

**Pacific Urchin Harvesters Association**  
**2007 Annual General Meeting**  
**September 20, 2007**  
**Steveston BC**

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# Pacific Urchin Harvesters Association

## 2007 Annual General Meeting

September 20, 2007

Steveston Hotel, Steveston, BC

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### Attendance:

Name	Affiliation	Name	Affiliation
Mike Featherstone	PUHA president	Dave Yoshido	fisher
Tim Joys	PUHA director	John Parkyn	fisher
Marek Ulanovski	PUHA director	Peter Codling	fisher
Ken Ridgeway	PUHA director	Mike Crawford	Territory Seafoods
Dave McRae	PUHA director	Francis Cheung	Grand Hale
George Dennis	fisher	Spencer Cheung	Grand Hale
Ross Morris	PUHA director	Paddy Wong	Paladin
Ken Ridgeway Jr.	fisher	Tom Warner	Nautilus
Geoff Krause	PUHA consultant	Nitaro Taki	Nautilus
Dave Van Gruen	PUHA accountant	Bob Parker	Nautilus
		Didier High	Nautilus

There were 42 voting licences plus 14 proxies for a total of 56 licences represented at the AGM.

### 1. Review and approve minutes from the 2006 Annual General Meeting.

John Parkyn motioned that the minutes from the 2006 AGM be approved.

Tim Joys 2°. All in Favour (AIF)

### 2. President's Report

At the end of last season, it became apparent that PUHA was going to be running a \$ 220 K budget deficit because only 70 of 104 licences were activated. As a result, quick action was required to reduce costs and DFO was told in March that the JPA funding conditions could not be met and Geoff was let go as the consultant for the CAFI marketing program. Dan Luce was let go as the PUHA biologist and PUHA got credit for two months of his time in the DFO account.

An Urchin summit was held in Vancouver during the first week in March 2007 which was attended by 48 delegates including representatives from DFO, PUHA, BC processors, California urchin divers, Alaska divers and a Japanese processor. Problems affecting the fishery were discussed with a focus on the Russian IUU urchin problem in the Kuriles. DFO has responded sympathetically to the recommendations that came out of the summit and senior managers especially have responded positively to PUHA requests and recommendations. Adopted measures include DFO funding for 3 surveys this year, with a good chance for more such funding next year through the Laroque process and a DFO-commissioned case study into the Russian IUU fishery as part of a larger Asia Pacific Economic Cooperation (APEC) initiative into IUU

fisheries. PUHA also has been pressing for implementing alternative methods for data collection as part of normal fishing operations to more cost-effectively provide needed information for the stock assessment process but DFO is funding the surveys so it is not currently a big deal.

The BC RSU fishery is one of the best managed examples in Canada, an assertion that is acknowledged by Suzuki etc. BC urchin fisheries have \$20 K provincial funding to pay for Marine Stewardship Council (MSC) pre-assessment. MSC has recently established a foothold in Japan, has a hammerlock on the EU and is establishing itself as the agency of record when it comes to independent third party certification around the world.

PUHA also continues to move ahead on the recommendations from the Logistics study, including the adoption of standard-sized bags and is continuing a temperature monitoring program using the temperature loggers. Quality-based pay, as opposed to a flat rate pay system, has been adopted by Grand Hale with considerable success. Uptake by other companies has thus far been slow.

This is the last year of CAFI funding assistance which has been providing 50% funding for our international marketing efforts over the past 3 years. This year the marketing group is planning a trip to China and Japan sometime in November with considerable encouragement from Japanese buyers. Grand Hale took BC uni to the Hong Kong Seafood Show this past summer and sold out all their supply every day. There was no trip to Japan last year because of crossed wires and funding constraints and we focussed instead on hosting meetings here in Canada. There was for example a recent field trip where Kuroshio took some journalists from Japanese trade magazines out to get some urchins. They had a really good day, lots of small and large RSU and some GSU which everybody thought was wonderful. There was lots of ensuing discussion at a post-trip dinner about the quality of BC product and this will hopefully result in some additional profile for us next year. Lauren Lavigne, Jo-Anne Roy Foster and Lorraine Saunders also came along for the day.

With regard to the Value Chain Roundtable, Mike presented the results of the urchin summit to the full table, including DFO Director Generals of Resource Management and Utilization etc. This opened lots of eyes in Ottawa about the good work we're doing here in BC. Mike also met with the DG of Conservation and Protection in Ottawa, seemingly a much easier feat than meeting with mid-level managers here in BC, and they demonstrated a real willingness to cooperatively move things ahead, as opposed to our local managers who are not so keen or sympathetic. The Conservation and Protection (C&P) guys out here have actually stated in writing that there are a number of close-in areas, including Tree Nob, they cannot get out to because it is too rough.

There are differences in opinion between West and East coast fishermen sitting at these tables. For example, on the East Coast, there is strong support for owner operator policy whereas on the West Coast this position is not popular because the limits this imposes on a fisherman's ability to grow his business. It hardly seems fair. Even on the East Coast large firms like FPI, Clearwater etc. are exempted while the hands of small operators are tied by the policy. The minister is from the Maritimes and is on-side with the east coast position. The east coast fisheries also seem to be a bit behind the west coast when it comes to market-based management and control of fishing, although they are coming around.

DFO now also has to prove to independent third party certification boards such as the marine Stewardship Council that the management regime they have developed for Canadian fisheries is itself sustainable and responsible. The new Fisheries Act (Bill C 45) is now dead. There have been lots of meetings where industry has expressed concerns and it looks like lots more consultations are on the way. Self-regulation, comprising a more collaborative co-management approach which is way more efficient than the current or an expanded bureaucratic approach, is going to be a prominent part of industry's position on C-45. PUHA has led on developing and implementing a sustainable co-management approach for the past 10-15 years at least.

Bill C-45 has provisions to recover all sorts of costs from industry, including science but these cannot be assessed by DFO until the new Bill is passed because of the changes wrought by the LaRocque decision which now legally requires government provide funding for science, and not industry. In PUHA's case this means about 80% of the funding for the RSU biologist (Dan Luce) is being covered as are this year's surveys in Campbell River, Price Island and the long term research sites in the QCI and Tofino. In addition, a survey to compare biomass estimates obtained using the bed area and shoreline length methods is currently underway at Treenob. A comparison of the two methods has been recommended to make sure there are no surprise artifacts from transitioning to the shoreline length method contributing to declining biomass estimates. Treenob is especially well suited for this because it is close to Prince Rupert and because it is basically an archipelago with lots of submerged reefs some distance offshore.

**On Grounds Monitor (OGM):** The OGM is, at \$575 a day including blow and harbour days, a major expense and PUHA requested reduced coverage because of the financial constraints it is facing. There have been fairly big changes over the past few years, especially as the number of boats active at any one time has declined from about 45- 50 a few years back to only 15-20 now. This of course there is much less need for dedicated supervision.

There were discussions of different options with managers at all levels but finding an acceptable balance required direction to the middle managers from the Assistant Director General (ADG), Don Radford. His input allowed for the adoption of a strengthened industry coordinator to offset reduced OGM coverage. PUHA has now budgeted for 40 days for the OGM to cover the really busy time of year from mid- November to mid-December when the fleet is most active. The OGM is still needed more up north at this time because there are more active boats and fewer C&P staff.

Strong industry co-ordination will be required to make up for the more limited coverage. A responsible representative will have to be appointed to cover the responsibilities of the OGM. DFO would like to see the names of the designates, PUHA directors are preferred. The packers will have to contribute by coordinating calls to shore and making sure D&D and the unloaders and trucking are all ready and fully apprised of the product coming in and their ETA.

This arrangement puts responsibility squarely on industry shoulders and emphasizes the importance of all fishermen walking the walk to save some bucks. By getting the required flexibility on the OGM, PUHA is now really on the hook to prove itself. If things screw up, the full OGM requirements will be imposed and other more cost effective and progressive measures, including the Globalstar Electronic Vessel Monitoring, delayed and made even more complex. In the short term, if the fleet starts running out of control, the whole show will simply be shut down.

The system up north this year is going to be based on blocks. Seven blocks comprising a number of adjacent Red Urchin quota areas have been laid out by geography and will be used for controlling the fleet. Orderly transitions will be required between areas in each block and the fleet cannot be spread out too much. Another factor to consider are the costs associated with having packers moving around too much. 3-4 days may be needed to get approval to move blocks as the process requires a variation request from PUHA which then goes to D&D and then DFO. A variation order must be published, requiring 2 days at least, and under the blocks system with no OGM, 3 business days are likely. Requests are not processed until the next day if they arrive after 1500 hours and weekends are not considered business days.

Mike has a WORD version of the Presidents 2007 AGM Report. This should be available on the website in short order.

**Motion:** Adopt the Presidents Report. 1° - Ken Ridgeway. 2° - Marek Ulanovski. AIF.

### **3. Financial Report**

Revenue for the Association totalled \$420,252 for the year ending June 30, 2007. This comprised \$368,575 from quota management fees (67 licences @ \$5,500), \$31,677 from the CAFI program and \$20,000 granted from the Province for the Marine Stewardship Council pre-certification. Expenses for the year were reduced to about \$ 409 K so the Association ran with a surplus of \$11, 193.

**Motion:** Adopt the Financial Report. 1° Dave McRae. 2° John Parkyn. AIF.

### **4. D&D Report**

The North Coast (NC) started up in October last year. 20% of the NC area was not touched last season. Overages were minimal and industry coordination worked fairly well although there is room for improvement, especially when it comes to the end of the day updates. These include such things as quota status, move requests and the like and are very important to get daily. As far as taking responsibility for its own actions are concerned, it should be noted that there are some guys in the fishery who should simply not be alone to do as they please.

South Coast activities were pretty much characterized this year by single boat and multi-port landings. Coupled with the extremely slow custom unloading services, the impacts on the validation budget were much higher than normal. Some boats started taking care of unloading themselves and picked up the pace considerably, but the upshot is that only 3 simultaneous ports will be allowed this year as an effort to control the costs. This is particularly important because there are 43 licences operating in the SC areas this year, as opposed to the 17 in previous years. Last year there were 10 boats fishing the 17 SC licences. There is lots of nightmare potential in the new situation this year so while have 3 ports open will be the basic plan, there will also be an option to go outside the plan with a yet-to-be-determined extra payment.

CPUE is as high as it has ever been but the average landing per vessel has declined significantly.

D&D included a draft listing of the NC blocks at the back of its annual RSU report. These blocks were designed so each contains both safe and exposed areas so maximum flexibility is preserved. The OGM activity planned for this year is based on activity, as opposed to geography.

Substituting plant validation for dockside validation of SC product was put forward at the Sea Urchin Summit as a means to lower the costs but discussions with DFO on this have not been positive. It is too late in the game now to consider a change like this for this year and preparations should start now if such is going to be prepared for next year.

There was some discussion again on the water loss issue but the fact remains that the data collected to date does not provide any definitive indication on how this issue can be resolved. (Analysis of the data collected up to January 2006 provided 179 and 541 records for the South and North Coast respectively. All results indicating a greater than 50% weight reduction and all records indicating a weight increase were discarded. A total of 72 records were not used and were not included in the above total. In short, it looks like the water loss increases between the dock and the plants from September through to January and then starts falling off again. The changes are not large and the dock to plant water losses average 12% and 13% for the North and South respectively. These are roughly comparable and are not significantly different. For a quick and dirty estimate- I think the data will support an approximate 10% loss for now but more work is going to be required to get more details on what is happening. At any rate, more discussions with DFO are needed to find out what the adoption of this might mean for their catch and quota calculations.

**Motion:** Continue the study into the water losses including better definition of variables (temperature, urchin orientation, roughness of road, etc) affecting the results. The idea with this is that D&D is to write the water loss report to use a part of a proposal to get either centralized or plant validation implemented for the SC, especially for single vessel operations, as a method to lower costs. The many other benefits of dockside validation should also be acknowledged. 1° - George Dennis; 2° Tim Joys. AIF.

**Motion:** Accept D&D report. 1° - Dave McRae. 2° - Tim Joys. AIF.

## South Coast Report

Fishing on the South Coast (SC) was sporadic after a fairly good start. It worked mainly as a filler fishery, providing product when the NC was closed down by weather. The unloading sucked and fishermen started doing it themselves. Bob Jordan on the Westville was the main packer.

There was quite a bit of quota left last year and will likely be quite that won't be picked this year, especially around Barclay Sound (problems with access) and around Comox (quality issues). It also looks like it will be another late start this year.

The SC is generally a dependable producer but there have been some big changes this year. There was no draw on the South Coast this year and 43 licences opted to fish south this year. Getting quota in an area will likely be a problem because more licences and boats means each quota is that much smaller and area quotas will go quite quickly. The quota for each licence is only about

34,000 lbs (as opposed to about 120,000 on the NC) which is different from previous years when the goal was to make sure each licence had the same quota on it. So while it took 2 licences last year to get a certain catch, this year it will take 6 licences. This will mean high unit validation costs, etc. and the SC may only be fished in the high demand period (late November thru December), providing less opportunity to flexibly fill-in later in the season. This means that the only advantage left with the SC may end up being its proximity to home.

There are also some questions remaining on what the lease costs are going to be this year. George Dennis suggested using a pro-rating system as an option to get incremental fees from partly activated licences. This might be based on something like \$0.18/lb. This would change the decision matrix on the NC/SC choice so application of this rule would have wait until next year at least, although even then it might prove unworkable.

Francis Cheung suggested that perhaps SC licences which do not activate this year lose the right to choose SC next year.

**Motion:** Accept South Coast Report. 1° - Marek Ulanovski. 2° John Parkyn. AIF.

After lunch, the principles of Nautilus, a new urchin processing company based in Bellingham, and his entourage, introduced themselves. Tom Warner picked up the assets, although not the debts, of Pacific Urchin Processors (PUP) over the summer. PUP basically collapsed last year, leaving behind lots of bills, and the principle of that company, Geoff Kanada, has moved to Mexico where he is again establishing a new seafood business.

Tom is an Alaskan fisherman who has participated in Bristol Bay and Copper River salmon fisheries amongst others and made a move into the processing side in the mid- 1970s'. He purchased PUP's assets and intends to recapitalize the company so it can account for between 20 - 30% of the BC RSU catch. He only did it because he sees it as a challenging opportunity and he feels increasing prices is possible as long as the focus remains on quality.

He was accompanied by Didier High, the operations manager of PUP last year and continuing on as the uni manager for Nautilus. Tom and Didier were joined by Mataro Taki (Tak), a quality manager at Ocean Fish, and Bob Parker VP of export sales (fresh and frozen) at Ocean Fish. Both of these guys are working with Tom as a favour.

## **North Coast Report**

Quality was tough at the beginning of the year, partly because of the late start. The fleet likes the block system- it provides a lot of flexibility but the season last year was very, very tough all round. If the market wasn't limiting, it seemed the weather was. Low prices and limits on production removed a lot of incentives and most guys went home early for Christmas and quite a few didn't bother coming back. When it came to the Charlottes, the show went very smoothly in March despite an apparent lack of interest from the processors.

**Motion:** Adopt North Coast report. 1° - Francis Cheung. 2° Paddy Wong. AIF.

## **Budget 2007**

The budget was worked out in the spring and is quite a bit smaller than previous years because of the problems last year. PUHA has committed as best it can to the Joint Project Agreement it has with DFO and we have gotten some breaks on expenses etc (see Presidents Report). DFO has managed to come up with some significant financing to cover off more of the survey and biologist costs. The same is basically being anticipated for next year.

The conversation then moved to various options for breaking out the licence etc fees, including adopting a 'core ' component with pro-rated validation contributions based on the production by the licence. The whole thing is really complicated by the differences in the South Coast and North Coast licence quotas and by the different unit costs and complications when landing, validating and transporting loads so it is really hard to generalize enough to come up with a recommended way to go. The consensus came down to staying with the existing \$5,500 per licence this year and seeing how things work with the idea that these results and further discussion might lead to changes next year.

**Motion to Accept Budget.** 1° - Dave McRae. 2° George Dennis. AIF.

## **Election of Officers**

The call for nominations brought no response. All directors and officers were willing to continue standing.

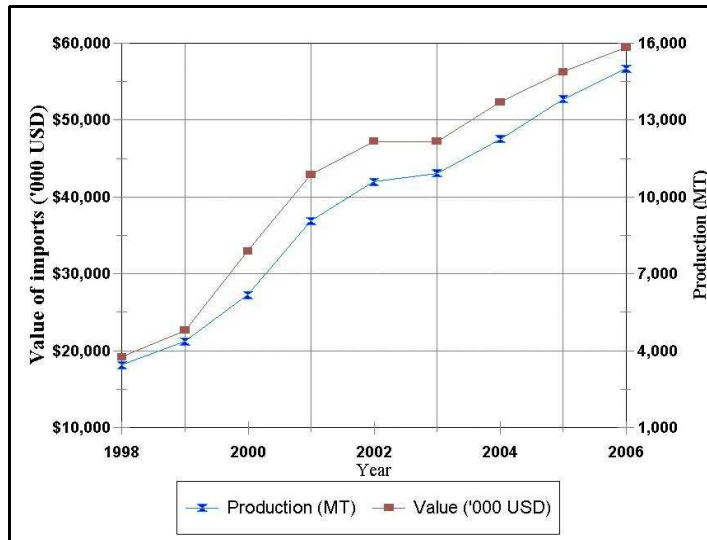
**Motion to elect the existing Board.** 1° - George Dennis. 2° - John Parkyn. AIF.

## **Update on the Russian IUU Situation.**

There have not been any major changes in the market to my knowledge over the summer this year. It is difficult to say how things are going to go this year as one of the major factors impacting Japan's urchin market is the Illegal, Unregulated and Unreported (IUU) urchin fishing in the Kuriles. The General Assembly of the United Nations has expressed the serious concerns it has regarding IUU fishing as one of the greatest threats to marine ecosystems through a number of resolutions. IUU fishing plagues fisheries of all types and the inherent complexities involved generally render them largely immune to examination. The economic, environmental and perhaps most importantly, the political issues are very complicated and effective solutions will require internationally recognized and applied principles, tools and regulatory policies which are coherent across all fisheries.

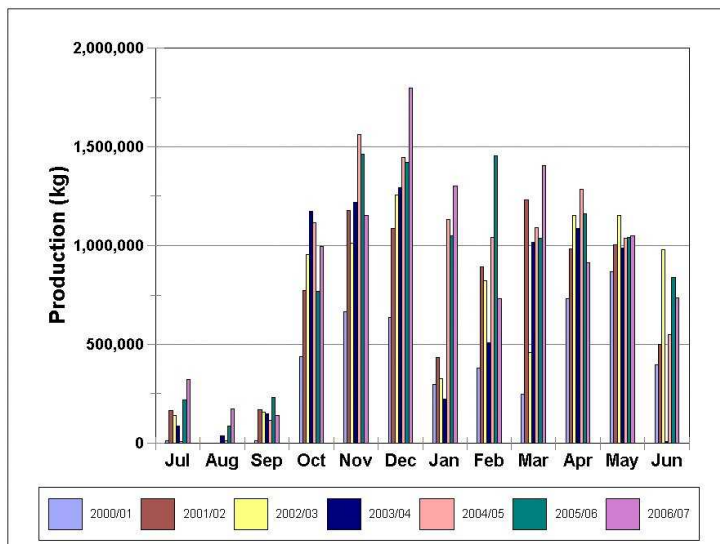
The Russian IUU sea urchin fishery in the Kurile Islands off the eastern shores of Hokkaido, Japan has been a key factor in the pain faced by BC's urchin fisheries over the past 4 to 5 years. The fishery started in the late 1990's and organized crime groups from Russia and Japan are definitely involved. It is however relatively small relative to some other IUU fisheries and may provide insights and opportunities to find and test equitable and workable solutions for wider application. DFO has hired me to do a case study which it will pass on to APEC for use in a larger study.





Japan has a vigorous trade with Russia for *Strongylocentrotus intermedius*, a sea urchin traditionally used and preferred in Japan. Most of the production coming out of Russia comprises live imports although minor amounts of processed fresh product are also sourced from the mainland areas. There are legitimate urchin fisheries in Russia along the coast adjacent to and on Sakhalin Island in the early summer and fall but these do not generally extend into the winter. The peak product quality for sea urchin products from the Kuriles is in the late spring when the gonads are optimally

developed while the winter IUU fishery generally produces sub-optimal quality, albeit in relatively large volume and at low prices.



I have collected a bunch more data on urchin landings into Hanasaki from Japan Customs. Total Hanasaki urchin landings between July 1 to June 31 came in at 10,719 MT this past year, down from the 10,781 MT last year, but landings from Russia into other ports increased from 3,500 MT (July to June) in 2005 to 3,722 MT in 2006 and 4,127 MT in 2007. It seems that IUU urchin landings in Hanasaki are pretty much year round as opposed to being largely restricted to the fall- winter season as we had previously thought. 913, 1,048 and 734 MT were landed this year in

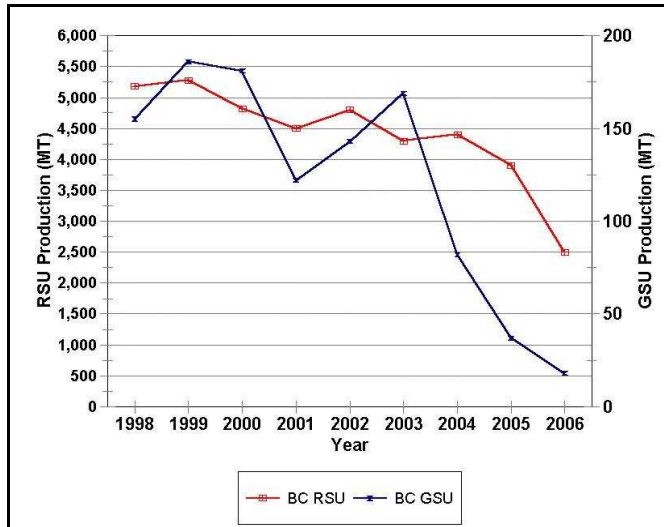
April, May and June respectively. The lowest landings in Hanasaki last year occurred in July and August when 173 and 143 MT averaging about 360 yen/kg., or \$C 1.70 / lb.

In the report I provide a description of the area involved in the fishery, including observations on shipping arrangements observed by us in 2005 on a visit to Hanasaki, the main port through which the IUU product is imported, on the SE coast of Hokkaido. The main fishing grounds for this fishery, comprising the Habomai Islets, are only a short distance from Hanasaki and the area and related fishing scenarios are characterized in the report.

Various consequences of the IUU activity are also discussed including environmental, social and the economic implications. Japan remains the dominant world market for these products and is critical for many suppliers in the world. Weather and other conditions permitting, anything up to 500 MT are generally landed from the Russian IUU fishery each week, flooding the Japanese market and depressing prices and demand for product from other sources. As a result, legitimate

suppliers are suffering because the IUU volumes are excessive. In addition, a lack of discrimination between legal and IUU product by the market obliges other producers to lower their standards to remain competitive, thereby sabotaging the advance of sustainable practices.

This IUU fishery arguably has the greatest impact on Canada's west coast urchin fisheries



because they are basically dependent on the same Japanese market. The financial impacts on the BC urchin fisheries in particular provide a conspicuous example of how critical economic factors are to the sustainability equation. The effects on other suppliers are less pronounced for a number of reasons but are still present. Domestically produced sea urchin products in Japan are generally accorded a superior rating by consumers but even here reports indicate that while average prices for domestic product have remained stable, production volumes have been trending downwards.

A number of issues affecting the control, or lack thereof, of the situation in the Kuriles are discussed. This situation in the IUU sea urchin fishery in the Kuriles is paralleled by more generalized problems with IUU fishing as there is an apparent lack of political will in a number of governments often seen as a wide gulf between the statements of fisheries alliances and the actions of their members.

There remain some questions as to why the trade in IUU sea urchins between Russia and Japan is not better controlled. One argument behind this refers to heightened sensitivities to sovereign rights which preclude Japanese checks into the legal harvest licence documentation because it could be seen as an encroachment on Russian jurisdiction. This means that the Russian Coast Guard is the only authority with the ability to establish the legality of on board product. The remoteness of the Kuriles from the home base in Vladivostok render this an expensive and difficult task.

Russia is asserting more control over the supply and distribution of its abundant resources, and are making the right noises at the highest levels, but the depth of the problems suggest it has yet some distance to go and that poaching of fishery resources, especially in the Russian Far East, remains a major problem. Japan and South Korea often welcome poached seafood from Russia and must also contribute to eliminate the practices. The continuing acceptance of IUU products by the Japanese market would seem to run counter to the stated desires of the Japanese people who are consistently honourable and conscientious in their concern for the environment. Japan is notorious for not moving very quickly on things and for looking at issues from all angles until they are fully satisfied that they know the right thing to do. Japan has not yet accepted that port authorities have responsibilities to thwart IUU harvests, but they are reportedly moving in that direction.

**Motion to Accept IUU report.** 1° Dave McRae. 2° Tim Joys. AIF

## Discussion on Surveys

The long term research sites in the Queen Charlottes, on Price Island and in Tofino have been surveyed this summer. A broad-brush survey in Campbell River, a priority for PUHA because of the expectations of fishermen in the area will see the quota increased, has also been completed. Another survey at Treenob is currently underway and is needed to provide an objective comparison of the established bed-area and the new shoreline length biomass estimation methods.

Surveys have generally been paid for PUHA, but with the recent changes due to the LaRocque decision and because of PUHA financial constraints, DFO is now covering the costs. Boats participating in the surveys are paid per diems of \$1,000 which compares to \$1,600 in the cucumber fishery. There were some problems earlier this year with getting boats to actually show up and participate, and in one case at least an outside vessels was chartered to complete the work. It is best to use industry boats, as the benefits then stay with the members but it appears that the per diem has to be raised.

**Motion to increase survey vessel per diem to \$1,600 and including an extra day on North Coast surveys to cover off travel.** 1° - Marek Ulanovski. 2° - Peter Codling. AIF.

## FishSafe Update

FishSafe is now offering a number of stability courses- check the WCB website for details for various areas.

WCB still has not given up on the 2-diver rule- despite the unfeasibility of their position , but industry is not prioritizing compliance.

WCB rates for commercial fishing have come down from about \$0.06 to \$0.04 per lb. The core aim of the FishSafe program is to reduce costs for fishermen however there seems to be a building bureaucratic impetus involved that is not being well received by industry. The recent arrival of some more superfluous 'prizes' seems symptomatic and are upsetting the many seafood production companies with cash flow issues.

**Motion to Accept Fish Safe Report.** 1° Ken Ridgeway. 2° John Parkyn. AIF.

## South Coast Plan

As laid in the draft on the last page of the D&D report, Area's 11, 12 E - I, Bamfield, Ucluelet and offshore 23 are TBA. Basically things start in Allison harbour followed by the others and then we see where things go from there. There was also a proposal to block all the TBA areas with 12B (Christie/Browning Pass) and 12C (Port Hardy). The plan with this modified block system might involve opening up the Port Hardy block and then letting'er go and doing the others as they make sense as the rest of the SC is already blocked. Quality in Campbell River is very poor around the beginning of December. The SC block plan will be complete and available prior to the Sept. 24 SC opening.

## **Transportation and Unloading issues**

For the processors, it's a problem. Grand hale is going to send its own truck. There are lots of fish coming down now and as long as the fishermen call in their activities the problems are pretty minor. A good chunk of the problems last year occurred when the packer did not call in. Things also seemed to work better last year when individual boats did their own unloading, using a forklift to get the product into the truck/container which was then picked later by the tractor and transported to the processor(s). The vessels also rented their own scale which was left with the validator. (This would seem to be an innovative sort of system to build on- the containers could be equipped with an integrated floor scale so the door open/close times, respective validation number codes and product weight etc logged with a time stamp and uploaded automatically to the validation service provider once the container is picked up and passing through a cell service area. Capital cost would be significant but if other fisheries were also involved they might be quite widely spread and not quite so daunting- especially if the operating costs (validation personnel time) could be significantly reduced).

Last year the SC unload/validation/transportation costs were very high on a unit basis. The costs for the Victoria- Tsawwassen ferry works out to about \$0.20 per lb (3,500 lbs @ \$700 /load). There are some problems getting wet, dripping trailers/containers onto the ferries but that is something that must be dealt with by the truckers. The proposal at this point is to limit the number of open ports to 3 at any one time as a means to get some control over the costs and scheduling. The boats will be either in Port Hardy or Port McNeill by December 15 as things have gotten really messed up in previous years when both ports are open at the same time. There was also agreement that a deadline schedule should be set up for each port so that the truck could make its scheduled ferry. If a boat missed that deadline, the truck would be either be gone, or otherwise forced to depart lest the cascading delays mean missing the required ferry.

## **North Coast Plan**

Criteria for harvesting on the North Coast are weather, quality and market, in that order. Principle is usually not opened until December and exposed areas are usually fished first if they are accessible. Protected areas are thereby saved for periods when the weather is not cooperating.

The proposal this year is to basically use the normal schedule as much as possible and that each block should have about 1 million pounds to ensure maximal flexibility within each area. The draft block system is laid out on the last two pages of the D&D report. Because OGM coverage is limited this year to cover off only the most active part of the season, each boat will have to have a full set of charts. It is best not to hand these all out at the beginning because these sorts of things have a habit of getting wrecked in pretty short order. (Packers might be given additional copies to be distributed on an as- needed basis). Appendices of the management plan with area boundaries must also be available and included in the package. It probably makes more sense to pass these around as each block opens.

## **Market Overview**

During October the cucumber packers will coordinate with the urchin fleet and operations until

the beginning of November when the dedicated urchin packers will show up. The packers expected are the Ryou, Western Commander, Ocean Ranger and Theresa.. Professionalism was pretty low at the beginning of the season last year but got a lot better as the year progressed. D&D documents the problematic elements.

The designated North Coast unloader will be NorQuest in Port Ed, same as last year. Trucking will again be coordinated by Lorne Swift.

There is still the ongoing problem with totes and effective solutions to tracking and coordinating cycling of them are still elusive. Part of the problem last year was with PUP not returning totes shipped down to Bellingham but the guys from there maintained that all the industry totes that were on that property have now been shipped back up to their respective owners here in Canada. Urchin totes have also been seen on other properties and unauthorized diversions are common because there is no centralized documentation record tracking them to ensure accountability. Tom Warner maintains that they want to work with the other parties (processors, truckers and fishermen) so this problem can be worked out. The documentation system for the totes must be upgraded so the totes in transit are identified and can be tracked.

(Tracking of totes is an ideal application for Radio Frequency ID tags (rfid) and I would strongly advise at least starting some pilot testing of an embedded rfid system to see how it works. They are being used on an increasing number of shipping containers and even trucking companies are starting to deploy and integrate them into wider transport systems. There are automatic tracking options for individual pallets, or in this case totes, and the inventory feed can go to a website (eg. PUHA.org) so everybody can see what is going on with their totes. The systems are getting better and cheaper all the time. This is a medium to long term solution that will provide all sorts of benefits and savings over the short term. Gaining some experience now will probably save headaches in the future as well because their use will likely become near mandatory for all international trade items (eg. trays of uni) over the next 10 -15 years)

### **Processor Plans**

Alice will start processing in November, no estimate on the number of licences/pounds reported

Sung will limit himself to custom processing for fishermen but will otherwise be out.

Kiku is basically out- it may be accessing urchins from other sources although there has not been a lot of communication with Peter or William Choi.

HiTo is projecting using only 3-4 licences although it may do some additional custom work for Kiku.

Territory is not expecting any real changes this year and are again projecting to process 6-7 licences.

Grand Hale is planning on perhaps 20 licences although there may be a few more because of the smaller SC quotas.

Palladin is planning on perhaps 3 million pounds.

Nautilus is figuring on maybe 30% of the catch. They however intend to focus fully on quality and want to work on getting the price up. There was some discussion that to take this much, they will likely need to supply at least 100 totes.

As a rough estimate- this could add up to 5.8-8 million lbs. depending on the N:S ratio. A lot is going to depend on the market and weather again. It is very tough making it on urchins alone and most processors have been diversifying to cover a number of products to survive.

The terms of payment generally use 2 to 4 intervals for paying the fishermen while the packing , unloading and trucking invoices are issued periodically and include the terms on them.

Spencer and Francis take the lead to maintain that more of the right kind of people are needed for this industry to get stronger. Mike mentioned that rifts have hurt the industry in previous years when processors kept undercutting each other to move volume. Japanese respect strength but are very sensitive to weakness and will take advantage of any opening they get. There is strength with numbers and Nautilus committed to do the very best they can, maintaining they want to share information, to work together and to pay their bills.

There was also some mention of how the advantages of a payment system based on quality and how Grand Hale seems to be doing very well by it. George Dennis mentioned that it would be real benefit if there were record published of who, I am assuming fishermen/boats, is producing what quality. Right now it is just all a big mystery. It might even initiate a bit of a competition between boats to see who can get the best price- this would likely be beneficial for the industry.

Meeting Adjourned at 1600 hours.