

SHELLFISH BOOM COMING?: Alaska remains opposed to fish farms, but more than \$1 million in state aid is going to mariculture, and the sector is poised for growth.

Alaska warming up to shellfish farming

With support from the state's governor and and more than \$1 million in new funding, Alaska's shellfish-farming industry is poised for big growth.

By Ben DiPietro

Although mariculture first was permitted in Alaska in 1988, the industry was slow to evolve. Stringent regulations enacted to address environmental concerns and a lack of capital conspired to discourage the development of shellfish farms across the state.

Now, with support from the state's highest office and an infusion of cash, shellfish farmers say the future looks brighter than ever.

"I would say the shellfish farming industry is in its infancy. While there is some logic to its progression, it has a lot to do with finding economies of scale," said Glenn Haight of the Alaska Department of Commerce, Community and Economic Development.

One of the biggest obstacles to growing the industry is costs, Haight said. "Once there is enough product moving out, it should lower costs," he said. "But in order to begin to move more product you may need some changes in the regulatory structure. Certainly there needs to be greater access to capital. But, most importantly, you need interested investors — essentially a more developed human resource. To peg timelines, necessary development and capital is not something I've done with any certainty."

Support from the top guy

With bullish financial support from the state, which providmore than \$800,000 in 2004 to the Alaska Shellfish **Growers Association** for infrastructure development, 2005 may be the year Alaska-grown shellfish finds a niche in stores and on people's plates, said Rodger Painter, association president and longtime industry advocate. In total, more than \$1.5 million was invested in the shellfish industry by the state through its

seafood revitalization strategy, Haight said.

"The regulatory climate certainly has taken a turn for the better over the past several years," Painter said. "Gov. Frank Murkowski has made mariculture development a priority of his administration, and we are making significant progress in changing what might be best characterized as an extremely hostile attitude in some regula-

tory agencies. The legislature approved and funded an ambitious program to pre-approve and offer to the public aquatic farm sites throughout our coast-line."

According to 2003 statistics from the Alaska Department of Fish and Game – the latest available figures – there were 58 aquatic farmers, all but one located in southeast Alaska, Prince William Sound and Cook

Inlet. They grow Pacific oysters, littleneck clams, blue mussels and other species, mostly geoduck clams, and had a total harvest valued at \$624,573, a \$100,000 increase over 2002.

"Most of Alaska's shellfish farms are mom-and-pop operations struggling to get enough production on line to reach profitability," Painter said.. "Some of these operations are in the process of taking the leap





PHOTO: ELIN HOYLAND

into the next stage of development, and it appears quite likely the marketplace will begin seeing larger quantities of Alaska oysters beginning this year."

Pacific oysters account for just under half the total value at \$307,047, with more than 1 million pounds harvested in 2003. The second-biggest shellfish crop was littleneck clams, at just under 62,000 pounds worth \$148,924, the department reported. Painter expects geoduck clams to be the next big product, with the first major planting scheduled this spring.

"The Alutiiq Pride Shellfish Hatchery in Seward currently has a good crop of geoduck seed in production ... and research into razor clams, cockles and rock scallops also is under way," he said. "I would anticipate the





value of Alaska's shellfish crop topping \$1 million within a couple of years, based primarily upon increased oyster sales. Value should increase on a slower curve thereafter until the first crop of geoducks hits the marketplace."

Opposition to finfish farming

The development of shellfish farming has encountered opposition from some coastal residents and recreational and commercial fishermen because of fears of encountering a new commercial use of local waters, Painter said. The state abandoned plans last year to allow on-bottom aquatic farming in Kachemak Bay because of strong opposition to the proposed changes.

"Alaskans differ little from most coastal states or countries around the globe in that regard," said Painter, whose organization combats these fears - and those that argue allowing shellfish aquaculture will be the camel's nose in the tent that opens the state up to full-fledged fish farming – by pointing to the state's tough permitting process and its goal of boosting the sagging economies of coastal communities through environmentally friendly and sustainable development.

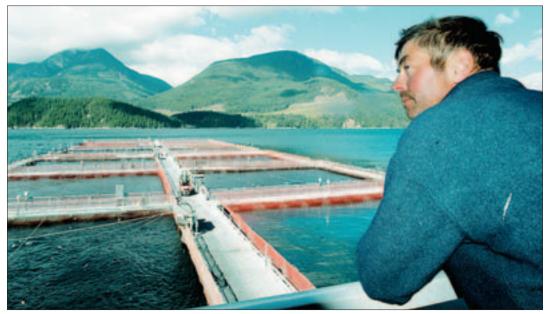
"After being exposed to nearly two decades of negative publicity about the potential harmful effects of finfish farming, many Alaskans have developed overblown fears about the farming of salmon, halibut and black cod," Painter said.

"At the same time, most opponents have carefully separated shellfish farming from that emotional debate.

"While some environmental groups have opposed development of on-bottom aquaculture, most of the problems we've encountered have come from the bureaucrats, who are acting upon personal ideology rather

than science."
Haight says this is an issue he is not concerned about, and he doesn't see much concern among Alaska residents.

"There is a sensible difference between the two operations," he said. "From my perspective, the fundamental difference between shellfish farming and finfish farming is that, with shellfish farming, the species is a captive, slow-moving creature that can be more easily controlled. Based on my understanding of finfish farming, particularly for salmon, that is not the case."



NOT IN MY BACKYARD: While Alaska is encouraging shellfish aquaculture growth, it continues to oppose finfish farming in its waters, even while neighboring British Columbia's salmon farms edge closer.

PHOTO: ORJAN ELLING

Alaska continues to fight finfish farming

The future of finfish farming in Alaska remains bleak, for now.

By Ben DiPietro

While Alaska permits shellfish farming in its state's waters, the state remains adamant in opposing finfish farming that would allow the establishment of salmon, black cod and halibut in state waters within the three miles of coastline under its control, or in land-based tanks.

Recent moves by the federal government could see fish farms in federal waters just outside the state's jurisdiction, although federal and state officials say that is unlikely.

Three hearings were scheduled in February and March to gauge public opinion in Alaska on the idea of fish farms, since the U.S. Department of Commerce, through the National Oceanographic and Atmospheric Administration, is drafting legislation that would allow aquaculture operations in beyond the three-mile limit controlled by states.

The legislation is expected to come before Congress some time this year, but agency officials say it is not designed to force states that don't want aquaculture to accept it, but rather to foster fish farming in states that want to pursue it, such as Hawaii.

Alaska Gov. Frank Murkowski last year called for a five-year moratorium on fish farming in federal waters, and opposes the expansion of fish farms along the northern coast of British Columbia, Canada, which are within 40 miles of Alaska waters. "We just don't feel there's any justification for any farmed salmon in the state at this time and would oppose it," Murkowski told IntraFish earlier this year. "We think we're better off to stick with what we got, and that's wild Alaska salmon, and just do a better job of marketing, quality control and transporting it to market."

While some in Alaska see aquaculture as an opportunity, others — mostly commercial fishermen — see it as a threat to their livelihoods.

Others say the time has passed for Alaska to become a player in the aquaculture industry, as countries like Norway and Chile have become too big and too advanced to give Alaska much of a competitive chance in the marketplace.

