

COMMITTEE REPORT
SENATE

3/3/81

FURTHER: None

Date: April 3, 1981

Mr. President:

The Committee on FINANCE has had SB 103

making a special appropriation to the Legislative Council for a salmon quality control education program

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass ~~amendments~~ do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

John Sackett

Dan Ryan

John J. Laska

Tommy Thurman

MEMBERS HAVING
OTHER RECOMMENDATIONS:

John Sackett

CHAIRMAN

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 103
 Title Salmon Quality Control Education Program
 Requested by Legislative Finance Date 3-4-81

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Legislative Council
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		170.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	170.0	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	170.0	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Contractual arrangement with University of Alaska or other subject to Legislative Council approval upon recommendation of Senator Kerttula (education subcommittee, etc.).

IV. DATE 3-4-81 PREPARED BY Richard G. Berg, Director
 AGENCY Legislative Affairs Agency
 PHONE 465-3850
 Original: Legislative Finance
 cc: Budget and Management
 / Prime Sponsor (First Legislator Named)

Funding Information
General Fund \$170,000
Other Funds -0-
\$170,000

Introduced: 1/21/81
Referred: Resources and
Finance

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 103

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Legis-
7 lative Council for a salmon quality control education
8 program; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. The sum of \$170,000 is appropriated from the general fund
11 to the Legislative Council for the salmon quality control education program
12 recommended by the education subcommittee of the Senate committee on quality
13 assurance in the salmon fishing industry.

14 * Sec. 2. The unexpended and unobligated portion of the appropriation
15 made by this Act lapses into the general fund June 30, 1982.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
17 070(c).

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RECOMMENDATIONS FOR IMPROVING THE QUALITY
OF FROZEN AND CANNED SALMON

Report of
Salmon Quality Control Study Group

Committee Members

James Poor	Harold Hansen
Bill Hall	Roy Alley
Bob Blake	Bob Ditman
Armin Koernig	Bruce Crow
Knute Johnson	Henry Wiese
Lewis Hasbrouck	Wallace H. Noerenberg
Jack Werner	

Senator Jay Kerttula, Chairman

Resource Persons

John Doyle
Allan Otness
Walter Yonker

January, 1981



Official Business

Alaska State Legislature

Senate

Office of the President

January 15, 1981

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Legislative Council
FROM: Senator Jalmar Kerttula
SUBJECT: Report of the Salmon Quality Control
Study Committee

This is a report of the Prince William Sound voluntary quality control compliance pilot project set up by the Salmon Quality Control Study Committee.

The recommendations of the Committee are to continue the pilot project for one more season and to implement a statewide quality control education program.

The Prince William Sound Quality Control Standards were implemented as a pilot project to analyze the quality of fishholds in a relatively moderate area of the State of Alaska, assuming that the appreciation of quality was highest in Southeastern and deteriorated as one progressed westward.

One has to accept that this pilot project was disrupted by the fact that there was no early gillnet season, which did not lend itself to the project, and that the early, unexpectedly high volume pink salmon seine season created a crash mobilization of the fleet which also detracted from cooperation and compliance.

On the whole, with consideration of the problems, I feel it was a very successful experiment. The local processors and the fishermen's organization worked together on this project with enthusiasm prior to the seasons, which displayed the mutual concern for improving or proving the quality of Prince William Sound salmon, and eventually salmon from Alaska.

If this pilot project is carried over to the 1981 season, I feel that significantly better compliance with the program will be seen. Both processors and fishermen will be more aware and prepared for the inspection and timing to create an atmosphere for more and better inspections.

The results of the Prince William Sound inspection program were as follows:

Whitney Fidalgo Fisheries Inc.	inspected 14 boats
Chugach Alaska Fisheries	inspected a questionable number of boats-no report was forwarded to the CAMA office.
Alaska Packers Association	inspected 60 boats
Morpac, Inc.	inspected 42 boats
North Pacific Processors	inspected 38 boats
St. Elias Ocean Products	inspected 82 boats
Miscellaneous Processors	inspected 5 boats
An unknown number of boats were inspected in Valdez	

This totals 241 boats in aggregate which were inspected, approximately 35 per cent of the entire Prince William Sound fleet,

Of that: 84 were seine boats
 12 were tenders
 145 were gillnet boats

A construction breakdown on these boats:

 6 steel construction
 1 cement construction
 51 wood construction
 183 fiberglass construction

Of the fiberglass construction, glass over wood was considered fiberglass as the outer hold and deck coating was most pertinent to the project we are concerned with. Only a small percentage of the fiberglass boats listed are of glass over wood construction.

Of the boats inspected, 197 met the preferred standards while only 44 qualified for minimum standards. In analyzing the inspection forms, I ran across a problem with Alaska Packers Association inspections where they disqualified bowpickers for lack of engine room insulation. Since the engines in bowpickers are far removed from the fishholds, I arbitrarily changed those to preferred qualifications. Predominantly all wood boats only met minimum standards.

Overall, considering it was a first-time pilot project, I would say the Prince William Sound project was an immense success. Personally, I would like to give it one more season to accurately evaluate its success or failure as a voluntary program. In the interim, the Salmon Quality Control educational project will have time to at least reach the areas of the state that are least attuned to quality control.

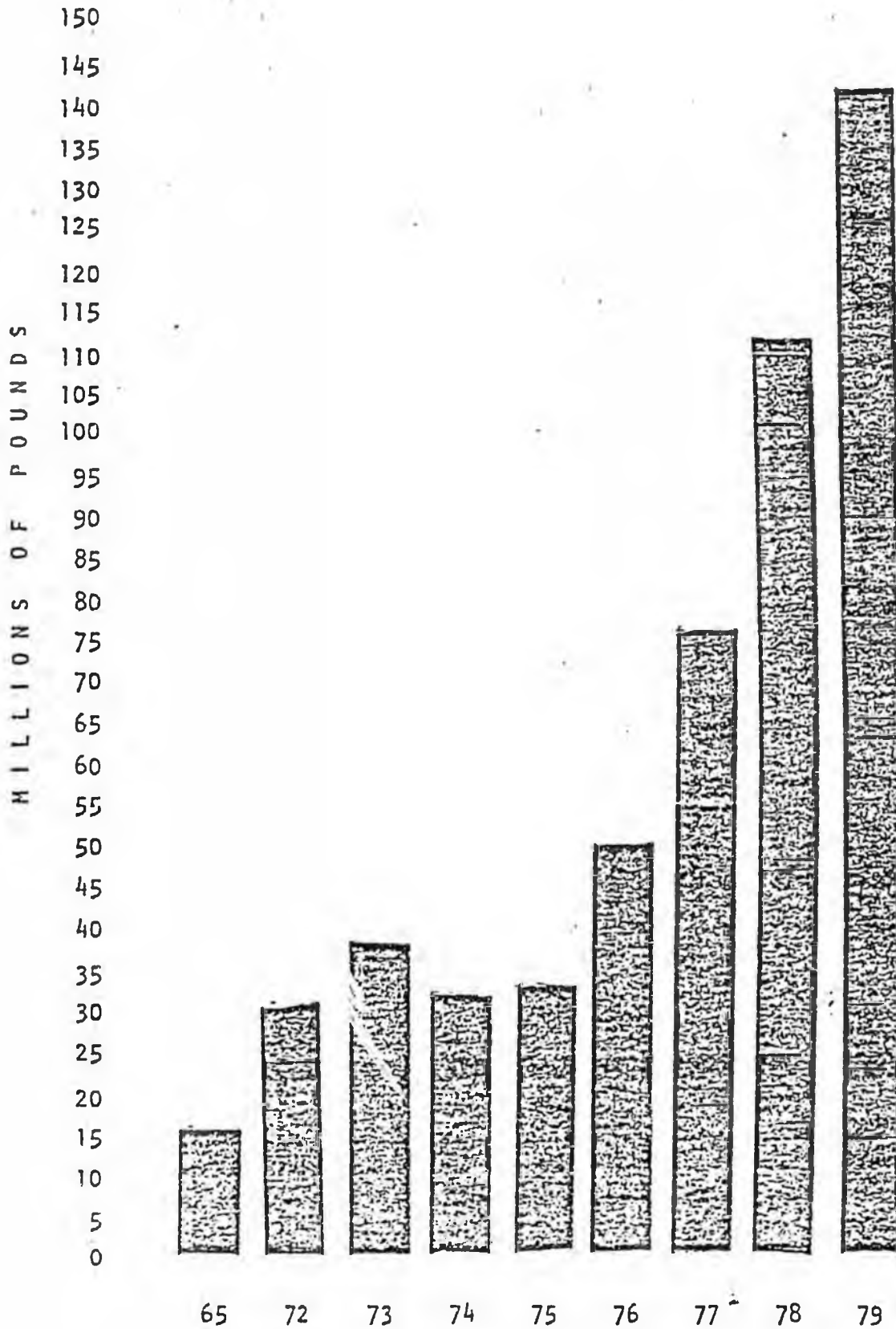
Over the past season I personally observed both in Prince William Sound and Bristol Bay real and sincere attempts to improve the quality of Alaska salmon, both on the part of the processor and the fishermen. In these days of exorbitantly high interest rates and double digit inflation, I would at least hope that we don't push an extremely costly program on the industry unless it is absolutely necessary. I feel we should make an honest effort to make the industry aware that quality control on a mandatory basis is pending if reasonable steps to keep improving quality are not continued. However, I also feel that we must keep in mind the state of the industry's financial health in anything we mandate.

If this committee feels legislation on fishhold improvement is necessary, then I would recommend only basic necessities for the first year of implementation as follows:

1. Ability to pump hold dry.
2. Eliminate heat transfer from engine to fishhold.
3. Ability to keep fish covered.
4. Watertight bulkheads - to keep oil and gas off of fish.
5. Fishholds that can be cleaned and sanitized.

These five basics for fishholds are the most significant and the most important for a first step at this time. This should be all that is required. As the program progresses and as the awareness develops through education, we can, at a later date, expand this program.

ALASKA FROZEN SALMON PRODUCTION



YEARS

REPORT OF THE ALASKA SENATE COMMITTEE ON QUALITY

ASSURANCE IN THE SALMON FISHING INDUSTRY

BY THE SUBCOMMITTEE ON EDUCATION

Background and Need

The Alaska salmon industry has undergone a major change in the last ten years. This change consisted of a shift from a primary emphasis on canned salmon to a heavy emphasis on fresh and frozen salmon processing (Fig. 1). This shift is as dramatic as, and is economically more significant than the development of the tanner crab fishery.

Traditionally, the fresh and frozen salmon markets were supplied by troll-caught salmon from Southeast Alaska and the Pacific Northwest. These were high-quality silver and king salmon, bled and dressed immediately after capture and iced within a short period of time. The supply was supplemented by gillnet-caught salmon, again principally silvers and kings.

As the market for fresh and frozen salmon expanded, it had to be filled with net-caught salmon. This move was accompanied by an increase in cold storage capacity in the Gulf of Alaska and air shipments from Bristol Bay and the AYK district.

During the last four years the growth has been dramatic (Fig. 1). In 1979 over 100 million pounds of salmon, including sockeye, chums and pinks that would previously have gone into the can, went to the frozen market. This is accomplished

by "high grading" at the plant, which has resulted in an overall lowering of quality in both the canned and frozen product.

Many of the fishermen and processors who are now producing for the fresh and frozen market formerly canned all of their product. Therefore, they are not familiar with the proper methods of handling fish to attain a high quality frozen product.

In Japan and Europe the devaluation of the U.S. dollar has put salmon within the buying range of more people. The Japanese market is for high quality dressed salmon with the head on, which are sold whole on the retail market. In Europe, the demand is for frozen salmon which are thawed and split for mild curing and smoking. Both markets demand a quality fish with no external or internal blemishes or visible flaws. North America, too, is experiencing a shift toward fresh and frozen salmon for use as steaks and fillets and, to a lesser extent, the mild cure and smoking market.

European and Asian markets are looking to our competition for a high quality product. This includes Canada and Norway, both of whom have high quality standards set by government regulation.

Processors in Europe complain about bruises, soft flesh, belly burn, rancidity and poor butchering of the product they receive from the U.S., including Alaska. These are all caused by improper handling and processing.

Problem

The Alaska fish are as good as any when they come from the water, but several million pounds of frozen salmon were condemned by state and federal inspectors after the 1979 season. Quality loss occurs in the hands of humans.

The problem of salmon quality is statewide, but is more critical in areas where the production of frozen salmon is a relatively new form of processing.

Goals and Objectives

The goal of this project is to "Raise the quality of Alaska frozen salmon to a level that will meet or exceed that of any other country's product competing on a world market."

Our immediate objective is to improve the overall quality of Alaska salmon. Clearly, efforts need to be made in assisting the industry to improve the quality of salmon submitted to the world markets. Education is needed in proper techniques for handling salmon.

A committee has been appointed to determine these educational needs and the kinds of educational efforts the state should support. A broad-based educational program, directed at fishermen, tendermen and fish processors, is recommended by the committee.

Approach

A broad-based education program will be developed. This program must be delivered to the largest number of industry members possible. The project will reach fishermen, tendermen, processors and shippers of salmon; i.e., all segments of the industry. In order to reach most of the industry, a number of different audio and visual educational techniques will be employed. These will include, but not be limited to: .

1. Seminars, workshops and conferences
2. Consultation services
3. Public service radio spots
4. "How-to" fact sheets
5. Slide series on handling salmon
6. 16-mm educational film on salmon handling and processing methods
7. Salmon handler's manual

In order to provide these educational services it will be necessary to employ a full-time specialist in the care, handling and processing of frozen salmon. This will need to be a long-term project. Current practices are ingrained and will take a number of years to change.

Outline of Education Activities

1. Seminars, workshops and conferences. Seminars and workshops will be conducted in fishing ports throughout the

state. These will be directed at fishermen and processing personnel. This mechanism is helpful in making industry members aware of the problem and will offer solutions to specific problems of each fishery and region. This has been demonstrated to be one of the best methods for provoking a desirable change.

A conference will be held to bring together the leaders of the fishermen's organizations with the objective of informing them of the problems poor quality has caused in the marketplace; to obtain their ideas for a long-range solution; and to enlist their support. A second conference will be held with the quality assurance personnel in the processing plants to inform them of the problems that occur in plants and to provide them with information and materials for training their in-plant workers.

2. Consultation services. In order to improve the quality of fish landed it will be necessary to do conversion work on many of the salmon vessels presently in use. This will include the installation of slush ice, refrigeration systems, or other types of cooling systems on the vessel. In some areas of the state the older or smaller vessels are not lined. Fish lay in the bilge or against hot engineroom bulkheads. In some cases boxing may be justified. The specialist would be available to provide technical information on these and other specific problems. In many cases, the

fishermen or processors could make the necessary changes themselves with technical assistance made available through this program.

3. Public service radio announcements (PSA's). All radio stations make time available for public service announcements. Several stations have been contacted and have expressed a willingness to air educational spots relating to good handling practices for salmon. A series of PSA's will be produced and distributed to all radio stations in coastal communities. The PSA's will contain "how-to" tips as well as what not to do. They will each contain an educational message; however, their prime function will be to raise the general awareness of the necessity for good handling practices. Through personal contact with participating radio stations it is expected that the PSA's will be aired at a time most fishermen listen to the broadcast band--at the time of the marine weather forecast.

4. "How-to" fact sheets. A series of "how-to" fact sheets will be written. They will be developed for each fishery by region. It is necessary to develop them by fishery and region because of the differences in the harvesting methods employed and the different conditions existing in each region. Fact sheets will also be developed for in-plant handling. Subjects to be covered will include, but

not be limited to, effects of temperature; sanitation; use of ice; refrigeration; etc. These fact sheets will be given broad distribution to fishermen and processors and be used in workshops and seminars.

5. Slide series on salmon handling and processing.

A series of slides is presently being assembled that shows the effect of poor handling and butchering practices. This series will be expanded to show proper methods. The series will be duplicated for use in workshops and seminars and will be available for fish processors to use in their own in-plant training sessions. These slides must be considered as a tool rather than standing on their own as an educational program.

6. 16-mm movie film/television tape on salmon handling and processing methods. A 16-mm educational movie film will be developed showing proper handling and icing and the processing of frozen salmon in the plant. Television tape copies of this film will be made available for circulation to schools and educational TV, and will be used in workshops, seminars, etc. A film will not be a complete educational program but will augment the other educational efforts.

7. Salmon handler's manual. The fact sheets will be completed and supplemented with additional materials to produce a salmon handler's manual. This manual will in-

clude the why as well as the how to. The major use of this manual will be for in-plant training by company personnel. It will also be used to train new quality control people in the plants.

Interactions

It is necessary that this project interact with present education efforts in salmon quality enhancement in both the private and public sectors. This would include the University of Alaska, the National Food Processors Association, fishermen's associations, and the state legislature.

It is recommended that a permanent advisory committee be appointed to monitor the program. This committee should meet on a quarterly basis to review progress and to identify problem areas.

Salmon Quality Education

BUDGET

SALARIES

Instructor 12 mo @ \$3000 mo	\$ 36,000
Clerical assistance 1/2 time 12 mo	<u>8,000</u>
	44,000

Staff benefits @ 20.5%	<u>9,020</u>
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TOTAL		\$ 53,020
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EQUIPMENT

Office equipment	1,500
Audio Visual	<u>950</u>

TOTAL		2,450
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EXPENDABLE SUPPLIES

Recording tape	480
35-mm film	120
Office supplies	<u>200</u>

TOTAL		800
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TRAVEL

7,800

CONTRACTUAL SERVICES

16-mm movie	40,000
Printing (fact sheets, manual)	13,200
Postage	1,100
Communications	3,000
Xerox and drafting	2,000
Video tapes	400
Reproduction of slide sets	500
Subcommittee travel and per diem	<u>10,000</u>

TOTAL		<u>70,200</u>
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TOTAL DIRECT		134,270
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TOTAL INDIRECT @ 50.8% of S & W		<u>22,352</u>
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GRAND TOTAL		\$156,622
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