely proud of. We feed people. We do it through honest hard risky work, supplying high quality food. We have raised our kids out there to be critical thinkers, hard workers, and unplugged. They are benefits to society. We have had extraordinary experiences and extraordinary lives. I am so Sad because future generations may not have this opportunity."

Corina Watt — Fox Island Fish Camp

"Salmon is a symbol of generational knowledge, perseverance, and sustainability achieved through a shared drive and existence. The conclusion of the 2023 salmon season fulfilled my third decade as a salmon setnet fisherman in the Alitak District, a life of adventure, exploration, challenge, trial, and constant problem solving. Fishing in the pristine, wild waters of remote Alaska I met and married my husband, and had three boys we continue to raise within the fishing way of life. On March 8th, OBI left us treading water without a life jacket. This comes just a few years after OBI required loyalty contracts of the Alitak District setnet fishermen, effectively eliminating all other salmon buyers for Alitak setnet fish. They then followed by closing our local processing plant. Now this. The crisis in the seafood industry has come to us ALL. Do we sacrifice the partners swimming alongside us, or do we school together? As fishermen we have a vested interest in the sustainability of our processors as partners in the seafood industry. We want to work together to create feasible solutions, spawn innovative ideas, and forge innovative business models. Now is the time to school together."

Richard Blanc — High Rock Fish Camp

"My wife Feryll and I purchased our set net fish camp before limited entry from Floyd King who had been the PAF Trap # 3 watchman at High Rock in Alitak Bay. Over the years fish stocks improved and Alitak District set gill net fishery became very lucrative, a wonderful place and experience to raise a family. We also struggled as most fishermen do to try to make a living when the fish stocks were very low. The Alitak cannery in Lazy Bay has operated since 1917, until the last couple years as it has been mothballed by OBIS. Now they have severed the lifeline that we setnetters and the Akhiok Village need in order to survive. I understand

economics, but cutting out 40+ families from providing the best natural source of protein on the planet is punitive. As an industry we have had peaks and valleys, retail fish prices have not come down in the stores. I'm sure with collaboration something could be worked out to get past this valley in our industry. We have grandchildren that want to be fishermen."

Ila & Wayne Amos — Stockholm Point

"Our family has been involved in commercial fishing in the Alitak district for 60 years, beginning in 1964. During our time we have seen many changes in the fishing industry, going from 2 permits to 6, buying additional fishing sites, and raising our families to work hard and be productive. The current decision by OBI has pulled the rug out from under us, leaving us with little time and opportunity to procure another option for selling our fish. The trickle-down effect is that we can no longer operate as we had previously. We have seen many changes to the management styles, including escapement goals, openings in closed water, pulse fisheries, test fisheries and many other management decisions that have affected our commercial fishing production. We have made many adjustments throughout the years, and we are asking processors to continue to work with us to find a solution to this problem. We want the ability to financially sustain our business and lifestyle. With this decision it leaves no infrastructure in place to sustain our business or lifestyle. This impacts our way of life and being able to continue our multigenerational business."

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*This release was prepared by the Alitak District Setnet Association,
a coalition of Kodiak salmon harvesters.*