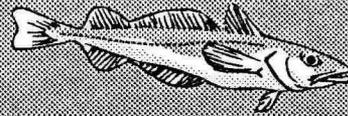


Pacific Whiting



An Overview Prepared by:
Oregon Coastal Zone
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Oregon's *Window of Opportunity*

The decade of massive change facing Oregon's commercial fishing industry includes a potential for development of a new fishery that could generate \$86 million in income to coastal communities and up to \$114 million coastwide if catches of Pacific whiting were landed and processed onshore

At the same time, the industry is also facing the loss of one of its most important and profitable fisheries, the catching of Pacific whiting for delivery to processing ships from foreign countries such as the U.S.S.R. and Japan.

Last year, the joint venture boats caught almost 400 million pounds of Pacific whiting for the foreign processing ships, earning \$22 million in the process. The fishery generated \$24 million in personal income for Oregon, Washington and California communities. Of that amount, about \$16 million went to Oregon coastal communities.

Both of those developments involve a small, two-pound dark gray, soft-textured fish, called Pacific whiting, or hake. Fifteen years ago, fishermen couldn't even bring whiting to the docks because there was no market for it. Without careful handling, little of it could be processed at coastal fish plants. A small percentage of the fish has an enzyme that starts to soften the flesh as soon as it is caught. But whiting is the most abundant fish off the West Coast. More than half of the fish swimming off the West

Coast are whiting, making it the coast's largest biomass. Biologists estimate that around 440 million pounds of whiting could be caught most years, off Canada and the Western U.S. By comparison, all the other groundfish

species caught off Washington, Oregon and California totaled 305 million pounds last year. So, there has been a great deal of interest in figuring out what to do with such a large body of fish.

In 1978, Captain R. Barry Fisher led an experimental fishery to catch whiting for a Soviet processing ship. It was so successful that during the

last decade, processing ships from Poland, Bulgaria, Japan, China and South Korea have bought the whiting caught by American trawl boats, and processed it at sea. They have sold their catch mainly in Eastern Europe and Asia. Several factors have combined to spell an end to the joint venture fishery. Research has shown that if whiting is handled properly during capture, processing and distribution, a quality product can be developed. Food technologists have also come up with enzyme inhibitors,

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which allow whiting to be made into surimi, a fish paste that is used to create products like artificial crab.

The other major factor is the growth of an American factory processor fleet, capable of catching the fish and processing it on board, as the foreign processors have done.

When the Magnuson Fishery Conservation and Management Act was passed in 1976, it extended U.S. management from 12- to 200-miles offshore. The Pacific Fishery Management Council was set up to create management plans for the fisheries off Washington, Oregon and California.

The Council is responsible for assuring the conservation of fishery stocks and fostering the development of the

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A fleet of Seattle-based processing ships was built during the last decade, mainly to harvest the enormous pollock resources off Alaska. The joint venture fisheries were phased out in Alaska in 1989. Last year, the 60 American factory catcher-processors harvested more than 3 billion pounds of fish, enough fish that if they were laid head to tail, would reach from the earth to beyond the moon. And, they did it in 10 months.

Representatives from two factory processor companies told the Pacific Fishery Management Council in November they would have at least two vessels processing whiting off the coast of Oregon this year. They estimate each ship can process one million pounds of

whiting per day. Given the capacity, 10 factory processors could take the entire whiting quota in about 45 days.

When it comes to whiting, the Council had identified two major goals:

- Protection of the existing onshore domestic whiting processing industry and providing for future growth and development;
- Maintenance of the benefits of the whiting resource to traditional participants and coastal communities.



PACIFIC WHITING are released from the "window" of a m

To do that, the Council in November decided to split the 1991 whiting quota of 500 million pounds. Fishermen in Northern California, Oregon and Washington will be given about 80 million pounds, while the offshore factory ships will receive 422 million pounds.

The decision must be ratified when the Council meets in March, and there is expected to be considerable opposition from the factory trawler owners, who will argue

they must have the opportunity to catch all of the available whiting. The whiting they have requested is almost double what biologists estimate can be harvested.

The fishing industry goes into 1991 knowing there is a very small chance of having a joint venture fishery. The 50 joint venture boats, with 35 of them based in Oregon ports, will have nothing to fish for, at a time when other trawl fisheries are facing smaller quota and greater restrictions. An unemployed joint venture fleet poses a



PHOTO BY DIANE PLESCHNER

midwater trawl net during a recent harvest.

problem that will have a destabilizing ripple through the entire West Coast fishing industry.

Joint venture boats must have a minimum of annual revenues of between \$300,000 and \$400,000 a year in their fishery. They will attempt to recoup that money through other trawl and shrimp fisheries, which are already facing smaller quotas and more restrictions. For a port such as Newport, where commercial fishing brings in

27 percent of all total earned income, the loss of the fishery will adversely affect the total community.

The factory processors also create a dilemma for the shore-based plants, who have taken some tentative steps towards using the immense whiting resource. In 1989, Oregon coastal processors used about 800,000 pounds of whiting. By 1990, that had jumped to 5 million pounds, with more processors expressing interest in the fishery. Requests for 1991 total 80 million pounds.

The needs of the shore-based plants and the factory processors are quite different. The plants need to make substantial investments in equipment to process large amounts of whiting onshore. They need the fish to be

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available to them over a long period of time, to justify the economic expenditures. They are reluctant to make the investment if the bulk of the catch will be taken by the floating processors.

The factory processors, on the other hand, need to take as much whiting as quickly as they can, so they can return to Alaska for the second pollock opening in June. The fleet is heavily over-capitalized, and whiting is the only major fishery left to exploit. There will be little contribution to Oregon coastal economies (from the factory processors).

The whiting currently processed onshore contributes about \$4.8 million to the local coastal economies. If the companies are able to process the 80 million pounds that have been tentatively allocated (in 1991) to fishermen that bring whiting onshore, the local economic impact will be \$18 million, and the statewide impact will be almost \$24 million.

The more whiting that can be processed onshore, the greater the economic benefits to the coastal communities and to the state of Oregon as a whole. If all of the whiting that is available in a normal year could be processed onshore, the local economic impacts would be \$86 million, and the statewide impacts would be \$114 million.

What needs to be done to make those figures a reality?

- Stay involved in the allocation process. The State must take steps to ensure that Oregon's Pacific whiting interests are represented at the Pacific Fishery Management Council level by the Oregon Departments of Fish and Wildlife and Agriculture. The Oregon Department of Agriculture should provide economic and social-technical background analysis that will allow the Council to make its decisions.

- Promote shoreside allocation. The Department of Agriculture should be designated the lead agency in ensuring that a sufficient quantity of whiting must be allocated to the shore-side plants to allow an orderly development of the fishery and to avoid the dislocation to coastal communities from the abrupt end of the joint venture fisheries.

- Provide technical assistance. The Department of Agriculture should ensure that shoreside plants are provided with the technical information they need to produce a high-quality whiting product and work with the industry to meet that goal. The Economic Development Department should reduce impediments to industry development through assistance in meeting siting, water, waste and other regulatory and infrastructure requirements and through business development and financial assistance under appropriate programs of the State.

- Continue to utilize the Department of Agriculture's seafood marketing program. As part of the Department of Agriculture's overall world-wide market promotion and development services, the Department should develop a specific promotional effort for whiting, both nationally and internationally.

- Support the ongoing focus on Pacific whiting needs. The Department of Fish and Wildlife is proposing, for the first time, to levy a poundage fee on Pacific whiting of two-tenths of a cent per pound. If the whiting quota of 440 million pounds were landed at Oregon ports, there is a potential for \$880,000 in landing fees which could support greater management, technical analysis and marketing.

- Maintain the working relationship with Oregon State University. The Coastal Oregon Marine Experiment Station (COMES) has provided significant assistance in investigating the many marketing issues associated with Pacific whiting and in meeting many of the plant and infrastructure information needs for the industry and the State.

Making these figures a reality and benefiting from this limited "window of opportunity" does not require the State to commit new resources. It does require that Oregon maintain the continuance of effective programs in the Departments of Agriculture, Economic Development and Fish and Wildlife that are either focussed on Pacific whiting or that are available for assistance to the industry.

The window could be closed. We have to look at the PFMC decision in March and to factory trawlers off Oregon in April of 1991. Oregon needs to continue to position itself and its local fishing industry for a growth in allocation in 1992. This will ensure that the economic benefits will be realized by Oregon's fishing industry and coastal communities.

Pacific Whiting

Resource Availability, Market Use and Economic Development Potential

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