



Neqsurtet Nepiit

“The Sound of the Fishermen”

SUMMER 2005

VOLUME 8, ISSUE 1

2005 Salmon Pricing and Limits

CV Salmon History Brief

Coastal Villages Region Fund (CVRF) has made a serious commitment to the fisheries of the CVRF region including salmon. When the CDQ program first started, Coastal’s predecessor company brought the Lucky Buck to Bethel in 1993 to participate in the salmon fishery. That operation was suspended after a brief attempt to conduct a profitable market for the region.



EEK Fishermen’s Meeting

Current Coastal Villages Approach

Coastal Villages Region Fund’s wholly owned subsidiary Coastal Villages Seafoods brought in a floater to Goodnews Bay in 1999 and then processed salmon in the Quinhagak shore plant that was built by EDA. These baby steps have been followed-up by improvements each season where cash leaks and bottlenecks have been eliminated. The current processing capacity is around 120,000 round pounds per day. The Quinhagak plant is the only salmon processing capacity in our region. The CVRF Board has authorized millions of dollars in cash contributions to support fisheries when no other entity could or would provide a buyer and processing jobs for region residents. Coastal

Villages seeks only to develop communities and does not take any profit from ANY local operations.

- **Quality has bridged the gap in the fishery - Improvements in quality were made with icing and bleeding, along with controllable volumes. This was accomplished while providing real economic activity within the region.**
- **New ice machines in four villages - Our Board has already acted on its hope for the fishery by expanding investment into the salmon fishery. Our hope is that the installation of ice machines will result in better access to ice and lead to even higher quality of our fish.**
- **Fishery appears to be on the rebound. We have seen healthy stocks and stable pricing. We have also seen:**
 - o Reentrance of buyers,
 - o Reentrance of fishers who have effectively been on strike for five or more years.

Limitations With the Quinhagak Operation

- **Shallow water for passage to the dock.**
- **Potable water supply issue.**
- **Impact on the community (bears, seagulls, flounder, pike and the stench!).**
- **Current operation built around an EDA idea:**

Capacity Solutions

- **Rebuild processing capacity in Bethel at the location of the historic center of the salmon business in our region:**
- **Consider stand alone operation (Bristol Bay camp) model at:**
 - o Platinum
 - o Eek Island
 - o Warehouse Creek
 - o South of Quinhagak
 - o Floater

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EEK Residents at the FSC opening

BOARD OF DIRECTORS

Executive Committee

Oscar Evon
President
Kwigillingok

Timothy Samson
Vice President
Kipnuk

Wassilie Bavilla
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Nicholas Paul
Napakiak

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Napaskiak

Peter John
Newtok

Jimmy George
Nightmute

Frank Berezkin
Oscarville

Henry Williams
Platinum

Gabriel Olick
Tuntutuliak

Andy Charlie, Sr.
Tununak

A MESSAGE FROM THE EXECUTIVE DIRECTOR continued...

2005 Salmon Pricing and Limits

- CVRF will continue to act prudently and do what makes sense in our 20 communities. We will:
 - o Evaluate levels of raw materials.
 - o Evaluate market direction (do what the market dictates).
 - o Work together with conscientious, productive, serious, fulltime fishers who can provide consistent quality raw material to help reach plant capacity rather than just at the peak of the run.
 - o Contend with infrastructure in western Alaska, transportation, water, electricity.
 - o Address the chum problem (SOA SE hatcheries).
 - o Provide plans for construction subject to unified community support and Board approval.
 - o Vertically integrate fishery for survival of cyclical nature of the fishery
 - Fishery resource management (ADF&G).
 - Marketing – shows, orders.
 - Production - workforce.
 - Distribution – sales and invoicing.
 - Supply - fishers.

On opening day in June, our plant needed volume as the market calling for fresh fish. The plant ran at only one - quarter capacity. Loyal fishers who delivered to us were given preference as we moved toward the peak of the run.

Our plan for August is as follows:

If the capacity problem continues, then 2004 bonus recipients will be given first priority to fish, next will be the July 2005 fishers, and lastly the CVS outstanding loan/advance fishers. As we move forward, CVRF will be open to include non-region residents in our fisheries operations and programs when it makes sense to do so. There will be a priority that favors region residents when necessary.

Final Thoughts

CVRF has worked with some fishers to develop the name recognition and label that has sustained the fishery to date. As long as we can look forward to producing a great product that is desired by the market, it is likely that the CVRF Board will continue to fund these operations. In the long term, capacity building can be achieved only through unified community support of sustainable projects. In the short term, we will try not to go backwards and reduce our quality to appease peak-only fishers. We have to work together so that the fishery will survive the test of time.

To those fishers who have been providing the necessary volume of quality salmon to our plants we look forward to showing our gratitude with our unique post-season bonus.

Please join the CVRF Board for a full day of CVS discussions in Bethel on November 17. We welcome concerns from our region fishers and member community residents.

2005 Fisheries Report

Salmon

The first salmon opener in Quinhagak was on June 16 and in Bethel on June 24. As of July 22, 2005, Coastal Villages Seafoods, LLC (CVS) has purchased 841,000 pounds of salmon. Fishermen have made 2500 deliveries to CVS for payments totaling \$433,000. The higher prices this season led to a higher number of fishermen.

F/V *Eider* is currently tendering salmon from Goodnews Bay to Quinhagak for processing. F/V *Robert J* is tendering at the Johnson River, and the F/V *Kelly Mae* is tendering at the Eek/Tuntutuliak area.

The entire 2004 Quinhagak inventory has been sold, and 80% of the Bethel production has been committed to buyers. Two major CVS customers toured operations in Bethel in August.

The new slush system at the Bethel Buy & Fly is working well to remove heat from the fish before it is transported to Kenai for processing. In addition to the slush system, the new 10-ton ice machine is installed. Four ice machines were ordered for installation in Eek, Goodnews Bay, Napakiak, and Tuntutuliak. CVS was recently awarded a \$100,000 matching grant to assist with the purchase and installation of these additional ice machines for the 2006 season. These ice machines will assure that all Kuskokwim region salmon purchased maintain their high quality.

The Bethel Buy & Fly is in its second season of business. Fishers from our member communities of

Oscarville, Napaskiak, and Napakiak delivered to the Buy & Fly operation. This once again entailed buying fish over the dock, taking deliveries from our tender and then flying the salmon to Kenai for processing. This additional buying station allowed for expansion of buying capacity.



This spring, Joe Hall, fisheries manager, and Kelly Welch, salmon operations manager, represented CVS at the International Boston Seafood Show. Their participation in this well-known seafood trade show led to many new potential major customers. It also helped the Kuskokwim Bay Region's salmon get much needed marketing exposure.

Kelly Welch participated in the European Seafood Exposition held in Brussels, Belgium. Participation in this international trade show gave CVS and the Kuskokwim Bay Region salmon international marketing exposure.

The costs for participation in these trade shows were funded by the Salmon Marketing Grant program through the State of Alaska and the Alaska Fisheries Marketing Board grant program.

In order to assure that all salmon purchased by CVS is kept at the same high quality, the Icing/Bleeding Mandate was instituted by CVS in the 2004 season, and expanded in 2005. To train our fishermen in icing/bleeding techniques, Ken Newman, Bethel operations manager, conducted training in communities where the fishermen deliver to CVS. Training was conducted in Kwethluk, Kasigluk, Akiak, Atmoutluak, Bethel, Nunapitchuk, Tuluksak, Oscarville, Napaskiak, Napakiak, Eek, and Tuntutuliak. Funding for these training sessions came from an Alaska Fisheries Marketing Board grant. *continued on page 4*



Halibut

In preparation for the 2005 halibut season, CVS held a halibut plant managers meeting in Bethel. This meeting assisted CVS in a smooth start to the season, and helped the plant managers in preparing for a very busy summer.

The first halibut of the 2005 season was caught at Toksook Bay on June 1. Congratulations! As of August 5, 2005, CVS purchased 205,000 pounds of halibut. Purchases have been made in Chefornak, Mekoryuk, Quinhagak, Toksook Bay, Tununak, Hooper Bay, and Kipnuk. These purchases represent 82% of the 4E quota for 2005. At the beginning of the season, grounds price for halibut was \$1.25 per pound. During the season, the price was raised to \$2.00 per pound.

Regrettably, the South Nunivak tender was cancelled for this season. However, fishermen who signed up for this tender were given an extra fifty cents a pound to offset fuel costs.

Herring

During the 2005 herring season, Norquest purchased herring in Goodnews Bay, Cape Avinof, Nelson Island, and Cape Romanzof. These purchases paid our fishermen \$184,000, with CVS disbursing \$80,000, and Norquest paying \$104,000.

AREA	HERRING HARVEST (IN TONS)
Nelson Island	666
Goodnews Bay	49
Cape Avinof	149
Cape Romanzof	125



Coastal Villages In-Region Fleet:

In 2004, CVS added to the In-Region Fleet with the purchase and retrofitting of the F/V *Kelly Mae*. After a long, long journey, the *Kelly Mae* arrived in Quinhagak on June 10, 2005. On June 11, 2005, the vessel and her crew were blessed by a local preacher in Quinhagak with many residents in attendance.

The *Kelly Mae* was tendering on the Kuskokwim buying fresh salmon from Quinhagak. During closures, the vessel transported frozen salmon to Dillingham, and hauled needed freight from Bethel to Quinhagak. F/V *Eider* tendered salmon from Goodnews Bay to Quinhagak for processing. F/V *Robert J* tendered at the Johnson River.

Coastal Villages was awarded a \$2 million matching grant from the EDA for the High-Speed Tender project. This project was proposed to utilize a high-speed tender to shuttle fresh seafood from Western Alaska directly to markets or to the South Central Alaska road system for shipment to markets. This project began with a researching vessel that has already been built. It continues with the research into a vessel being built to meet the specific needs of our region.



CVS Fishers Delivering to the *Kelly Mae*.



Tuntutuliak Fishermen's Meeting

CDQ HARVEST UPDATE

Pollock

YDFDA, CVRF, BBEDC, and CBSFA pollock quota are pooled together and harvested by American Seafoods. The groups have agreed to rotate harvest management responsibilities on an annual basis, and BBEDC is this year's quota manager. Pollock's harvest as of August 9, 2005 is 74,153 tons out of 80,960 tons or 92%.

Pacific Cod

A transfer of Pacific cod was made from CBSFA to CVRF for the 2005 season. CVRF will act as the quota manager for the pool in 2005, and CBSFA will act as the quota manager in 2006. The Pacific Cod total pool caught to this date is 3,521 tons (94%) out of 3,740 tons.

FG Sablefish –AI

The Sea Venture harvested the 2005 Aleutian Islands sablefish. As of August 9, 2005, 66 tons of sablefish have been caught out of 100 tons.

Halibut – Area 4D

Halibut in Area 4D will be fished by the Ocean Harvester starting August of 2005.

Halibut – Area 4E

Area 4E Halibut was fished by CVRF residents, which include Toksook Bay, Mekoryuk, Tununak, Cheforak, Kipnuk, Quinhagak, and Hooper Bay. Year to date catch of Halibut is 205,300 lbs (82%) out of 251,300 lbs.

Atka Mackerel/Flathead/Rock/ Yellowfin sole

Flatfish harvest as of August 9, 2005 is 4,380 tons out of 8,753 tons, or 50% of the quota.

An amount of flatfish was carved out of the BBEDC flatfish pool to allow our vessel, *Cape Horn*, to fish some of our quota in 2005. *Cape Horn* will start fishing this coming fall.

Snow/Tanner Crab

The C/P *Alaskan Enterprise* harvested 314,205 lbs. or 100% of our snow crab quota during the first quarter of 2005.

Bristol Bay Red King Crab

This fishery will start in the fourth quarter of 2005.



FISHERIES SUPPORT CENTERS (FSC)



Eek FSC Ribbon Cutting by William Brown, Board Member.

CVRF remains committed to fisheries-related infrastructure projects that enhance fishing activities in our communities, increase participation by region fishermen, and create employment opportunities. Due to this commitment, we have actively taken steps to identify potential projects that will increase and enhance the opportunities available to our residents.

One of the infrastructure projects we are continuing is the commercial fisheries support centers (FSC). Communities interested in receiving an FSC must be able to show that the entire community is behind the project, and a feasibility study must be completed. CVRF will work with village leaders to ensure that the design fits with the needs of the community,

adequate land is available for the construction, and there is a realistic operating plan.

Examples of activities that may be included in the operations of a FSC are: boat/fishing equipment repair, small engine repair, welding, equipment storage, ice machines, office space for CVRF staff, and bunk space to accommodate village fishermen. The goal of this project is to enhance village participation in commercial fisheries by lowering equipment repair costs and creating job opportunities associated with maintaining and repairing commercial fishing vessels.

Scammon Bay FSC was completed in 2004. Since opening, Gerald Hunter has been hired as a mechanic. He has worked on small equipment, and coordinated with Larson Hunter, business development

coordinator on the ordering parts and payments for services rendered. The FSC continues to be available to area fishermen.

Eek FSC had a grand opening celebration on May 20, 2005. Stella Alexie, CVRF community liaison has an office in the building. We are currently searching for a mechanic and possibly a welder to work at this FSC. It continues to be open for local fishermen.

In addition to the two operating FSC, CVRF is working with community leaders in Mekoryuk, Toksook Bay, Kwigillingok, Kongiganak, Chefnak, and Hooper Bay on plans for fishery support centers in each community.



Gerald Hunter Working @ the Scammon Bay FSC.



Chefnak FSC Site Survey.

FISHERIES SUPPORT PROGRAMS

Icing/Bleeding Quality Training

In 2004, CVS instituted an icing/bleeding mandate in selected fishing communities. This mandate was expanded in the 2005 season. To better prepare fishers and to assure that they are trained in the proper icing/bleeding techniques, CVS conducted Icing/Bleeding Training in twelve communities. Funding for these training sessions came from a Alaska Fisheries Marketing Board grant.



Marine Safety Training

CVRF conducted Marine Safety training in Quinhagak, Eek, Tuntutuliak, Kongiganak, and Kwigillingok. Training sessions took place on May 9 to 13, 2005. Chris Dock, Kipnuk community liaison assisted with instruction and acted as a Yupik interpreter for participants. Alaska Marine Safety Education Association instructor Steve Campbell led the training sessions. There were 37 participants this season. Participants in these training sessions received hands-on training, and boating safety certification.



Revolving Loan Program

Loans continue to be available to the region's commercial fishermen through CVRF's Revolving Loan Program. This year's deadline for application is October 15, 2005. If you are interested in receiving an application or assistance in completing the loan application, please contact your local CVRF office or the corporate office at 1-888-795-5151.





Safety Goals ~ 2006

CVS is currently developing a Safety Incentive Program. Watch for future details about how staff members can participate and receive safety incentive rewards. There will be a structure for individual plant operations, individual employees, and individual plant managers, just to name a few of the proposed categories in the new program.

In future newsletters and at the beginning of the season, a complete list of categories, a list of incentive awards and how to qualify will be announced. Rewards will be given out at the end of the season at a yet to be determined forum.



CVS Quinhagak Plant Staff



CVS Halibut Plant Staff



COASTAL VILLAGES SATELLITE STAFF

Chefornak Community Liaison	Nellie Abraham	Napaskiak Community Liaison	Vacant
Chevak Community Liaison	Clifford Paniyak	Newtok Community Liaison	David Albert
Eek Community Liaison	Stella Alexie	Nightmute Community Liaison	Vacant
Goodnews Bay Community Liaison	Angela Chinglak	Oscarville Community Liaison	Vacant
Hooper Bay Community Liaison	Mamie Tinker	Platinum Community Liaison	Angela Chinglak
Kipnuk Community Liaison	Chris Dock	Quinhagak Community Liaison	Grace Friendly
Kongiganak Community Liaison	Mary Nicholai	Scammon Bay FSC Mechanic	Gerald Hunter
Kwigillingok Executive Coordinator	Fred Phillip	Toksook Bay Community Liaison	Vacant
Mekoryuk Community Liaison	Mona David	Tuntutuliak Community Liaison	Nick David, Jr.
Napakiak Community Program Manager	Lloyd Black	Tununak Community Program Manager	Theodore Angaiak

CORPORATE OFFICES

Executive Director	Morgen Crow	Development Coordinator	Larson Hunter
Deputy Director	Robert Williams	Staff Accountant	Nellie Kiunya
Executive Coordinator	Fred Phillip	Payroll Clerk	Catherine Jumbo
Executive Assistant	Patty Murphy	Accounting Clerk	Sandra Guest
Executive Assistant	Donna Schwirtz	Accounts Payable Clerk	Gretchen Williams
Fisheries Manager	Joe Hall	Human Resources Clerk	Haidee Canete
Program Director	Ronolda Olivera	Administrative Assistant	Marlene Kiokun
Resources Director	Ted Wittenberger	Receptionist	Darla Graham
Controller	Kimberly Good	Intern	Edna Beebe
Project Accountant	Shelley Stanchina		
Safety Manger	Rhonda Kelley		

CVS PLANTS SAFETY INSPECTIONS COMPLETED

Rhonda Kelley, safety manager, traveled to all CVS plants during the 2005 season. During her visits, she met with the plant managers, supervisors, and employees.

Our Master Corporate Safety Plan has been completed and implemented. Our Hazard Communication Program has been completed and will be implemented by the start up of next season. Overall, there are no major violations or safety hazards. Only minor issues were identified, housekeeping type issues that were easily fixed with maintenance and/or a policy or procedure implementation.

Rhonda would like to thank the managers and supervisors who participated and completed their chemical inventories in a timely manner. This made it possible to get the program written and efficiently completed. It is a major program and crucial to our daily operations and safety program. This program will greatly improve operations.

Refresher training for our Hazard Communication Program is planned to take place before the beginning of the season. We will be starting new procedures for ordering hazardous materials. This training will be conducted at the same time as the Hazard Communication Program training. If you have questions or concerns, please send them via email to rhonda_k@coastalvillages.org. Hope to see you all at the start up training, we look forward to working with all of you next season.



CVS Staff Loading Fish



CVS Tununak Plant



4-SITE

Louis Bunyan Memorial Scholarship (LBMS) Spring 2006 Semester Application Deadline: October 31, 2005

If you have any questions or would like an application,
contact CVRF at **1-888-795-5151**.
The application packet can also be downloaded from the
company website at **www.coastalvillages.org**.



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Neqsurtet Nepiit, "The Sound of the Fishermen", is a quarterly newsletter that is distributed by Coastal Villages Region Fund (CVRF) to share information on the scholarship, internship, training, employment and economic development opportunities that we provide to our member communities. If you would like to be added to our distribution list, please call the CVRF Anchorage office at 1 (888) 795-5151 or at (907) 278-5151, or fax your request to (907) 278-5150.

Commercial Fishing Loans

Do you commercial fish?
Do you reside in a CVRF Village?
Do you need money for a boat, motor or gear?

If you answered YES, apply for the
CVRF Revolving Loan!!!

The CVRF Revolving Loan Program deadline is October 15, 2005. CVRF staff will continue to distribute, and assist with applications until the deadline. If you would like an application or have questions about the CVRF Revolving Loan please contact your local CVRF office or the CVRF Corporate office at 1-888-795-5151.