

ALASKA

NORTH TO OPPORTUNITY

HB 204

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF ECONOMIC DEVELOPMENT

02/27/2014



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Alaska produces over
95% of all salmon in
U.S. yet represents
under 1/3rd of global
wild salmon supply



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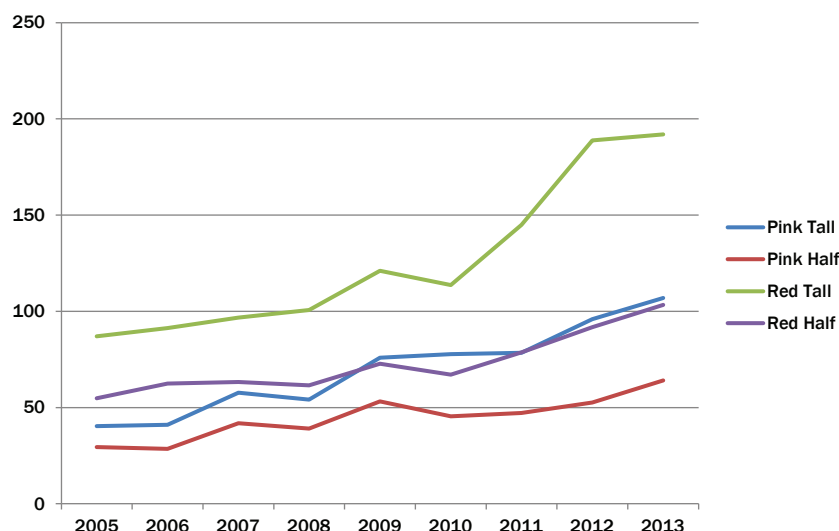
Key Benefits of Product Development Tax Credit

- Promotes development of value-added salmon and herring products, leading to greater product diversity
- Stimulates product development of underutilized specie (herring) and waste byproduct
- Softens financial impact of potential changes to EPA effluent guidelines in non-remote locations
- Incentivizes investment to produce canned salmon in sizes appropriate for today's market conditions

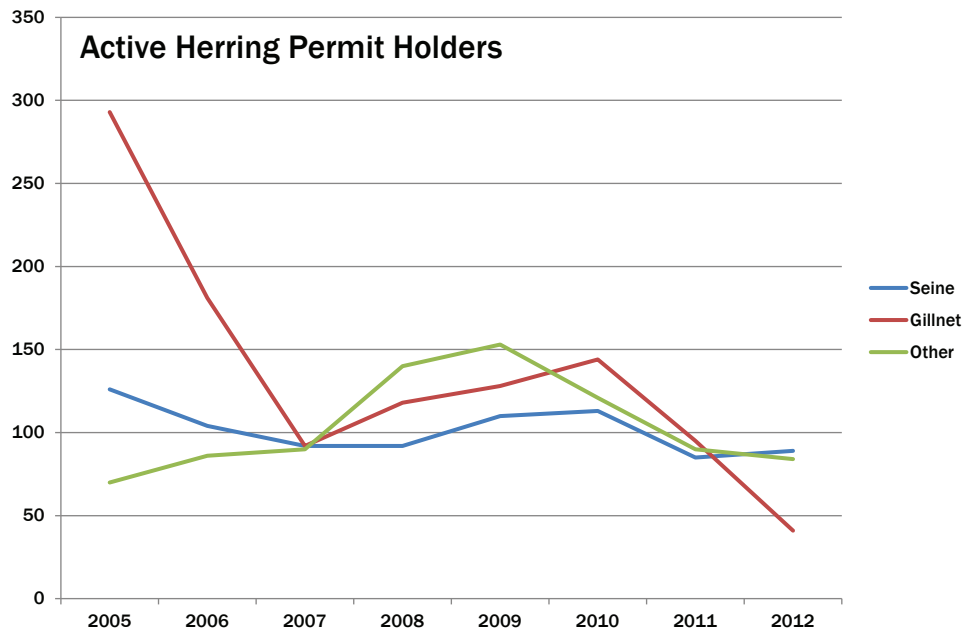


Challenge: Salmon Can Size

Too Many Ounces, Too Much \$\$\$ (*price per case*)



Challenge: Herring



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Challenge: EPA

- “Non-remote” seafood processing centers may be required to fine screen and collect waste, then barge or process
- Preliminary cost per pound estimates at select sites range from \$.21–\$.56/pound.



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Waste-Byproduct Opportunities

Primary Products

- Fish Meal
- Fish Oil
- Protein Isolates

Value- Added Products

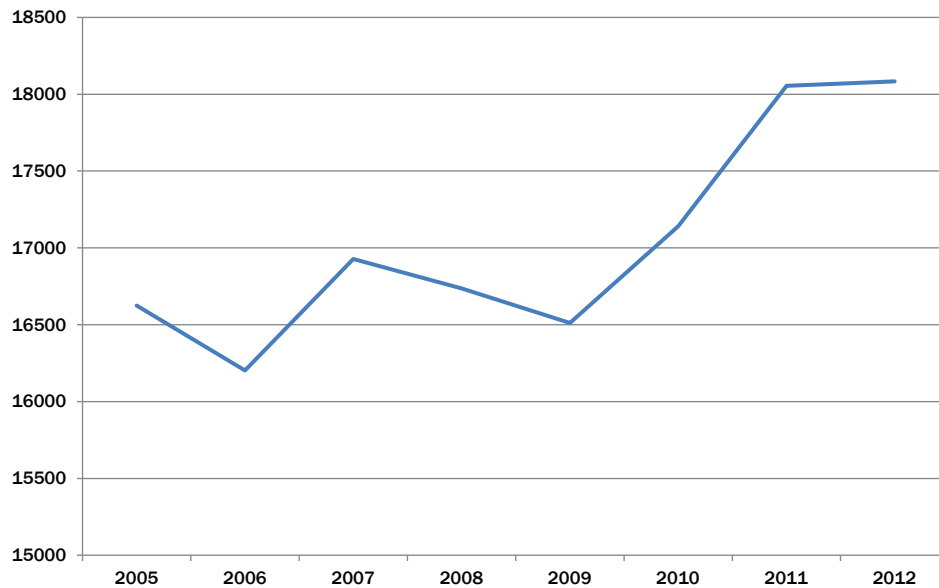
- Nutritional Supplements- fish oil pills, Omega-3 acids
- Collagen- medicinal, nutrient, gelatin
- Enzymes- food additive, chemical applications
- Cosmetics- lotions
- Medical products- bandages
- Human foods- dried products
- Leather
- Pet food ingredients
- Livestock Feed
- Aquaculture Feed
- Fertilizers/Compost
- Biofuel
- Industrial Products- lubricants, chemicals, etc
- Bait



Source: CFEC data, compiled by McDowell Group.



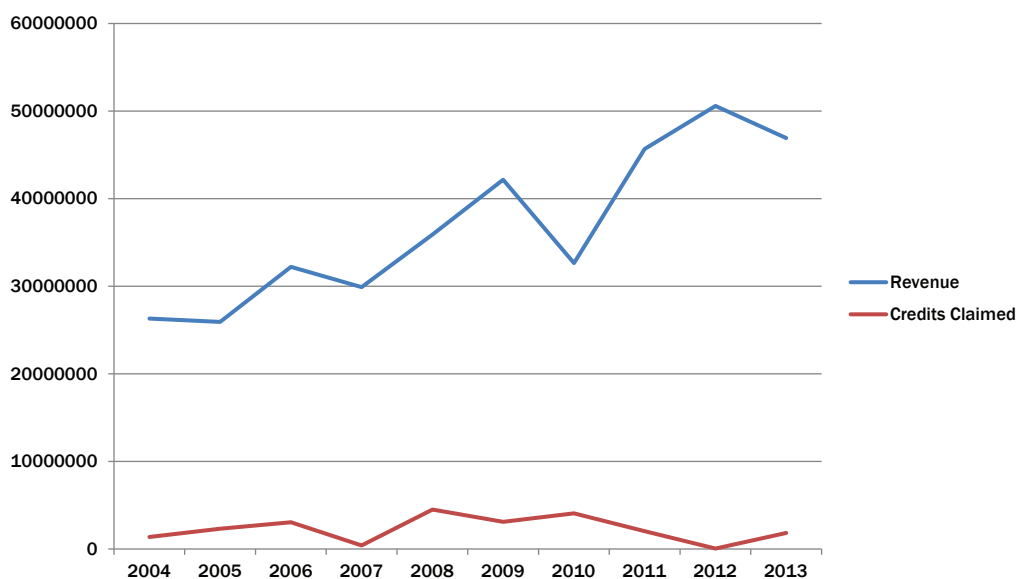
Resident Participation in Alaska Fisheries



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Gross Revenue from Fisheries Business Tax and Utilization Credits Claimed



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