

YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION



*Community Development
Through Fisheries Development*



• KOTLIK
• EMMONAK
• ALAKANUK
• NUNAM IQUA

• GRAYLING

• MOUNTAIN VILLAGE

YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

2004 ANNUAL REPORT



Representing the Alaskan Communities of

Alakanuk
Emmonak
Grayling

Kotlik
Mountain Village
Nunam Iqua



MESSAGE FROM THE EXECUTIVE DIRECTOR

Yukon Delta Fisheries Development Association (YDFDA) has come a long way since its inception in 1992. Our CDQ quota has increased from 5% to 14% translating into greater royalties and investment opportunities, and ultimately greater benefits to our member residents.

2004 was a prosperous year for YDFDA and I would like to share with you some of the highlights:

- Kwikpak Fisheries, a subsidiary of YDFDA, purchased 509,550 pounds of King Salmon from local fishermen putting \$1,539,443.60 directly into the pockets of 277 local fishermen.
- Kwikpak Fisheries employed 119 residents with wages of \$193,678.60.
- Kwikpak Fisheries was the only buyer on the river for the fall chum and coho salmon season. Kwikpak Fisheries purchased 15,623 pounds of fall chum and coho salmon infusing an additional \$3,925.25 into the local economy.
- Kwikpak Fisheries infused a total of \$1,737,047.45 into the local economy from its 2004 salmon buying operation.
- YDFDA provided local technicians to ADF&G to assist in their lower river salmon test net project. We also provided funds to ADF&G enabling them to place their Pilot Station sonar on line 10 days earlier than was scheduled. The above was provided at a cost of \$41,553.34.
- YDFDA worked with NSEDC to ensure that there was a market for fisherman from the Yukon participating in the commercial Norton Sound crab fishery. The fishermen delivered crab to NSEDC's tender vessel off Golovin and to their plant in Nome. 6 residents participated in the harvest of Norton Sound Crab earning over \$15,000.
- The YDFDA Scholarship program awarded 68 scholarships to students attending both universities and vocational institutions. Scholarships awarded amounted to approximately \$149,000.
- 154 residents took advantage of various training opportunities which included navigation training in Alakanuk, Emmonak, Kotlik and Mtn. Village and first aid training in Alakanuk and Emmonak.
- 211 YDFDA residents took advantage of employment opportunities made available through YDFDA subsidiaries and partners. This resulted in wages of over \$1.2 million going back to the communities.

We are excited about the future and look forward to 2005 as the Board of Directors and management explore more opportunities to provide community and economic development benefits to our residents and the entire Lower Yukon region.

I would like to thank our member communities for their continued support. I would also like to thank our industry partners for their commitment to this program. Without this support, YDFDA would not be able to continue and prosper. Again, thank you and we look forward to a great 2005!



Ragnar O. Alstrom
Executive Director



YDFDA'S IN-REGION COMPANIES

KWIKPAK FISHERIES, LLC

SALMON

In 2004 Kwikpak Fisheries operated for the third year as a salmon buyer on the Lower Yukon River. We conducted buying operations in Emmonak, Kotlik and Mountain Village. The commercial salmon harvest for 2004 exceeded 52,000 king salmon vs about 37,000 in 2003. Kwikpak Fisheries purchased 24,625 King Salmon in 2004. Fish purchased translates into over \$1,500,000 infused into the local economy.

King Salmon Purchased by Kwikpak Fisheries

	Y-1	Y-2	TOTAL
2002	3,670	221	3,891
2003	15,134	9,708	24,842
2004	14,979	9,646	24,625



The directed chinook commercial fishery ended in July with YDFDA's subsidiary Kwikpak Fisheries purchasing 47% of chinook salmon sold on the lower Yukon River.

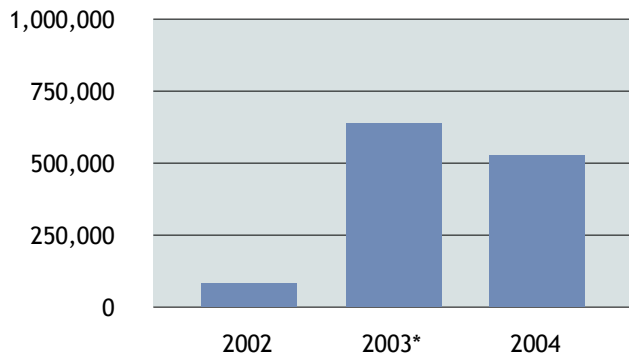
In 2004 Kwikpak launched an aggressive marketing campaign to promote fresh wild Yukon River king salmon. This campaign was very successful with Yukon River king salmon receiving write-ups in the New York Times, front page of the Seattle P-I, Seattle Times, The Oregonian and Anchorage Daily News. As a result of this advertising, Kwikpak sold over 55,000 pounds of fresh king salmon into the domestic market at premium prices. We are very pleased with the results of our first year of marketing.



For the second time in 6 years there was a commercial fall fishery on the river in August ending in mid-September targeting fall chum and coho salmon. Once again, Kwikpak Fisheries was the only buyer and the only market for lower Yukon fishermen during the fall openings. Kwikpak Fisheries purchased 15,623 pounds of fall chum and coho salmon infusing over \$3,900 into the local economy.

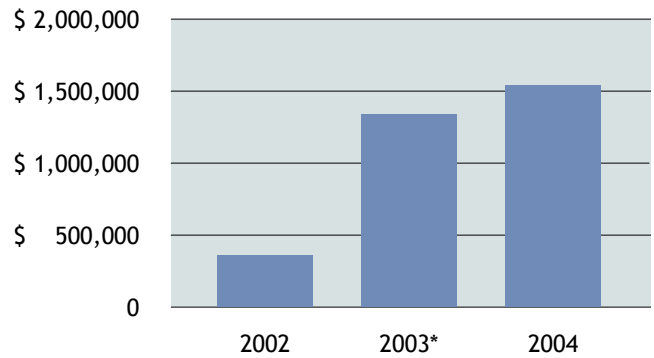
In addition to providing a market for local fishermen, Kwikpak Fisheries employed 119 residents with total wages of \$193,000. Residents received training in all aspects of the fish buying operation. This included operating equipment, maintaining ice machines and dressing salmon.

KWIKPAK SALMON PURCHASES — POUNDS



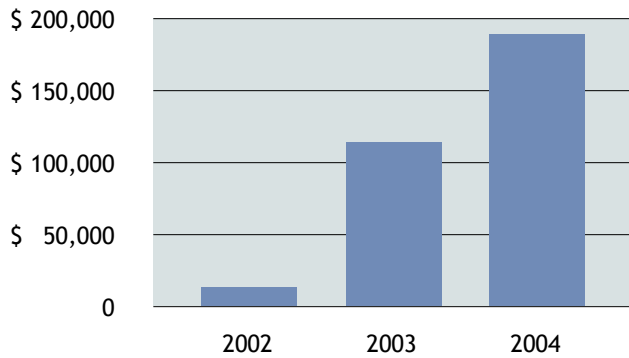
Pounds	79,437	681,697	525,173
Fishermen	162	440	277

KWIKPAK SALMON PURCHASES — DOLLARS



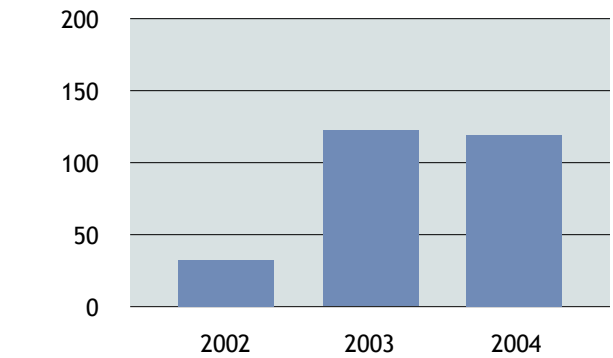
Dollars	\$357,045	\$1,364,580	\$1,543,369
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LOCAL KWIKPAK EMPLOYMENT — WAGES



Dollars	13,106	118,663	\$193,679
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LOCAL KWIKPAK EMPLOYMENT — EMPLOYEES



Employees	31	122	119
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*Partnered with Boreal Fisheries out of St. Mary's in 2003.



NORTON SOUND KING CRAB

YDFDA worked with NSEDC to ensure that there was a market for fisherman from the Yukon participating in the commercial Norton Sound crab fishery. YDFDA felt that with its newly expanded operations in the salmon fishery it would be prudent to delay development of its crab buying operations for a summer. These fishermen were able to deliver crab to NSEDC's tender vessel off of Golovin and to NSEDC's plant in Nome. Six Yukon Delta residents participated in this fishery earning over \$15,000.

NORTON SOUND HERRING

Nine herring skiffs belonging to Yukon River fishermen from both CDQ and non-CDQ villages were placed in storage at Unalakleet to expedite access to the herring grounds in the spring of 2004. In the past fishermen were unable to get to the fishing grounds because of late breaking ice.

Despite our efforts to be prepared for the 2004 Norton Sound herring season, we were unsuccessful in securing a fish buyer. We worked with NSEDC to see if a joint effort was possible to bring in a buyer to purchase Norton Sound herring. No buyer was willing to enter Norton Sound without CDQ group's participating in a possible loss. YDFDA was unwilling to take this risk alone.

YDFDA will partner with NSEDC and Norquest to provide a herring buyer in 2005.



ARCTIC LAMPREY

YDFDA had secured a buyer for Arctic lamprey and had made arrangements for the fishery to be prosecuted from the villages of St. Mary's and Grayling. Due to the USFWS reviewing whether lamprey found along the west coast of the U.S. should be protected under the Endangered Species Act, the buyer backed out just as the season was commencing. YDFDA was not able to find an alternate market in time to prosecute the fishery. YDFDA, through Kwikpak Fisheries, continues to search for markets for Arctic lamprey.



YUKON MARINE MANUFACTURING, LLC

ALAKANUK SKIFF BUILDING FACILITY

In preparation for the salmon season, the welding shop concentrated on skiff repairs and repair and fabrication work at Kwikpak Fisheries' facilities. Repairs were completed on numerous skiffs in addition to modifications to the salmon buying platform and the steel barge *Sunshine VI*. Additional aluminum was ordered to facilitate the construction of an additional 12 skiffs to be built in 2005.

Five Yukon Delta residents were employed at the Alakanuk skiff building facility in 2004.

A total of 55 skiffs have been built and sold since the beginning of this program in 1999.



IQALLIARVIK ECONOMIC DEVELOPMENT CORPORATION

COMMUNITY PLANS

YDFDA's Board of Directors formed an IEDC committee. One of its goals is to assist its member communities in developing Community Economic Development Strategies (CEDS) that are required for villages to access federal grant monies. The first two villages selected to receive this assistance were Alakanuk and Nunam Iqua. Visits will be made to assess the villages' current infrastructure, including management capabilities, its current and future capital projects and human resource training opportunities. The overall goals are to ensure that YDFDA communities have community plans thus enabling them access to public and private funding sources for their projects.

SMALL BUSINESS WORKSHOPS

IEDC sponsored the Alaska Small Business Development Center to provide two workshops at the SMART Center located in St. Mary's. Sixteen residents of the Lower Yukon region participated in the workshops.

CULTURAL TOURISM

A feasibility study to determine whether or not tourism would be beneficial to the region was conducted by the McDowell Group. Representatives from the McDowell Group were escorted to various villages along the Lower Yukon River to assess community infrastructure, potential tourist attractions, and to visit local fish camps.

CONSTRUCTION ACADEMY

In July, the first-ever Construction Academy was held at the SMART Center in St. Mary's. Seventeen high school graduates met for a 3-week intensive training where they were taught by certified instructors in basic construction math, first aid, HILTI, and using power tools. The students constructed a one-car garage as their project. Each student received a certificate of completion and stipend for their hard work. The goal of the academy is to provide an opportunity for high school graduates to experience the construction trades. Upon completion they may choose to continue their training. The academy is a partnership between Yukon Delta Fisheries Development Association, the Alaska Works Partnership, Inc., and the Lower Yukon School District.

COMMUNITY OUTREACH

YDFDA continues to participate in local community meetings where economic development projects are being discussed. YDFDA participated in the Career Fair at AFN providing an opportunity for our youth to learn about our training and employment opportunities and the CDQ program as a whole.



YDFDA'S OFFSHORE INVESTMENTS

AKULURAK FISHERIES, LLC

YDFDA owns 100% of the C/P *Courageous*, a 180-foot crab/longline catcher processor. The *Courageous* harvests and processes opilio, brown and red king crab; Pacific cod and sablefish. The *Courageous* has year-round crew positions available for Yukon Delta residents.



ALAKANUK BEAUTY, LLC

YDFDA owns 75% of the F/V *American Beauty*, a 123-foot trawler. The *American Beauty* harvests both motherhsip and CDQ pollock quota for the M/V *Golden Alaska*. The *American Beauty* provides apprenticeship opportunities for Yukon Delta residents.



EMMONAK LEADER, LLC

YDFDA owns 75% of the F/V *Ocean Leader*, a 120-foot trawler. The *Ocean Leader* harvest both mothership and CDQ pollock quota for the M/V *Golden Alaska*. The *Ocean Leader* provides apprenticeship opportunities for Yukon Delta residents.





GOLDEN ALASKA, LLC

YDFDA owns 19.6% of the M/V *Golden Alaska*, a 305-foot pollock mothership. The *Golden Alaska* provides processing positions for Yukon Delta residents.



LISA MARIE FISHERIES, LLC

YDFDA owns 100% of the F/V *Lisa Marie*, a 78-foot combination vessel. The *Lisa Marie* participates in CDQ, IFQ and open access fisheries harvesting opilio and king crab, sablefish and halibut. The *Lisa Marie* provides year-round crew positions for Yukon Delta residents.



ROMANZOF FISHERIES, LLC

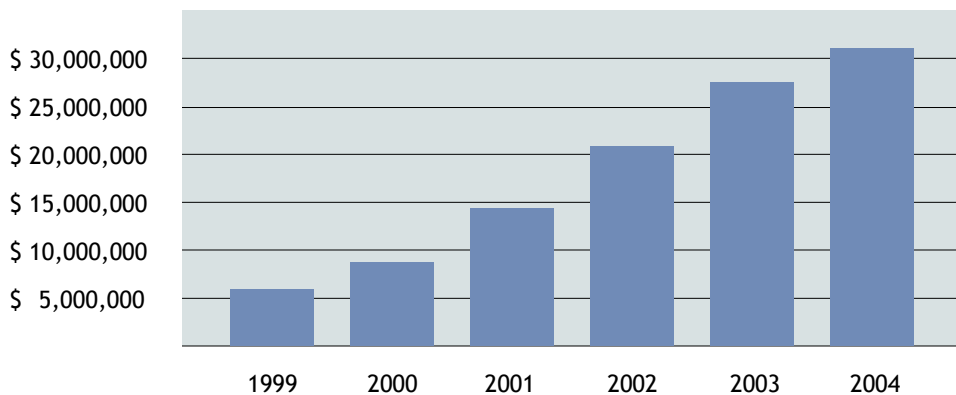
YDFDA owns 41% of the C/P *Baranof*, a 182-foot crab/cod catcher processor. The *Baranof* harvests and processes king, bairdi and opilio crab, Pacific cod and sablefish. The *Baranof* has year-round crew positions available for Yukon Delta residents.



FINANCIAL OVERVIEW 2004

2004 was another successful year for YDFDA. Revenue exceeded \$19,500,000 and net assets, a measure of the company's net worth, equaled \$31.3 million. As you can see from the above chart, YDFDA's net assets have grown from \$6.2 million in 1999 to \$31.3 million in 2004.

GROWTH IN NET ASSETS



EMPLOYMENT STATISTICS 2004

	PEOPLE	WAGES
Village Representatives	6	\$ 30,800
CDQ Pollock		
A Season	24	\$ 437,207
B Season	13	\$ 113,407
Other Fishing	40	\$ 359,056
Other Employment	122	\$ 258,912
Internships	6	\$ 39,266
TOTAL	211	\$1,238,648

TRAINING STATISTICS 2004

	PEOPLE	EXPENDITURE
Scholarships		
University of Alaska	26	\$ 72,500
Alaska Pacific University	1	\$ 5,000
Sheldon Jackson College	1	\$ 2,500
Other Institutes	9	\$ 23,455
Voc-Tech Classes		
AVTEC and other Institutions	31	\$ 44,882
Other Training		
Fisheries Related	62	\$ 210,757
Interns	6	\$ 55,748
Misc.	86	\$ 26,929
TOTAL	222	\$ 441,771



YDFDA BOARD, REPRESENTATIVES AND STAFF



BOARD OF DIRECTORS

BACK ROW LEFT TO RIGHT:

Fred Beans – Mountain Village,
Frank Camille – Nunam Iqua,
Raymond Waska, Sr. – Emmonak,
Jason Borkowski – Mountain Village,
Frank Alstrom, Jr. – Alakanuk,
Marvin Deacon – Grayling,
Emmanuel Keyes – Kotlik,
Stanley Pete, Sr. – Nunam Iqua.

FRONT ROW LEFT TO RIGHT:

Margie Walker – Grayling,
Billy Charles, *Chairman* – Emmonak,
Carl Walker, *Vice Chairman* – Grayling,
Axel Alstrom, *Secretary/Treasurer*
– Alakanuk,
Mary Keyes – Kotlik.



VILLAGE REPRESENTATIVES

Frank Alstrom, Jr. – Alakanuk
Douglas Redfox – Emmonak
Carl Walker – Grayling
Philomena Keyes – Kotlik
Edward Joe – Mountain Village
Agatha Paukan – Nunam Iqua

STAFF

BACK ROW LEFT TO RIGHT:

Douglas D. Petesch – *Controller*,
Robert Andrews – *Operations Manager*,
William J. Quinlivan – *Business/Quota
Manager*,
Ragnar O. Alstrom – *Executive Director*.

FRONT ROW LEFT TO RIGHT:

Barbara E. Blanket – *Receptionist/Travel
Coordinator*,
Deborah Vo – *Rural Development
Specialist*,
Ruth E. Carter – *Executive Assistant*,
Douglas J. Redfox – *Employment and
Training Coordinator*.





YUKON DELTA FISHERIES DEVELOPMENT ASSOCIATION

301 Calista Court, Suite C
Anchorage, AK 99518

Phone: 907-644-0326

Fax: 907-644-0327