

DRIVING INNOVATION

into a Pacific Northwest established legacy industry

IF YOU'RE EATING SEAFOOD, THERE'S A GOOD CHANCE IT WAS CAUGHT, PROCESSED AND DELIVERED BY PACIFIC SEAFOOD.

The roots of the company are traced to a hard-working Croatian immigrant named Frank Dulcich, who started selling seafood out of the trunk of his car nearly 100 years ago. That modest entrepreneurial act would later give birth to one of the largest vertically-integrated seafood companies in North America, employing 2,500 people at more than 45 facilities.

Dan Occhipinti, General

Counsel; Director of Legal & Strategic Affairs, spoke with us at Pacific Seafood's headquarters in Clackamas.

Pacific Seafood is described as vertically-integrated. Describe what that means in your industry and why it's important.

It means we're directly involved in every aspect of providing seafood for consumers. We own our own boats and employ harvesters, own and operate processing to prepare the seafood, and distribute it to restaurants and retail outlets. Most people have seen Pacific Seafood trucks delivering

fresh product around the region. The fact that we manage every aspect of the process ensures we control for two things vital to consumers of seafood: freshness and quality. For our fresh seafood products, we can catch, prepare and have it ready for air freight within a day. Having control of the supply chain means we can guarantee the freshest product available anywhere. It also means we can control the quality of our products. Every one of our products has to meet exacting food safety standards at every step in the process—"from boat to throat."

We find that consumers are becoming much

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Our culture is what separates us as a company. Drawing inspiration from our legacy while embracing technology and innovation is how we have become an industry leader. Those two values work together.”

smarter in the way they approach food; they're really looking for products that are local and fresh. For us, a key objective is communicating to them about how our products align with their values.

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Innovation is part of Pacific Seafood's culture. What are you doing to drive innovation into one of Oregon's legacy industries?

It starts with our people. We've really made a point of bringing people into the company from outside the industry in order to foster innovation. We're seeing the results of that. One example is our shrimp yield. We developed technology that has doubled the amount of shrimp meat we can extract through processing. This has allowed us to grow our business while protecting the fishery by ensuring a sustainable harvest level. We've invested heavily in aquaculture, which is allowing us to expand supply and maintain consistency and quality. We're now one of the leading aquaculture companies in the United States.

But it's more than just improving our products; we're always looking for ways to reduce waste in our processing. We've found ways to divert almost all of our processing scrap into pet food and other products that eliminate waste. The result is a reduction of about 1,000 tons of waste each year. This is an important part of our commitment to sustainability.

With more than 45 locations, Pacific Seafood creates a sense of common purpose and drive by centering its focus on its four-pronged Diamond Philosophy. No matter if you are in corporate HQ or on a fishing boat 100 miles out at sea—every Pacific Seafood employee can recite

and is ready to be graded on their adherence to the company's core principles:



TEAMWORK

To be successful, we must all work together.

QUALITY

The definition of integrity is “the fine sense of one’s obligations to another.”

PRODUCTIVITY

We continually review ourselves as a single product supply team to create ways for our products to flow effortlessly from our company to our customers.

EXCELLENCE

Excellence is consistently doing our best and always striving to do better.

Every business has its challenges. What are yours?

There are two big challenges. The first is the biggest, and that is getting young people involved in a natural resources industry. This generation is almost solely focused



on companies like Google and Apple, and we need to try to bring excitement back into working along the coast. Our challenge is finding the people who are going to make significant contributions to our industry over the next 20 years. The second challenge is that we're

“Our company can never be anything we do not want ourselves to be.”

—Frank Dulcich

now seeing incredible competition from overseas. Countries like Norway and Chile are growing salmon and aggressively pursuing market share in the United States. We're also seeing tremendous competition from Asia in whitefish, which is a significant product for Pacific Seafood. These competitive pressures are only going to increase, which is why our commitment to freshness and quality is so important. They're differentiators in the market.

You alluded to a company culture that balances drawing inspiration from its past while innovating for the future. Can you explain that more?

Whether it's agriculture, timber or fishing, anybody involved in a natural resources industry feels that deep connection to the roots of a company, community and the environment. That history gives us all a great foundation and values. The story of Pacific Seafood is no different. We draw inspiration from being the lifeblood of "Old Oregon" and from the entrepreneurial spirit of our founders. We never want to lose the connection to the natural resources business we're in. That's a major reason why our corporate headquarters is

co-located with our largest distribution center. Our company's leadership never wants to separate its executives from day-to-day exposure to what we do and from the people who will drive our

business forward. Our leadership is 100 percent present, accessible and accountable to their team; that, in turn, drives creativity and excellence.

PACIFIC NORTHWEST FISH OVERVIEW



Pacific Salmon (genus *Oncorhynchus*) include:

Chinook, Coho, Sockeye (Kokanee), Pink and Chum Salmon.

Native Trout stocks are also classified with the Pacific Salmon, and include:

Rainbow, Redband, Westslope Cutthroat, Coastal Cutthroat and Lahontan Cutthroat.



Native Char include:

Dolly Varden and Bull Trout. (Many stocks are federally or state listed as Threatened or Endangered Species, so be sure to check regulations before planning a fishing trip.)

Stocked trout include these species plus several other imported species like Eastern Brook, Brown and Lake Trout.



Other common native game fish in our region's national forests include:

Northern Whitefish, White Sturgeon and Northern Pike-minnow (squawfish). Common warmwater species include Walleye, Large- and Small-mouth Bass, Yellow Perch, Black Crappie, Bluegill and Channel Catfish.

Besides game fish, the national forests also contain some interesting endemic species. Lamprey Eels are found in both anadromous (sea-run) and resident forms. Burbot (freshwater cod) are found in some northern Washington lakes. Smelt (Candlefish) were so named because of their very high oil content; the tiny fish return from the sea in irregular cycles, running by the thousands one year and disappearing for several more. Several fish species have adapted to the extremely harsh conditions and tiny pools of Great Basin springs and streams, like the Warner Valley.

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