

Pacific Urchin Harvesters Association

Minutes of the 2008 Annual General Meeting held on July 29, 2008 at the Steveston Hotel

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Attendance

Name	Affiliation	Name	Affiliation
Gary Grant	fisher	Ken Ridgway	PUHA Director
Mike Featherstone	PUHA President	George Dennis	fisher
Dan Leus	PUHA biologist	Pat Olson	Worksafe
Warren Fulton	Worksafe	Bruce Logan	Worksafe
Tony Mulhall	diver	Dave McRae	PUHA Director
Tony Wong	Seaworld	Ross Morris	PUHA Treasurer
Keith McMurray	fisher	Dave Landsdowne	PUHA Director
Dave van Gruen	PUHA CGA	Tim Joys	PUHA Director
Don Christian	D&D	John Parkin	fisher
Spencer Cheung	Grand Hale	Paddy Wong	Paladin
Mike Crawford	Territory	Gina Johansen	fishSAFE
Mike Fay	fisher	Geoff Krause	Explorations UnLtd

There were 42 voting licences plus 19 proxies for a total of 61 licences. Quorum requires 56 licences.

1. Review and Approve Minutes from the 2007 AGM

Motion: Approve & accept minutes from the 2007 AGM. 1° - Dave McRae. 2° - Tony Mulhall. AIF.

2. President's Report

2.1 Management Plan:

PUHA pushed to have the fishing plan out early this year in an effort to get the season started early and thereby extend the season. Other than that, the plan is little changed. Poor weather was a significant factor last year and there was very little activity prior to November 1. At least one company feels there are market opportunities to take advantage of before November and an earlier start offers a bonus of better access because the weather is generally more agreeable in September and October.

This past season 39 vessels fished, the same number as in 2006/07, but there was less stacking and many boats fished at least one less licence.

2.2 On Grounds Monitor:

PUHA has no plans for an OGM this year as a measure to reduce costs. This puts the onus on us as an industry to designate good On Grounds Coordinators (OGC's) who can and will communicate effectively with D&D to ensure the fleet can be effectively managed. The industry has matured enough to effectively assume this role but the downside is that if even one vessel does not cooperate it will jeopardize the program for the everybody else in the industry.

We are going to use a sliding block system this year. This basically involves having 5 areas open around whichever anchorage is being used. We are also continuing with having areas such as Principe reserved for the high season around Xmas.

2.3 Industry management Fee

This year the fee has been reduced and there is an option to consider which will reflect a more pro-rated structure based on area quotas. The budget is based on 61 activations, if more licences validate this year a portion of the surplus will be applied to reduce fees next year.

2.4 Research

3 surveys have been completed this year and a final survey in the QCI is scheduled to start next week. There will also be a push for one other broad brush survey before the season really gets rolling. DFO is providing \$42 K for the surveys as well as funding for the biologist position.

2.5 Marketing

This year an effort to increase Canada's presence in the Chinese market will be emphasized and will include attendance at the Chinese Seafood Show in November. Application for funding assistance has been submitted through CAFI but there is no word yet as to how it is doing. GHMP is also promoting Canadian product in August in Hong Kong. On the domestic front PUHA is working with the Province to develop a Sea Urchin Festival similar to the Spot Prawn Festival which started last year. The goal is to have the festival established by 2010.

2.6 Fuel Subsidies

This is an increasingly urgent issue for the whole fishing industry as the rise of fuel costs from about \$0.90 to \$1.50 per litre is hurting everyone and making many fishing operations uneconomic. The BC

Seafood Alliance is spearheading an initiative to get Federal Government relief on high fuel costs. The discussions on this started in June and more information is anticipated by early September.

2.7 Russian IUU

Indications are that Russia is taking the problem more seriously, particularly with the crab fishery where some arrests have been made (Note: see also South Coast Report and detailed numbers in International Marketing Update). PUHA wrote a letter to a Russian fishery representative early this summer outlining our concerns but we have not yet had any response to this point.

2.8 Transportation

All costs are increasing but there is zero pricing power in the markets. This means "big squeeze". This is countered to some degree by good news regarding reduced costs for the OGM, research and the Association biologist.

Motion: Accept President's report. 1° - Tony Mulhall. 2° - Dave McRae. AIF.

3. Financial Report

Dave van Gruen gave a quick summary of PUHA's financial picture. Revenues at about \$353,237 and expenditures at \$285,717 resulted in an operating surplus of \$67,520. An additional \$3,100 in interest income contributed to a total surplus of \$70,619 for the year.

Motion: Adopt the 2007/08 financial report. 1° - Dave McRae. 2° - Ken Ridgway. AIF.

Mike Fay asked a question regarding capturing base fees from unactivated licences to help cover the Association costs. There was a comment that it may be possible to get DFO to collect the fees but that idea is not likely to get very far.

There was another suggestion that a net balance account be set up for each licence to help keep track of what is going on. The fact remains that the Association takes care of business for all licence holders and it is not fair that some are getting a free ride. The idea of getting some payment out of them is not meant as a penalty, they are in fact getting services from PUHA, but PUHA operations quite simply do cost money. Also, it is probably pretty reasonable to presume Natives will refuse to pay and there are no legal levers to force payment at this point.

Don mentioned that the GSU, scallops and a few other fisheries are not currently able to support the management and monitoring structure and that DFO is considering closing access.

Other ideas mentioned over the course of the discussion included structuring things so a licence renewal for a current year would not be possible until previous years were brought up to date. It may also be possible to have a reduced voluntary payment or perhaps a mechanism to refund part of the surplus each year to members (pro-rata) who are fully paid up. That refund could similarly be used as a credit towards the next year's fees.

Mike suggested researching the issue/options further and bringing them up for a vote at next year's bi-annual AGM in the Spring of 2009.

4. D&D Report

This past year, 41.3% of the North Coast quota and 63.5% of the South Coast quota were taken. This works out to about 43.7% of the TAC, a number that compares sadly to the approximately 52% overall take registered the previous year (2006/07). The focus of the industry remained squarely on maintaining high catch quality as perhaps the only option to assure viability in the difficult market conditions. Operating costs were up across the board and there was lots of running required, especially in Areas 4 through 6 (Aristabal - Trutch).

Approximately \$170 K is needed to provide a minimum maintenance level validation program based on the assumption that 60 licences are activated. Given that 68 and 42 licences opted for the North and South Coast respectively for the coming season the respective quotas work out to 125,309 and 36,738 pounds. Working the magic with the numbers, a per pound cost of \$0.0352 and \$0.0623 are estimated as the unit costs on the NC and SC respectively. If more licences are activated the unit costs will be reduced.

Substituting in-plant validation for dockside validation was discussed at the sectoral meeting this past spring but problems with traceability and the timely release of management data and assignment of catch data were cited as problems for DFO. There was also the issue of the extra drain time this would allow and this would have to be reflected in changes to the catch weights and area quotas. The quota calculations are now based on a post-emergence time of 4-6 hours so increasing the interval prior to weighing would, from the fisherman's perspective, effectively result in payment for fewer pounds even as the quotas are adjusted downwards.

With regard to the block system used this past year, there were some problems with too many areas open at one time and some problems with the changeover from one block to the next. It seems both these revolved around the fleet getting to scattered and spread out. At any rate a modified sequential block system based on the anchorage being used has been devised. More details will no doubt be provided prior to the season opening.

On the SC, the plan is to again use only a set number of landing ports at any given time and to possibly set aside some reserve areas for the high demand period(s), although these may not be so important

now as in the past because the smaller fleet size has inherently seen a reduced harvest capacity. Trying to apply a harvest schedule for the areas is a bit of a joke because the quality does not generally follow any predictable schedule, being subject to modification because of weather, oceanographic and feed etc. conditions which of course are somewhat variable and generally different every year.

There seems to be some problems at the start of December when the market bottoms out. December 1 - 10 may be a good time to take a break and shut things down for a week or so (perhaps the slow down is due to Japanese workers taking a break before the big push running from mid-December to mid- January). There is some indication that Japan intentionally tries to depress production and demand in this period. Canadian processors always lose money in this period and hold down prices later on to recoup their losses. The peak demand for increased supply arrives each year on December 23.

Japanese buyers are not acknowledging the financial problems in the BC industry caused by high costs of operating in remote areas, low prices and inconsistent demand from the market. The fact remains that too many BC producers have been willing to undercut others on price just to move product and these new lower prices then become the benchmark for other BC producers even though they can ill afford it. In recent years this has gone too far but now, with a reduced number of processors, it should become easier to maintain price levels through better control of access to product. Right now price remains the single most important, and from Japan's stated perspective, the only criterion for purchase decisions. Prices in Taiwan are little better than Japan. They started last year at \$28 per tray but now they are lucky to get \$20.

Japan must become aware that the industry in BC is at risk of collapse if something does not change. The problems with insufficient cash flow extend through to the harvest operations and in many cases their survival is in question. It sounds like there is a shakeout among buyers going on in Japan at this point as well so it may be a good time to talk about joint action with the most dominant survivors (Ocean Trader, Maruki, Takami- **note: please check these names for accuracy**) for mutual benefit. Spencer suggested bringing the Japanese buyers over to Canada in early September for meetings with a full delegation representing harvesters and processors to reinforce the points regarding the true state of the industry and to explore what might be done to get through this rough patch.

One item of interest is that production in Chile is reported to be falling quickly. This may or may not be a temporary aberration but Chilean production actually serves a different sector of the food market in Japan than the trays and bulk material from BC.

Getting back on subject here- a couple of names were suggested as appropriate On Grounds Coordinators (OGCs). These included Bob Hegedus (Westport), John Parkin (Aquastar), Dave McRae (Kuroshio), Rick Strong (Jr) and a few others. D&D will be putting together a laminated sheet and checklist etc for the OGCs. These may be available on CD as well. There will also be some discussion by the executive on some sort of reimbursement for some of the extra costs so they do not become a burden or an impediment to staying keen.

Tim brought up some points on doing some R&D- including on better defining quality preservation measures such as reefers so extra costs and marginal benefits might be better estimated and quantified. It seems funny that coastwide the TAC increased by 350 K-lbs but it seems there are just too many RSU in some areas which are dragging down quality. There have also not been any changes to the quota areas or their boundaries that might allow some remedy for the problem.

Motion: Accept D&D report. 1° - John Parkin. 2° - Ken Ridgway. AIF.

5. South Coast Report

In general, the late start last year led to lower harvest but even then things were going ahead at a good pace until about the end of January when there was a general loss of interest until even later in the season. Even the Christmas market seemed kind of weak- rumour had it that Russia was going full guns and this was probably their biggest season so far. (Please see more detailed numbers in International Marketing Update) Probably as a result of the limited market interest, fewer boats were working the south this year as well.

Again the focus this year in the South was on quality (good recoveries) but it seems there are only a few areas with good quality and once these are fished, interest declines.

Trucking on the SC remains a concern because a certain minimum volume is required to get the unit costs down to an acceptable level. With single boats landing independently this is not always a given. The situation requires considerable coordination between processors and harvesters.

Motion: Accept South Coast Report. 1° John Parkin. 2° Mike Fay. AIF.

6. North Coast Report

On the NC, the season did not start until the cukes were done and even then there was a distinct lack of enthusiasm. Dave suggests that a start at Bonilla might rekindle some of the joy the guys more typically enjoy at the start of the season- it might be a good place to break in at the beginning of the year and help get everyone fired up and keen. The weather was also a pretty big factor this past year- suggesting an earlier start (when the weather is better) might help get the cumulative numbers for the year up a bit.

The good news for the year was the cost savings on the OGM.. The OGC solution seems to be working out even as DFO is requesting some additional training etc. for the designates. A meeting will be set up in early September for the OGC contenders.

The Charlottes did not happen last year, the costs are simply too high, and the same is likely this year

unless there are some pretty big changes in the market etc. The problem with missing the Charlottes is the perception this can give that the industry does not want it. Each year we take a pass on it reinforces that and eventually DFO and the Haida are likely to say OK- so be it. In previous years, volumes in excess of 150 k-lbs per day were taken but now it just seems that the market is not capable of taking much more than about 40 k-lbs/day. The average RSU packer load off the NC last year was 34 K-lbs and the cost in prior years from the QCI was ~ \$ 0.18/lb.

There will be geoduck packers working the area this year and it might be possible to piggyback some urchins on them to make more efficient use of the packers and get the packers some extra revenue. The cost differential between the urchins and ducks and the schedules transfer deadlines required by the packers might be a bit of a problem but Mike will make some enquiries.

There are some areas on the NC where processors do not even want their boats to go because of quality issues in previous years, sometimes they question the quality available and simply refuse to accept product from the area in question. The industry needs to have some further discussion to figure out the optimum utilization levels and determine the levels of activity to maintain appropriate densities and even properly monitor what is going on in the various areas. (Suitable information should be systematically collected and archived by PUHA for future reference so it is at least possible to see if there are any long term trends affecting abundance and seasonality and how these might influence effective fishing strategies. Maybe DFO should be doing that but they are too stretched at this point to consider it). The sad part is that some of these are close-in areas where the costs are lower and the fishermen could actually recoup some of their losses incurred fishing more out of the way locations. If the processors are allowed to keep prices lower after December 10th to recoup some of the losses incurred up to that point, it seems only fair that fishermen be allowed to advantage of the same sort of opportunity when it comes up.

Motion: Accept the North Coast Report. 1° - Dave Lansdowne. 2° John Parkin. AIF.

7. Budget

Revenue			
	ITEM	TOTAL	GST
	61 licences @ \$5,000/licence	\$305,000.00	
	CAFI refund (2007)	\$ 4,500.00	
	Interest	\$ 1,800.00	
	Total	\$311,300.00	

Expenses			
	D&D Pacific Fisheries	\$245,269.58	\$11,899.87
	General and Operating	\$ 23,000.00	
	President Honorarium	\$ 24,000.00	
	CAFI Marketing Program	\$ 12,000.00	
	Seafood Alliance Membership	\$ 2,000.00	
	Total	\$306,269.58	\$11,899.87
	Surplus (Deficit)	\$ 5,030.42	

The above Table outlines the proposed budget for the 2008/09 season. Total expenditures of \$311.3K are based on 61 licences being activated with the following D&D expenses being based on the same assumption and using unit cost estimates for the validations from the South and North Coast areas last year. Association fees in the past have been based on the Flat Rate structure when the South and North Coast quotas all comprised the same weight. The change in the area designation system over the past couple of years has raised questions as to whether this system is equitable. The total expenditures exclusive of the D&D portion comes in at \$61,000, so a couple of alternative ways charging fees were presented to the meeting for consideration. These are summarized in the following table and labelled as the Flat Rate and Pro-Rated structures.

Red Sea Urchin Program Cost Breakdown				
	North Coast		South Coast	
# licences designated	68		42	
quota per licence (lbs)	125,309		36,738	
unit cost of validation (\$/lb)	\$ 0.0352		\$ 0.0623	
Validation Cost per licence	\$ 4,409.78		\$ 2,288.88	
Monitoring Cost (110 licences)	\$ 395,998.05			
	Flat Rate	Pro-Rated	Flat Rate	Pro-Rated
Registration Fee (per licence)	\$ 5,000.00	\$ 5,410.00	\$ 5,000.00	\$ 3,290.00
PUHA's portion	\$ 590.22	\$ 1,000.00	\$ 2,711.13	\$ 1,000.00

Motion: PUHA should charge annual registration fees using a Pro-rated fee structure. 1° - Tony Wong.
2° - Tim Joys. AIF

George Dennis suggested some sort of pro-rated charges be introduced to encourage late-season activation. Dave McRae extended this a bit and suggested a refund application system be established for licences activated after a certain date. This sort of idea would of course open the door for some abuse of the system so, as an initial starting point, it must not be allowed for the first licence activated each season by a harvester. In this scenario, D&D would validate on a unit per pound basis, somewhat as they are doing with the Green Sea Urchin fishery, but it is worth mentioning that in that case they are doing on a voluntary basis at a loss and if things go the same way with the RSU fishery, D&D itself could go down. There are core costs with the validation program which are needed to support the structure itself and which cannot be pro-rated or refunded.

The whole thing is bound to get pretty complicated pretty quickly but it might see some more licences being activated - although again- there's likely to be a bunch of unintended consequences as some guys might be tempted to game the system. Mike got general agreement on his suggestion the issue be tabled and studied further until at least next year.

Motion: Accept budget as presented. 1° - Dave McRae. 2° Keith McMurray. AIF.

8. Election of Officers

All currently sitting members of the Executive are willing to continue serving.

President: Mike Featherstone; Secretary- Treasurer: Ross Morris; Directors- Bob Hegedus, Tim Joys, David Lansdowne, Dave McRae, Mark Ulanowski.

Motion: Accept current executive. 1° Keith McMurray. 2° John Parkin. AIF.

9. WCB Update and a FishSafe Presentation

A couple of fellows, Pat Olsen and Warren Fulton, from WCB joined the meeting to discuss WCB regulations affecting dive fisheries. Pat is an ex-urchin diver.

WCB requires a minimum crew size of 3, all of whom, even the tender, must be seafood harvester certified divers. In fact, specialized certification(s) are required for every aspect of the job, especially since the peremptorily imposed requirement for a seafood harvesting certification, tickets for which were issued between about 1990 to 2007, is no longer issued or sufficient. Even surveys require specific, specialized and no doubt costly training available only through the WCB empire. Dive information collected as a matter of course for the other agencies regulating the fishery is not sufficient

for WCB nor are dive computer downloads- additional duplications of effort are required to achieve the WCB mandated standard. WCB also requires each crew member have a SOLAS-approved immersion suit, drysuits are not OK despite being in some ways a better alternative.

There is also a new manual for training, and again records of all are needed. Copies of the manual are available on the website. When it comes to classifying workers, young workers are any under the age of 25 while new workers include any who have been away from the job for longer than 6 months.

There are 5 drills that have to be documented on every vessel and must be practised periodically. These are man overboard, abandon ship, call for help, fire and flooding. The documentation of the vessel must include details on the boat characteristics such as stability test results and restrictions, systems on board etc. Some of these regulations are within the mandate of Transport Canada and there is quite a bit of hostility between the two agencies. Transport Canada is navigation and vessel safety while WCB is responsible for health and safety. The regulations of each are sometimes contradictory and mutually exclusive and both are reportedly loath to recognize the other as equal.

There was a suggestion that PUHA should be pushing for some regulatory recognition and or changes that will allow the fishing operations to continue realistically. Pat volunteered to facilitate although it should be mentioned that the mindset of the WCB seems fairly set even with them- whenever a question came up they were all able, almost instantly and preferentially to refer to section number such and such, subsection dah de dah to tell the meeting how things have to be. There was actually little to no hint that compromise might be possible. Just be thankful these guys are not (yet?) allowed to pack weapons. It was a bit surprising that they did not simply fizzle and snap when exposed to the light of day like the villain in a bad vampire movie, but we may be able to take heart in the belief that some of the bright lights actually making up some of these rules in their little cubicles and dens will simply, and perhaps even (hopefully) messily, evaporate when finally exposed to the real world.

Gina Johansen, the BC Seafood Alliance representative to FishSafe, had a little presentation on some new safety equipment including an inflatable pfd and a couple of survival suits, including the new, as yet to be approved White's survival suit which provides superior immersion protection because the neck and wrists are actually sealed, a situation in contrast to the currently approved standard survival suits where this is not the standard.

9. Research

Dan Leus provided a summary of research undertaken and ongoing by PUHA. DFO has put about \$42 K into research on top of the wages and expenses incurred by Dan this fiscal. This is compliments of the LaRoque decision and we are now in Year 2 of a 5 year plan. Alan Campbell retired earlier this year but continues to work in an emeritus situation at PBS on incomplete reports and unprocessed data he has collected over the years. He will also be mining other data sets, including the sea otter impact data, for application to RSU population studies.

With regard to sea otters, they are now reported up into the Moore Islands and around Price Island.

3 surveys, including Tofino, Price Island and Campbell River have been completed, the analyses should be complete and the draft reports out by September- October sometime. At least one QCI survey is scheduled by the end of the summer and additional North Coast surveys are also possible this year. They are also collaborating with California Department of Fish and Game on age and ageing issues with RSU with some focus on the telomeres on older urchins (~150 yrs).

SFU has just published a review of the RSU R&D program which includes a Strengths, Weaknesses, Opportunities and Threat (SWOT) Analysis and recommended alternatives. In its judgement thus far, the program is acceptable and displays a good balance.

Motion: Accept Research report. 1° - Dave McRae. 2° Keith McMurray. AIF.

10. International Marketing Update

Geoff submitted a new CAFI project proposal in early May as a recommended alternative to re-applying for the CAFI Long Term Strategy program funding. The problem is that the plans and obligations of the Urchins from Canada group, especially those involving international travel, were not fulfilled over the past 2 years and approximately \$45 - 50 K of government grant money was not used. Doing it once for whatever reason is not too big a deal, doing it twice though is always going to raise eyebrows. It may sound funny but this sort of abrogation is more than likely interpreted and taken as an embarrassing slap in the face by the people working on our behalf in the Government, and as, or perhaps even more, importantly- their superiors. As a result, we were advised that obtaining additional funding from the Federal Government on the same plan/strategy was highly unlikely and that getting funding on a project basis is marginally more likely. We still do not have any indication as to how it may go although Geoff remains hopeful.

That proposal involved continuing monitoring of the international market situation- including Russian IUU activity, as well as a couple of trips. The major trip to Asia includes a visit to investigate opportunities through the China International Seafood Exposition with perhaps some side trips to visit buyers in a couple of other Chinese cities followed by a quick visit to Osaka, Japan to look into possible opportunities and contacts there. There is also a company with a revolutionary freezing technology (Live Cells Freezing) involving magnetism (see attached webpages) in Chiba, a city just north of Tokyo, with which we will be trying to arrange a visit once we get approval. Also included in the proposal is a trip to California to investigate interest there in the establishment of some uniform product standards for Red Sea Urchin products so the industry can be ready to meet demand while consistently satisfying buyer's expectations notwithstanding the product source. This may be a precursor to more integrated marketing of RSU from the West Coast involving collaboration of the regional industries whereby commercial linkages stabilize supply throughout the year and facilitate market expansion even as regional differences allow additional differentiation. This may be especially

Total Russian Urchin imports (all ports)

Quantity (kg)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2000	258,685	217,348	462,376	488,698	827,765	798,017	527,706	276,277	84,116	575,496	869,057	800,847	6,186,368
2001	356,420	386,411	287,913	962,737	1,378,412	919,232	800,908	230,420	256,725	966,887	1,308,598	1,221,156	9,075,819
2002	473,112	892,644	1,263,160	1,167,944	1,233,979	1,017,025	519,258	267,832	249,387	1,027,874	1,047,340	1,365,338	10,524,893
2003	337,043	823,473	480,915	1,221,285	1,428,003	1,208,713	606,316	477,310	395,495	1,245,766	1,281,508	1,433,693	10,939,520
2004	265,797	555,220	1,085,132	1,330,316	1,307,924	1,381,788	870,614	683,124	431,688	1,198,418	1,602,789	1,559,353	12,272,163
2005	1,230,530	1,059,195	1,132,995	1,568,869	1,496,405	1,062,342	952,031	773,132	578,971	881,068	1,598,998	1,491,052	13,825,588
2006	1,078,969	1,466,283	1,151,825	1,340,391	1,506,838	1,683,648	967,601	770,683	327,615	1,273,880	1,517,464	1,939,728	15,024,925
2007	1,348,866	740,679	1,608,850	1,384,635	1,573,253	1,392,252	739,074	532,650	301,347	1,303,546	1,221,816	1,903,874	14,050,842
2008	559,539	548,747	1,380,292	1,513,499	1,265,459	1,215,532	714,715						

Russian Urchins through Hanasaki

Quantity (kg)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2000	112,675	163,580	258,881	287,208	445,293	250,493	11,151	0	12,807	438,490	666,513	637,494	3,284,585
2001	297,368	379,099	246,169	731,741	869,115	398,692	163,952	0	168,009	774,832	1,176,537	1,086,316	6,291,830
2002	433,297	892,644	1,230,158	983,004	1,005,763	500,042	139,722	0	158,252	953,706	1,013,216	1,255,882	8,565,686
2003	327,004	823,473	457,798	1,153,280	1,153,733	978,157	86,429	35,282	147,323	1,171,788	1,220,821	1,294,281	8,849,369
2004	220,935	508,611	1,017,164	1,088,327	988,050	7,682	9,068	12,597	114,274	1,115,524	1,561,623	1,446,994	8,090,849
2005	1,132,616	1,040,998	1,091,899	1,286,519	1,038,319	549,994	218,510	87,776	229,474	770,598	1,462,582	1,422,941	10,332,226
2006	1,051,475	1,456,381	1,038,505	1,162,321	1,041,269	839,248	323,733	173,218	141,661	993,868	1,154,119	1,797,794	11,173,592
2007	1,303,254	731,439	1,404,136	913,289	1,048,176	734,140	262,860	48,973	52,229	778,186	990,995	1,566,803	9,834,480
2008	482,018	328,306	1,119,276	1,276,113	797,432	546,209	236,292						
Unit Value (Yen/kg)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Averages
2000	¥479.8	¥518.3	¥561.1	¥664.3	¥504.4	¥506.1	¥346.1		¥685.2	¥526.6	¥456.7	¥545.5	¥524.3
2001	¥714.3	¥756.7	¥873.8	¥644.0	¥555.4	¥499.0	¥575.9		¥550.0	¥459.9	¥474.6	¥524.0	¥562.3
2002	¥673.9	¥524.5	¥510.6	¥601.9	¥498.4	¥694.4	¥419.5		¥655.7	¥529.7	¥520.6	¥520.9	¥540.3
2003	¥661.3	¥600.6	¥705.0	¥504.2	¥439.7	¥496.2	¥493.8	¥409.3	¥549.4	¥359.3	¥397.8	¥525.0	¥489.5
2004	¥840.6	¥579.2	¥466.0	¥424.1	¥424.8	¥69.8	¥66.7	¥356.4	¥388.3	¥401.8	¥399.0	¥511.0	¥456.8
2005	¥532.6	¥395.6	¥436.7	¥438.5	¥402.4	¥377.2	¥400.2	¥313.9	¥287.2	¥406.6	¥415.0	¥522.6	¥438.1
2006	¥558.8	¥417.6	¥513.1	¥543.6	¥439.9	¥436.2	¥358.5	¥356.7	¥378.6	¥400.5	¥469.2	¥428.0	¥458.7
2007	¥478.9	¥556.6	¥595.5	¥407.8	¥477.6	¥372.6	¥385.0	¥380.0	¥462.6	¥507.8	¥568.5	¥511.6	¥500.1
2008	¥673.8	¥1,130.8	¥563.3	¥519.8	¥227.3	¥516.3	¥505.3						

powerful for establishing an identity for RSU as a geographically unique signature product from the West Coast of North America in US and other international seafood markets.

Geoff has also updated the Russian urchin import numbers from the Japan Customs website in a couple of tables in this section. It seems that production from the Kuriles was a bit lower this past year but they had some pretty brutal weather up that way during that time so it is still pretty hard to see any increased regulatory impacts. It seems also that more production is being diverted to other ports- whether this means legitimate production is increasing or IUU product is moving around is hard to say. All in all the numbers so not present a particularly encouraging picture.

Discussions on marketing issues etc.

There were some further remarks on how processors are focussed on cutting costs to remain competitive, but the fact of the matter is that divers, packers and probably truckers are simply not making ends meet either. When it comes to airfares, fuel surcharges are hurting but recent court findings support suggestions that they are not always legal and that there might be some refunds coming to processors covering the period from about 8 years ago to about 3 years ago. Hopefully these will be used to help out the industry in general and not simply treated as a windfall by the direct recipients.

On the product research front, Paddy mentioned another processing assist technology that involves pressurizing the urchin to about 100 psi prior to cracking that makes the spooning operation more efficient. It has only been tested on a bench scale thus far but it appears to improve the characteristics of the roe as slow decompression reduces breakage of the skeins.

Maintaining minimum quality levels (recoveries) for urchins is a key part of maintaining profitability by the processors and we again got back into discussing pay differentials for quality. The problem from the perspective of some is that it does not always work, that sufficient incentives are not provided by the differentials and that some boats still gross more even though their quality is substantially inferior. This suggests that perhaps the rates should also include a penalty for urchins which do not achieve a certain standard so the pay for premium quality can be further increased. Some guys seem focussed on certain areas as good or poor quality areas, although this seems a bit odd given that roe development rates will change from year to year given changing oceanographic and feed conditions. There is just no substituting the need to crack samples while diving to ensure the quality of the catch. As Tim mentioned earlier, R&D into what might be done to more objectively assess and counter post-catch deterioration is needed but more buy in is needed from the guys and companies involved. Too often these are seen as finger pointing exercises to assess, expose or to cover up blame.

On the issue of standard grading, it is pretty much in place despite claims otherwise. Kiku was the only company mixing grades by using 3 gradations, as opposed to the more standard 5 used by everyone else. There were some buyers who felt Kiku was trying to trick them and we all know what happened to Kiku once they lost the confidence of their buyers. Spencer maintains that Japan needs Canadian production, and that because Canadian production is rated #2 after Hokkaido (& California?), Chile is no substitute (Also: remember someone mentioned earlier that Chile's production is now dropping fast anyways so that is going to increase demand in other segments of the market and, by extension, general demand for whatever products are available).

As for processors in the game this year, Spencer, Paddy and Mike Crawford (Territory) attended the meeting, Alice (Seagate) is still interested, Sung is also probably still playing, and HiTo intends to continue cooperating with the group. Nautilus is reportedly processing Oregon urchins but are also apparently losing big dollars despite steady increases in tray quality. This may be because they are totally dependant on the auction and the transparency of that is, at best, considered suspect. There are still some concerns though that someone is not worried about the bottom line as often as they should because they are reportedly only spending OPM (Other People's Money).

Perhaps the BC industry itself should only be considered as strong as its weakest link(s). Again, companies that are willing to undercut prices to move volume hurt the whole industry by giving buyers a new, lower benchmark which they can then use against other processors. In one sense, when fishermen sell to companies they know are doing this, they are contributing to the descending spiral on prices and are in effect shooting themselves in the leg. Still- the problem remains that about 15 boats have no home and are basically forced to sell to whomever will buy their product. The small companies are needed to continue helping fill some of this gap even as the volume from the larger producers (GHMP and

Paladin) supports most of the base load and infrastructure for the whole industry. Japanese buyers know that smaller companies (< 5 MT processed/day) are likely more vulnerable to pressure and perhaps even target them to leverage price declines. Perhaps as a salve for this situation, Spencer offered custom processing opportunities for whatever companies wish to take advantage of them for the crack and rinse steps. GHMP would then take care of the brining, grading, packing, shipping and sales. He also mentioned that another US processor, Ocean Queen, might be able to take up a bit of the slack although in that case some consultations with US harvesters are strongly recommended lest the processors in either/both countries start playing fishermen in each against each other.

GHMP is going to make a big effort this year to increase sales and Paddy indicated Paladin will be doing the same. Weather was a big factor last year and Paddy suggested that if that turns around this year production could increase to close to 65% of the TAC, vs the <45% that was harvested this year. Paddy is hoping for a mid-September start this year, vs the beginning of November as seen last year, and there are suggestions that the Moore Islands and Treenob might be ready to go quality-wise by August 1. Someone is heading out soon for some test fishing and if everything is looking OK it may be possible to get more boats out and going right away.

Each company deals with only one of the two major buyers in Japan and Spencer again suggested getting them over for a meeting with a full industry delegation here in Canada to give them the straight goods on the dire straits being faced by the BC fishery. Three years ago when we presented a similar message in Japan it was not particularly appreciated, but things have since deteriorated further both here and in Japan and it might now be a fortuitous time to press ahead with the message that the industry is at risk and express interest in long term collaborative and mutually beneficial remedies.

Motion: Accept International Marketing Report. 1° - Dave McRae. 2° - John Parkin. AIF.

11. Domestic Marketing

PUHA is working with Costas on a domestic marketing program. The idea will be to have fresh urchins available Thursdays and Saturdays for restaurants so they can start building a presence and profile with customers. The idea is to sort of emulate the prawn fishery which started live deliveries to about 60 restaurants around Vancouver. Their prices have increased from \$ 5- 6 /lb to \$10 -12/lb. Part of the exercise will see the development of standardized graphics, packaging and boxes to build recognition. PUHA is going for some provincial support for a trial this winter with the big setup expected for 2010.

HiTo is currently involved in the Urchin Express and delivering to restaurants throughout the lower mainland. There are also some possibilities on the Island (Victoria, Nanaimo, Parksville, etc) and rumour has it they also make some deliveries over that way. However the markets are such that viable competitors are not considered likely at this point.

Meeting Adjourned @ 1630 hrs.