

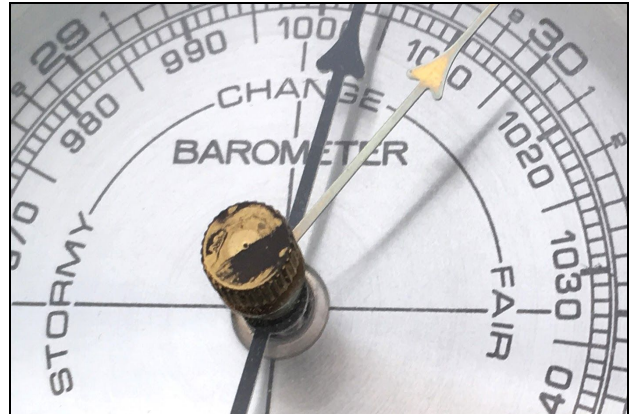


# Tips for Managing Risk and Uncertainty in Your Fishing Business

March 27, 2020

Every business deals with risk and uncertainty. Risk can come in many forms and is hard to mitigate due to uncertainty. The fishing industry is no exception in being vulnerable to uncertainty and risk in:

- supply
- financing
- personnel
- natural environment
- markets
- regulations



In the past few months, the novel Coronavirus (the virus that causes COVID-19) has affected some of these factors. Questions relating to its effects, both direct (people getting sick) and indirect (precautions and restrictions) introduce uncertainty. Here, we assemble tips and resources to help you manage uncertainty and prepare your fishing business for risk.

- **Give your business a checkup.** Prepare a *balance sheet*, *statement of cash flows*, and an *income statement*. Financial statements are a valuable tool when planning for your business. Templates and instructions are available at [Alaska Sea Grant FishBiz Project: Financial Statements](#).<sup>1</sup>
- **Do a self-analysis.** List the internal attributes of your business that make it resilient. Do the same for attributes that make it susceptible. Next, analyze the external environment in which your business operates. List the things, people, and other businesses that your business depends on that are not under your control. Using these lists, identify your business's relative strengths and weaknesses.
- **Plan and strategize.** Make a business plan with the templates provided on the [FishBiz Plan](#)<sup>2</sup> website. While writing your plan or updating an existing plan, add to it three scenarios: a profitable season, an average season, and an unprofitable season. For each scenario, describe how internal and external factors will 1) benefit your business, and 2) challenge your business. Describe how you will deal with these benefits and challenges.
- Review the additional resources at the [Alaska Sea Grant FishBiz Project](#).<sup>3</sup>

<sup>1</sup> <http://fishbiz.seagrant.uaf.edu/manage-your-business/finance-statements.html>

<sup>2</sup> <https://fishbizplan.org/>

<sup>3</sup> <http://fishbiz.seagrant.uaf.edu/>

# Fishing Business Coronavirus FAQ

## ***Where do I get recent information about the impact of Coronavirus on the seafood industry?***

For health related information, go to the [CDC Coronavirus disease 2019](https://www.cdc.gov/coronavirus/2019-ncov/index.html)<sup>4</sup>, and the [Alaska DHSS](http://dhss.alaska.gov/Pages/default.aspx)<sup>5</sup> websites. For industry information, [United Fishermen of Alaska](http://www.ufafish.org/)<sup>6</sup> is providing regular updates. Your relevant trade group or association, and industry media and publications may provide updated information. Note that information changes rapidly with this pandemic, so check websites regularly.

## ***What if I have crew members coming from outside of Alaska?***

Read the [Health Mandates](https://dhss.alaska.gov/dph/Epi/id/Pages/COVID-19/default.aspx)<sup>7</sup> issued by the Governor's office through DHSS. These restrictions can affect fishing businesses, where workers from the lower 48 states are common and tight quarters are the norm. See the [Alaska DHSEM](https://ready.alaska.gov/Covid19-WorkerMitigationPlan)<sup>8</sup> guidance on creating a worker mitigation plan. Pay close attention to national, state, and local mandates, as requirements and restrictions may change quickly.

## ***What if one of my crew members becomes sick?***

As the employer of your crew, maritime law requires you to provide medical care, including quarantine care and facilities. Develop a quarantine and care plan for your crew, and ask your processor if they offer facilities and services. Talk to your insurance provider about increasing areas of coverage to mitigate this risk.

## ***What if I become sick?***

Don't forget yourself when planning for sickness aboard your vessel. Look to the health mandates, and have a contingency plan for your business if you aren't able to operate it. Emergency permit transfers and information are available on the [CFEC](http://www.cfec.state.ak.us/)<sup>9</sup> website, or see this [CFEC publication](https://www.cfec.state.ak.us/noticedocs/CFEC_office_announcement_WEB_032020-1.pdf)<sup>10</sup> for information.

## ***What if my processor doesn't buy fish this year?***

Think of other options to sell your seafood. Take a look at the [Fishermen's Direct Marketing Manual](https://seagrant.uaf.edu/bookstore/pubs/MAB-71.html)<sup>11</sup> and [Market Your Catch](http://marketyourcatch.msi.ucsb.edu/)<sup>12</sup> resources for alternative markets that may be available to you. Talk to local custom processors to see if they are able to buy your catch.

## ***What if I am unable to fish this year?***

The Alaska Governor's Office submitted a disaster declaration for funding to the Small Business Administration (SBA). Visit the [Alaska Small Business Development Center](https://aksbdc.org/announcements/)<sup>13</sup> for information on applying for a SBA Disaster Loan. Federal disaster assistance may be available as well. Check the [NOAA Fishery Disaster Assistance](https://www.fisheries.noaa.gov/national/funding-and-financial-services/fishery-disaster-assistance)<sup>14</sup> website for updates.

## ***What if I am unable to make my payments this year?***

Contact your lender(s) immediately; most are willing to cooperate with borrowers in times of uncertainty.

For questions about this document, contact [UAF-fishbiz@alaska.edu](mailto:UAF-fishbiz@alaska.edu).

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<sup>4</sup> <https://www.cdc.gov/coronavirus/2019-ncov/index.html>

<sup>5</sup> <http://dhss.alaska.gov/Pages/default.aspx>

<sup>6</sup> <http://www.ufafish.org/>

<sup>7</sup> <https://dhss.alaska.gov/dph/Epi/id/Pages/COVID-19/default.aspx>

<sup>8</sup> <https://ready.alaska.gov/Covid19-WorkerMitigationPlan>

<sup>9</sup> <https://www.cfec.state.ak.us/>

<sup>10</sup> [https://www.cfec.state.ak.us/noticedocs/CFEC\\_office\\_announcement\\_WEB\\_032020-1.pdf](https://www.cfec.state.ak.us/noticedocs/CFEC_office_announcement_WEB_032020-1.pdf)

<sup>11</sup> <https://seagrant.uaf.edu/bookstore/pubs/MAB-71.html>

<sup>12</sup> <http://marketyourcatch.msi.ucsb.edu/>

<sup>13</sup> <https://aksbdc.org/announcements/>

<sup>14</sup> <https://www.fisheries.noaa.gov/national/funding-and-financial-services/fishery-disaster-assistance>