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Business/Economy

Hiring seafood workers in Bristol Bay has been tough for years. This summer, it's even worse.

✎ Author: Annie Zak ⓘ Updated: August 2, 2017 📅 Published July 31, 2017

Seafood processors in Alaska's Bristol Bay this summer have had trouble finding enough workers to handle the fish that come through their plants.

Those in the industry say a confluence of factors, including a lack of visas for bringing foreign workers to the industry, a hotter economy in the Lower 48, and a record-breaking salmon run in Bristol Bay, was to blame.

"There was a significant lack of process workers for some companies in the bay, and it exacerbated the problems of having to deal with high levels of harvest," said John Garner, president of Seattle-based North Pacific Seafoods, which has locations across Alaska.

Some processors couldn't keep up with the huge amount of fish coming in, which forced them to resort to whatever method was fastest to get the pounds through the plant.

"When you've got smaller catches you can say, 'OK, I want fillet to be the priority,' " said Garner. "But it takes a lot of people to do fillets as opposed to cannery or head-and-gutted."

That's what happened this year at Seattle-based Icicle Seafoods, which has several processing plants in Alaska, including Egegik in Bristol Bay. Icicle wasn't able to fully catch the sockeye salmon available this year because of a shortage of processing workers, said spokesperson Nell Halse.

"We had to rethink our product form. Where we would have ideally processed fresh fillets into the market, we've had to take some of that to canned and frozen," Halse said.

Icicle also had to adjust crew schedules "to accommodate the physical abilities of workers who were struggling to meet the extra demand."

[Bristol Bay red salmon run smashes records]

People familiar with the industry were quick to point out that hiring for the summer in Bristol Bay and at processing plants across Alaska has been hard for years.

This season, however, has been a "perfect storm," said Brian Gannon, a recruiter and former seafood worker who hires people for plants in Alaska, and others in the industry agreed.

"This year, industrywide, I think the consensus would be that it's worse than it has been in a long, long time," said Garner.

The seafood sector used to get workers through J-1 visas for international workers. In recent years, seafood processors were made ineligible to continue getting workers through this federal program.

The seafood industry also had a hard time getting workers through the H-2B visa program this year. The federal government caps the number of these temporary seasonal workers at 66,000 per year, across all industries.

In the past, workers returning from a previous season were exempt from being subject to that cap, which gave seafood processors more flexibility. But in September, that exemption expired.

Industries also have to apply for H-2B visas in a specific time frame before the worker's start date. Because the seafood industry starts later each year than some other industries that use foreign workers, it's easy for the allotted number of visas to be doled out elsewhere before the processors get a chance.

In mid-July, the U.S. Department of Homeland Security announced it would make 15,000 additional H-2B visas available for businesses through Sept. 30, but for Alaska's fishing industry that time frame is too little, too late.

While President Donald Trump's administration didn't "technically" do anything to restrict H-2B visas, Gannon said, Trump taking office did have an indirect impact.

One theory, he said, is that the Trump administration's immigration stance put pressure on companies that rely on foreign workers to get H-2B visas for those workers, when in the past they may not have.

"I believe there starts to be a fear at companies elsewhere that may employ less-than-legal undocumented workers," said Gannon, who is currently based in Montana as senior director of corporate relations for a Maryland company called United Work & Travel. He worked for 18 summers in Alaska seafood plants. "So there was a huge spike this year in filings for requests for foreign labor."

Last year, United Work & Travel recruited 1,800 H-2B summer workers at plants around Alaska, Gannon said. This year, that number dropped to about 200.

"We had more tools in our tool belt last year," he said, or years ago when the seafood industry had J-1 visas at its disposal.

Alaska had about 14,000 jobs in the seafood processing industry in June 2014. Last month, according to early estimates from the Alaska Department of Labor and Workforce Development, that figure was about 11,100.

Gannon's core group of clients — Icicle, Silver Bay Seafoods, Peter Pan Seafoods and Trident Seafoods — needs to hire about 8,000 to 10,000 seafood processors every year. The final 20 to 25 percent is the toughest portion to find.

"The last 19 years, it seems every year has been harder and harder to attract the American workforce" to the plants, Gannon said. "It was hard then; it's just amazingly hard now."

Data from the Alaska Department of Labor and Workforce Development show that in 2015, the most recent year numbers are available, the average annual wage for workers in Bristol Bay seafood processing was about \$8,220 in the summer-focused industry. About 86 percent of Bristol Bay processing workers that year were not Alaska residents.

Gannon estimates the average pay for such workers in Alaska is about \$10 per hour.

"We can't pay \$20 an hour for processing labor because there's so many other regions of the world that don't have the labor costs that we do," he said. "Salmon is a global commodity."

Everett Thompson, a fisherman who lives in Naknek, said he suffered financially because at times he was forced to tamp down his harvest from its full potential, and other fishermen experienced the same.

"A lot of us feel we're out a good portion of our season because they weren't up to capacity," said Thompson, who fishes in Egegik and is also a board member of the Bristol Bay Fishermen's Association. The shortage of processing workers cost him and his crew \$125,000, he said.

"I still got a good chunk of change, but not as much as I could have," he added. "I could have put in another 100,000 pounds."

To cope with the huge influx of fish in Bristol Bay, some companies had to shuffle their workers around from other sites in Kodiak, Prince William Sound and Southeast, Gannon said.

"That's a shell game," he said. "You can't keep moving your workforce over and over from one site to one site because at some point fatigue catches up, or biological season catches up. It's a cruel game but lots of companies were forced into it this year."

About 80 percent of the fish in Bristol Bay come in in roughly two weeks, Garner said. More workers might prefer to go to a facility where they could stay and work for a month or more.

Achieving the perfect balance of workers against what sort of harvest Mother Nature provides is difficult, if not impossible.

"We had all the workers last year, not enough fish," said Gannon. "This year, all the fish and not enough workers."

Different companies in Bristol Bay were impacted to different degrees, so far this summer, said Norm Van Vactor, president of the Bristol Bay Economic Development Corp.

Some were affected by as much as 30 to 35 percent of their production capabilities, he estimated, while he heard that others weren't hit by workforce challenges at all.

Labor shortages this year were compounded "by simultaneous strong runs in Nushagak, Egegik and Ugashik," Van Vactor said.

At Copper River Seafoods, chief marketing officer Cassandra Squibb said the company hasn't had any issues with hiring this summer.

Halse, at Icicle, said the company plans to re-evaluate its "whole recruitment strategy" for 2018. Part of that will involve lobbying with other companies for changes to the H-2B program, such as bringing back the exemption for returning workers.

"If there was an easy answer, we'd love to hear it," said Gannon. "It's not a function of economics, of salary, of anything. It's, 'Look, we've got a job in Bristol Bay for three-and-a-half weeks.' That's hard to hire anyone for."

Correction: *A previous version of this story incorrectly stated that Alaska had 14,000 people in the seafood processing industry in June 2014. The state had 14,000 jobs in that industry during that time, and some can be filled by more than one person over time.*

About this Author

Annie Zak

Annie Zak covers business news and general assignments. She joined the Daily News in 2015 and previously was a reporter at the Puget Sound Business Journal in Seattle and the Orange County Register in California.

Comments