



SPRING/SUMMER 2008

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Ocean Protein At-A-Glance

Opened 2005 in Hoquiam

Produces fish meal for
international aquaculture
markets

Only fish protein
production facility of its
kind in Washington state

Has invested nearly \$5
million in industrial air
quality technology and
equipment

A vanguard of
technological innovation
in odor control, adapting
“best-available” as well
as developing new odor
control systems that are
unique to the industry

Employs 60 local workers
during peak season
(May-October)

Ocean “family of
companies,” including
Ocean Gold and soon-
to-open Ocean Cold
(Westport) as well as
Ocean Protein, looks to
employ between 600 and
700 full-time and part-
time employees

This accounts for
approximately 1 out of
20 jobs in Grays Harbor
County*

**Grays Harbor Economic
Development Council*

Local companies make big splash in global seafood economy

“OCEAN” FAMILY OF COMPANIES INTRODUCE “TOTAL UTILIZATION” TO MAXIMIZE YIELD OF LOCAL FISH HARVEST

HOQUIAM — Since the 19th century, the commercial fishing industry has been one of the mainstays of Grays Harbor’s natural resources-based economy. Even as the local economy continues to evolve with the addition of new industries, a revitalized commercial fishing industry is looking to

the future.

A “family” of companies based here is poised to maximize the fisheries off our coast – and beyond – while generating additional year-round and seasonal employment. This summer Ocean Gold (fish harvesting and processing), Ocean Protein (fish meal processing)

and Ocean Cold (cold storage and value-added production) will launch the coast’s first modern-era “total utilization” of the allowed harvest.

“From the time of the catch to the shipment of value-added fish products, our goal is to maximize the resource,” said seafood industry visionary Francis Miller, an owner in all three companies. “With the

‘Ocean’ companies working together, we are in a position to take advantage of opportunities in a global market.”

Miller, who grew up in the Grays Harbor fishing industry during the 1940’s and later introduced new harvest and processing practices in West Coast and

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Company expands Hoquiam job base

Eco-friendly company utilizes latest technology in odor reduction

HOQUIAM — A Hoquiam business converting fish waste into usable protein is reinvesting its earnings into on-going odor reducing technology while continuing to create sustainable jobs in an environmentally sound, neighbor-friendly production facility.

Ocean Protein has spent nearly \$5 million to purchase and install the latest in air-scrubbing equipment, which has greatly improved air quality and reduced complaints from nearby residents.

The company’s startup was groundbreaking in many

ways, including how to minimize odors produced by fish-meal processing. Initial efforts to control odor proved to be inadequate and the company was fined by air quality officials. Since then, the company has made numerous improvements to equipment and procedures, which are effectively reducing odors emitted by the plant.

While odor complaints have dropped drastically and regulatory

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Forecasts for fish-meal production expected to increase in 2008

HOQUIAM — The key to Ocean Protein’s success may indeed be contained in the name of the company. Protein.

The worldwide demand for various forms of protein is expanding rapidly, and Ocean Protein is well positioned to

respond to the marketplace.

Its primary market is fish-meal protein, which is used to produce feed for aquaculture purposes.

The company produced 5,800 tons of fishmeal and fish oil in 2007 and is expected to

equal or exceed that amount during the 2008 season. Globally, fishmeal production is in the 5-6 million ton range.

“On the world stage, we’re a small player. But in Washington state, we’re the only plant of its kind,” said

Aaron Dierks, Ocean Protein general manager.

“At this point, we are only limited by the amount of fish waste byproduct available to us,” he added.

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Advanced air purification technology at Ocean Protein

COMPANY USING BEST AVAILABLE ODOR TECHNOLOGY

HOQUIAM — At Ocean Protein, the natural process of producing natural seafood products creates a natural by-product: odor. Now, using an industry-standard process of “scrubbing” the air in the Ocean Protein plant before it is discharged, the company has dramatically reduced the odor it generates — and is hard at work toward eliminating it all but completely.

The company’s efforts — and \$5 million investment to date — has been recognized by the state Department of Ecology as being an industry-wide example of the best available odor-control technology, according to Aaron Dierks, Ocean Protein general manager.

Dierks says parts of the Ocean Protein odor-control systems are in common use by themselves in industry, but Ocean Protein’s combination of technologies creates as effective a system as there is available today.

Two sets of scrubber towers work to cleanse the high-intensity odors that come off the processing machinery in the plants, Dierks says.

Ocean Protein’s growing success in controlling its odor generation has attracted attention from elsewhere in industry. Dierks says regulators from Spokane have visited the plant to learn how Ocean Protein has applied its technologies.

While Ocean Protein has used world-class science to address its odor problem, the company is not resting on its accomplishments. Dierks says company researchers are looking at control systems in various phases of development with an eye toward adding new odor controls to those already in place.

How odor-free can they be? The goal, Dierks says, is to be as clean as humanly possible.

“We hope to apply these new ideas,” he says, “and develop a new standard for best available technology.”

HOW AIR SCRUBBING WORKS:

A combination of chemicals in the scrubbing towers comes in contact with the odorous air, which prompts a chemical process that scrubs the odorous compounds out of that air stream.

The air stream is next directed to an incinerator, where any leftover compounds are incinerated at approximately 1,500 degrees.

The air is then released to a main stack where it is released to the atmosphere.

The scrubbing towers work to ventilate the air in the plant — 600,000 cubic feet worth — eight times an hour.

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ODOR: USING BEST AVAILABLE TECHNOLOGY

agencies also have approved steps taken by the company to improve its emission standards, Ocean Protein continues to seek improved technology to scrub emissions and reduce odors.

“Consultants and air quality officials have confirmed that we are using the best available technology for this type of an operation,” said Ocean Protein general manager Aaron Dierks. “But we are always seeking new ways to improve.”

To that end, Dierks spent two weeks this winter visiting fish-meal processing sites in Europe, meeting with officials there about the technologies and practices they have incorporated into their operations.

“The odor from this plant, particularly in its first two years of operation, was unpleasant for our neighbors and we apologize for the nuisance it created,” said Dierks. “We’ve invested heavily, with more to come, with the goal of making odor emissions a non-factor. It’s important for area residents to know we’re putting forth our best effort to make it work in Hoquiam and to keep the jobs here.”

Ocean Protein is in step with the growing movement in Grays Harbor to develop and grow sustainable, environmentally friendly business and industry. The vision being developed as part of Grays Harbor 2020 is one that Ocean Protein embraces.

Ocean Protein officials say it is their goal to be a leader in the resurgence of Grays Harbor’s economy through environmentally responsible business practices.

“There is a combination of business leaders with their roots in this community and new businesses that have come here that are looking at a future,” said Dierks. “We can marshal our natural resources in a sustainable way. Our goal is to create new jobs by providing customers with value added services and products. It’s an exciting time.”



Ocean Protein’s towers scrub odorous compounds

Strategic partnership between Grays Harbor Paper and Ocean Protein

HOQUIAM — As “next door neighbors,” there is a natural connection between Ocean Protein and Grays Harbor Paper.

But there’s a lot more than meets the eye.

Beyond mere proximity, there’s a “win-win” business relationship that represents a trend in Grays Harbor: maximizing the location and existing infrastructure to keep and attract businesses right here.

“We are entrepreneurs in spirit, and we’re very excited to have Ocean Protein next door,” said David Quigg of Grays Harbor Paper. “They are putting the financial investment in their facility that

underscores their commitment to being a long-term good neighbor.” There are multiple benefits for both companies.

Perhaps the clearest benefit is their seamless ability to work together. The Ocean

Protein facility was in fact at one point a part of the original pulp and paper plant. That synergy allows

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Fishing is part of past, present and future of Grays Harbor

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MILLER

Alaska fisheries, said creating a cycle of sustainability and profitability will benefit the area, generating approximately 600 full-time and seasonal jobs.

“It might sound trite, but it’s good for business, good for the resource and good for Grays Harbor. Based on global production, we’re not a huge player, but what we’re trying to accomplish here by closing the sustainability loop is already starting to get attention.”

The “beginning” of the loop begins at sea, where the area’s coastal fleet harvests whiting, rockfish, crab and other species. The harvest is brought directly to the docks of Ocean Gold, a multi-faceted seafood processing plant in Westport. There the catch is processed, packed and shipped for fresh consumption or cold storage.

An examination of Ocean Gold’s crab production customers reflects the diversity of the company’s markets. According to Ocean Gold co-owner Dennis Rydman, the company ships over a million pounds of whole cooked Dungeness crab to Costco each year. The company also supplies high quality crab for several national restaurant chains, including Landry’s Restaurants, Joe’s Crab Shacks and the Rain Forest Cafes.

“Preparing crab, we can process 250,000 pounds each day, including butchering, cooking and shipping. And that’s just one aspect of our operation in Westport. We also have the capacity to process and freeze up to two million pounds of Pacific whiting each day,” said Rydman.

With the opening of Ocean Cold in Westport this summer (see accompanying article), additional value-added

processing capabilities along with new cold storage facilities will support year-round production.

“Closure” of the loop occurs at Ocean Protein. The remaining fish byproducts from processing are shipped from Ocean Gold by truck for processing into fish-meal, fish oil and fish bone at Ocean Protein’s multi-million dollar facility in Hoquiam.

Miller is bullish on the future of the “Ocean” companies and Grays Harbor.

“There is world of opportunity for our companies and Grays Harbor. While we’ve got a lot of work ahead of us, our goal is to become a successful example of what happens when a community and business work together for common goals. I believe we’re on the right track.”

OCEAN COLD BRINGS COLD STORAGE TO COAST, ADDS JOBS

WESTPORT — A new chapter in the story of the Grays Harbor fishing industry begins this summer with the opening of the largest cold storage facility on the Washington coast.

Spanning nearly 100,000 square-feet, Ocean

Cold in Westport will provide Ocean Gold and other customers—including those as far away as Alaska-- with state-of-the-art cold storage facilities and secondary production and “portion control” capabilities.

Up until now, much of the frozen fish has been sent to cold storage facilities in the Puget Sound area and along the Columbia River

before shipment to final destinations. The new, \$7 million Ocean Cold facility will minimize shipments elsewhere for additional processing while generating approximately 75 jobs for the local economy.

According to Richard Carroll of Ocean Cold, the new facility will help local companies better utilize the coastal fisheries. “Up until

now, there’s been pressure to go out and fish as much as we can until the quota’s taken,” said Carroll. “It’s been shipped out quickly, without the opportunity to do any value-added processing.”

Now, says Carroll, producers will have the luxury of putting fish in cold storage in Grays Harbor at the time of processing and

taking it back out in the off-season for additional processing, including fillets, “meat picking” of crab and portion control of whiting and rockfish products.

“Our goal is to keep the workforce going on a year-round-basis, and it really constitutes the ‘third side of the triangle’ for our company.”



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the fishmeal processing plant to pipe waste water directly to Grays Harbor Paper, utilizing existing infrastructure for a four-step treatment process. This relationship further takes advantage of the paper company's own high-capacity water treatment facilities.

"It would not be cost-effective for us to run our business without access to the Grays Harbor Paper treatment facilities," said Ocean Protein General Manager Aaron Dierks. "We would have to build our own treatment plant, which would be cost-prohibitive. They have the excess capacity, so it's a great fit for both companies."

The relationship is not only good business—it's good for the environment.

"The water discharged from our facilities not only meets regulation — it ex-

ceeds regulation," said Quigg. "We live in Grays Harbor and we don't intend to pollute our own backyard."

Quigg is excited about potential opportunities for the two companies to work together in the future. For example, his company generates its own 100% fossil fuel-free energy and Ocean Protein is looking to utilize some of that energy resource. The companies are also looking at the use of steam generated from the paper plant to incorporate into the Ocean Protein's production process.

"At Grays Harbor Paper, we're known as a facility focused on sustainability," said Quigg. "We're working as a team with Ocean Protein to develop a long-term relationship that takes advantage of sustainable, renewable resources not just for today's generation but for future Harborites as well."

A COMMITMENT TO OUR COMMUNITY

NEWLY ESTABLISHED SCHOLARSHIP CONTINUES TRADITION OF COMMUNITY SUPPORT

Ocean Protein's roots run deep in Grays Harbor.

The Hoquiam company's leadership is made up of long-time local residents with a focus on creating new jobs and new opportunities here.

But Ocean Protein seeks to give more than just the generation of jobs and their additional local tax base. The only fishmeal processing plant in the state of Washington, Ocean Protein is proud to call Grays Harbor its home and is

always looking for ways it can give back.

"I've always had a heart for kids," explained Sherry Vinson, Ocean Protein's co-owner. "Having raised my own family here, it's important to me that our company can give back to other kids who are fortunate to call Grays Harbor home."

The company established a \$1,500 Ocean Protein Scholarship for the Hoquiam High School general scholarship fund. Future scholarships may

be focused on supporting graduating seniors focusing on science, fisheries management or natural resources management related degrees.

"We've talked about developing a scholarship for years," added Vinson. "It's a way for us to support students who are looking to the future – and hopefully bring what they learn back home to put to work right here"

SINCE OPERATIONS BEGAN IN 2005, OCEAN PROTEIN HAS SUPPORTED A NUMBER OF LOCAL CHARITIES AND ORGANIZATIONS, INCLUDING:

YMCA Strong Kids Campaign
Helping families enjoy the benefits of the local YMCA

Boy Scouts
Sponsoring Eagle Scout candidates to receive their merit badges

Wishkah Valley High School
Sponsoring the cheerleading squad

East County Grays Harbor Rotary
Auction sponsorship for the Grays Harbor Children's Advocacy Center



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The company processed approximately 33,500 tons of raw materials last year and is looking at the development of other revenue-generating products that could be created at the Hoquiam facility, including oils for health prod-

ucts, bio-fuel and organic fertilizers.

According to Dierks, "Total utilization of the harvest is our goal—and we're working toward that goal every day."