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Local Fish Fund Celebrates Successes

New Fishing Loans in Five Alaska Communities

SITKA, ALASKA—Eight young commercial fishers are out in the Gulf of Alaska catching halibut and sablefish while at the same time engaging in conservation efforts to sustain the fishery, thanks to \$1.5 million in loans from the Local Fish Fund.

Launched in 2019, Local Fish Fund uses an innovative revenue sharing model to reduce barriers to entry into commercial fisheries and support the next generation of Alaska’s commercial fishermen in purchasing fishing privileges, known as quota. Local Fish Fund incentivizes ocean conservation and aims to increase fishery policy leadership and stewardship in Alaska. Local Fish Fund is a collaborative effort spearheaded by the Alaska Sustainable Fisheries Trust, a Sitka-based nonprofit organization that protects and promotes fishing and fisheries.

The Local Fish Fund recently passed a significant milestone after issuing its eighth loan and fully expending the initial \$1.5 million in available funding.

“We see the clear success of this program in the commitment of young Alaskans to invest in the fishery,” said Linda Behnken, director of the Alaska Longline Fishermen’s Association and a founding board member of the Local Fish Fund.

For fisherman Danya Ortega, it means the fishing life she’s grown to love could be a lifelong career. Her first job was trolling in 2015, and now, thanks to a loan from Local Fish Fund, she is a quota owner and is able to fish her quota on the vessel where she’s worked for years.

In addition to having a financial path to a successful fisheries career, Ortega said she's learned a lot about sustainable fisheries and how she can directly participate and help shape the future of fisheries management.

"Fishing is my life, it is what I do," Ortega says. "It's not just a job. I love living in Alaska, being on the water, harvesting seafood from our planet, seeing the whole process from seafood to plate and watching people enjoy the fish."

This is how Local Fish Fund (LFF) works: LFF extends loans with competitive interest rates to new entrants and community-based vessel owners seeking to finance quota share purchases. Borrowers must be willing to participate in fishery conservation programs as part of the loan requirements.

LFF loans provide borrowers with reduced down payment options and variable repayments based on fishing operation cashflow. This structure allows borrowers to build equity and a credit history over a five- to six-year period to levels that should enhance their ability to qualify for refinancing with a traditional lender. The quota shares financed by LFF loans serve as the sole collateral for the loan, and the borrower shares with LFF any gains associated with increased value realized upon refinancing.

"The cost and risk involved in accessing Alaska's quota share fisheries are comparable to purchasing a hotel as a first step in home ownership," Behnken, said. "As a result, the number of young rural residents entering the fisheries has dropped over the past 15 years. Local Fish Fund lowers both the risk and the initial cost new entrants face."

LFF has issued eight loans (average value of \$187,500) to fishermen in the Alaskan port communities of Cordova, Haines, Homer, Ketchikan and Sitka. Loan recipients include crew members and vessel owners; all are participating in conservation programs such as bathymetric and bycatch mapping or a sperm whale avoidance network to reduce interactions while fishing, reducing impact on sensitive habitats and bycatch (untargeted species) by mapping and sharing hotspots, and taking leadership in policy and decision-making forums to promote business practices in sustainable fisheries management.

The launch of the LFF loan fund was made possible by a collaboration that brought together varied expertise across fisheries, conservation, and finance. Craft3, a nonprofit loan fund based in Oregon and Washington, is underwriting, closing and servicing loans on Local Fish Fund's behalf. The Nature Conservancy, which has worked with fishing communities to develop economic incentives for fisheries conservation in communities across the globe, helped to structure the fund; and Rasmuson Foundation, Catch Together and The Nature Conservancy capitalized the loan fund.

While Local Fish Fund leaders are pleased with the success of the program so far, Behnken notes there's more to do. "Alaska's coastal communities depend on access to healthy commercial fisheries. Our goal is to help Alaskans regain access and safeguard the fisheries for future generations."

Following the completion of this pilot, project partners will assess loan performance and continued interest in the Local Fish Fund loans to determine the timing and sizing of a future round of funding to support ongoing lending.

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<https://localfishfund.org/>

About Alaska Sustainable Fisheries Trust:

The Alaska Sustainable Fisheries Trust is a nonprofit corporation based in Sitka, Alaska. Alaska Sustainable Fisheries Trust's mission is to protect and support local fishing businesses, promote sustainable fishing practices, and revitalize fishing communities in Alaska.

About The Nature Conservancy:

The mission of The Nature Conservancy is to conserve the lands and waters on which all life depends. We achieve this mission through the dedicated efforts of our diverse staff, including more than 600 scientists, all of whom impact conservation in 72 countries, and with the help of our many partners, from individuals and governments to local nonprofits and corporations.

About Craft3:

Founded in 1994, Craft3 is a Pacific Northwest-based nonprofit community development financial institution that makes loans in Oregon and Washington to strengthen the resilience of businesses, families and nonprofits, including those without access to traditional financing. Craft3 has a long history of working with fishing communities to access capital and assistance that supports the resilience of the fisheries and seafood sector, fishing-related businesses/entrepreneurs and their families. Craft3 conducts the Local Fish Fund's loan underwriting and servicing activities under a fund management service agreement.

About Alaska Longline Fishermen's Association:

ALFA is an alliance of small boat, commercial fishermen committed to sustainable fisheries and thriving coastal communities. In 2009, ALFA launched a Fishery Conservation Network (FCN) that engages fishermen in conservation initiatives to improve best fishing practices and the viability of small-scale fisheries. Local Fish Fund borrowers will participate in identified FCN projects.

About Catch Together:

Catch Together invests capital to support fishermen, fishing communities, and ocean conservation. Our team has partnered with fishing communities in New England, the Gulf of Mexico, California, Washington, Alaska and British Columbia to enlist fishermen as stewards of ocean resources through the acquisition and ownership of fishing quota. In 2018, Catch Together launched the Catch Together Fishermen's Loan Fund, and has financed a total of over \$10 million of fishing quota to date.

About Rasmuson Foundation:

Rasmuson Foundation was created in May 1955 by Jenny Rasmuson to honor her late husband "E.A." Rasmuson. Through grantmaking and initiatives, the Foundation aims to promote a better life for all Alaskans.