

# Baiting the bottom line

*Only the ups and downs are predictable in commercial fishing.*

THOSE WHO have any tendency at all toward motion sickness should stay out of the commercial fishing business. Never mind the fact that the seas are often rough. It's the radically up-and-down motion of the bottom line that's enough to make a shore-bound businessman sick.

For example, take Alika Cooper & Sons, a commercial fishing and fish processing enterprise in Hilo. Last year was the best year Hawaii's fishermen had seen since 1975, says Cooper, with his company alone processing close to 1½ million pounds of fish. But this year is the worst in years. What are his end-of-the-year projections? "Projections?" he spits out. "Ha!"

**Unpredictable factors.** The fact is, it's impossible to make realistic projections in the fishing business. There are far too many changeable factors involved. First and foremost is whether or not the fish are biting, and that factor is what's making this such a down year. "The fish just aren't coming back," says Cooper, noting that, whereas the fishing season usually starts in May, by September they were still "just dribbling in."

Auction price is another unpredictable factor—one that depends on time of year, demand versus supply and the condition of the fish. At a recent auction, says Cooper, the price for a pound of ahi ranged from \$1.13 to \$2.77, depending on the quality of the fish. And because of supply and demand, Cooper recently saw ahi drop from an average of \$3.50 per pound to \$1.50 per pound within two weeks.

The appeal of commercial fishing is the potential profit. Cooper says that a fisherman can gross up to \$1,500 at auction for one night's work. Yet out of that comes around \$200 for fuel, bait and ice, plus payments to the processor, shipper and auctioneer. And, Cooper notes, "he may not have caught anything at all the night before."

Those big margins also don't account for the cost and repair of equipment. While repair costs, for instance, are difficult to forecast, Cooper says he can count on spending around \$5,500 per engine each year for overhaul work. But there's just no way to know whether a transmission is going to fail, or a rudder is going to break, or the radar equipment



*Alika (center) and his two sons, Kaohu and Mahi, have built up a family business which handles every step of commercial fishing from selling the bait to getting the catch to auction.*

is going to give out, or traps are going to be swept away by storms, or long lines are going to be cut by a passing freighter—the possibilities are endless.

There's one other cost that Cooper can count on each year, and it's "the thing that practically kills you," he says. That cost is insurance. Cooper spends at least \$40,000 a year in coverage for the company's boats, trucks, property, temporary disability insurance for his six employees and health insurance for the fishermen.

**Why bother?** So if the business is that unpredictable, why be in it at all? Because admits Cooper, although when it's bad, it's horrid—when it's good, it's very, very good. Last year, for example, Cooper & Sons handled around \$1.3 million worth of fish. And for Alika Cooper, there's also the fact that fishing is a family tradition. Cooper got into commercial fishing in 1946, then took a 10-year leave from the industry in 1955 when he married,

moved to Volcano and tried farming for awhile.

But in 1965 Cooper moved his family to Hilo, and he got back into long line commercial fishing using a 65-foot sampan. Shortly after, he bought a couple of skiffs and started net fishing. Then, in 1975, he formed Alika Cooper & Sons with his wife and three children. Alika, Jr. has since left the company to run a nursery; Kaohu is in charge of the company's captains and fleet and Mahi handles mechanics and repairs.

Over the last seven years, the family members have built the business up bit by bit. They started with two boats purchased with six percent Small Business Administration loans. Now the company has seven boats (plus one under construction), six of them 27-footers worth around \$30,000 each and one 36-footer worth about \$100,000. The company also has two cold storage lockers, each with 26,000-pound capacity, 40 shipping containers, an ice block plant and three ice

machines, each of which can churn out up to 7,000 pounds of ice a day.

Cooper & Sons contracts out its boats to a captain and his crew member. The company also services around 20 other fishermen on a daily basis, providing them with bait and ice, and processing, packaging and air-shipping their catch to Honolulu for auction. After the auctioneer and the air shipper are paid, Cooper takes 10 percent from the independent fishermen for processing and shipping services. For its own boats'



*This ahi may sell for \$1.13 to \$3 a pound, depending on supply, demand and quality.*

catches, the company takes 44 percent, with 24 percent going to the crew member and 32 percent going to the captain.

Other than a few small local sales, Cooper usually sends all the fish his company handles to United Fishing Agency in Honolulu for auction. Within a matter of days, Cooper & Sons is sent a check for each fisherman plus a computer print-out which details which fish sold for how much, to what bidder and miscellaneous comments on its condition. At times, when the price is particularly good, the company will send fish to Japan, says Cooper. But payment can often be delayed for as much as three weeks when dealing with the Japanese market.

Even in the good years, Cooper says, he may make money on paper but it rarely goes in his pocket. "Practically every cent we make goes into expanding the business," Cooper says with a note of pride.

Some of that money is now starting to trickle into farming. "Fishing is good," says Cooper, "but you can't fish for too long. It takes a young man's endurance." Cooper now has three small lots, two in state agricultural parks, where he is growing fruit trees and flowers. "That," Cooper muses, "is what happens to old fishermen." ■



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