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PUHA NEWSLETTER

P.U.H.A. NEWSLETTER

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President's Report — MIKE FEATHERSTONE



The 2007/2008 season is moving closer to its opening date, which is expected to be around the middle of September. PUHA requested an extension of the 2006/2007 season to allow for some fishing opportunities prior to the start of the new season. DFO has opened some south coast areas based on the industry's request.

The draft quotas for the new season are down from last year, largely due to the new quota calculation method and the lack of proper data in some areas. PUHA is working with DFO to refine both the data and the calculation methods. In this regard there will be a survey in the Tree Knob area to evaluate new system. This survey will take place in September— any interested vessels can contact Dan Leus (250 756 7147) for more information.

At this time the draft south quota is approximately 1.4 million lbs and the draft north coast quota is 7.9 million lbs. The licence selection process was just completed with 43 licences selecting south and 67 licences selecting north (unofficially at the time of this writing). This will result in a south coast quota of 32,558 lbs and a north coast quota of 117,910 lbs. Please note that these numbers are all still draft and there may be changes upon finalization of the IFMP. No one could predict the results of the area selection but based on these numbers they equate to a perceived \$.15 premium for a south coast licence (based on the cost/lb difference to validate a licence for fishing). This \$.15 premium is higher than expected but there are always growing pains with the introduction of any new system. Licence holders will better understand the market differences related to area selection after the system has operated for a year.

PUHA received some good news regarding the funding for science and management this year. DFO will pay for 80% of the biologist salary and will fund 3 or 4 surveys. This funding is a positive step forward for PUHA. Unfortunately the discussions regarding the OGM coverage have not yet been as constructive and PUHA is still working with DFO to find a solution which recognizes the current financial constraints our industry now faces.

The Annual General Meeting is tentatively scheduled for the middle of September in Richmond at the Steveston Hotel. The exact date is not yet finalized but an announcement should be sent out before the end of the month. Hope to see everyone at the meeting!

Marketing — GEOFF KRAUSE



There have not been any dramatic developments to my knowledge over the summer this year. PUHA is going through a pre-certification evaluation for the Marine Stewardship Council (MSC), a development that would seem to be somewhat timely as Aeon, one of the larger supermarket chains in Japan, is marketing MSC products in its stores. This may be the start of a trend in Japan, but of course it remains to be seen how it develops.

I have been doing some more in-depth research on the IUU fishery in the Kuriles and 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., were recorded. This valuation is recorded on the customs forms and may be different from the actual landed price.

There are a number of initiatives being pursued by Canada, the US, Russia, Japan and others to get a better handle on the IUU fishing problems. Russia in particular has decided it cannot continue losing hundreds of millions of dollars in tax revenues to the illegal fishing every year and seems to be making more serious noise about getting serious about it. I am doing a case study on the Kurile IUU urchins for DFO which I understand is to be used as part of a larger study into IUU fishing by Asia Pacific Economic Cooperation (APEC) and shared by all of the Organization's members, including Russia and Japan. Hopefully these developments will limit the IUU urchin fishery very soon, despite the probable entrenchment over the past few years.

The Association though is looking for other market opportunities and is planning a trip to China to see if there might be some opportunities in that country. It is worth remembering that geoduck used to go almost exclusively to Japan but that China is now the preferred market because it pays premium prices for quality product. The same sort of tension with urchin markets would be commendable



Industry Management Fee—ross morris

Apparently, there is a misconception that the \$5500.00 yearly red sea urchin fee is strictly for validating. This is completely incorrect as it covers a number of items. Yes, the validating is a substantial amount of the budget, however, that is something that P.U.H.A. has no say on with regards to reducing the function. D. & D. Pacific over the years has been excellent in keeping the costs within budget, in fact, there have been many times when they have done extra work for P.U.H.A. or the D.F.O. and we have not been invoiced for their services. There was a time when P.U.H.A. could not pay the full bill with D. & D. and they in turn financed us until such time as we had monies to pay out.

Additional items that are part of the \$5500.00 are the yearly on-grounds monitoring, which as mentioned before are out of the hands of P.U.H.A.'s control as it is a condition of harvesting. Every year P.U.H.A. has to finance survey's as well as pay part of the D.F.O.'s biologist salary. There are the regular overhead costs of the President's honorarium; treasurer/secretary, consultant for the CAFI program plus logistic and marketing programs, website creation and maintenance, travel for the CAFI program and Ottawa meetings with government personnel regarding the illegal harvesting in Japan, and the regular day to day operating costs incurred by any organization such as telephone, accounting fees, postage etc.

The yearly P.U.H.A. membership has remained constant for a number of years, however, the costs of operating have been increasing yearly. Rest assured that P.U.H.A. has been very diligent in the management of the funds and is making every effort to reduce costs where applicable.

P.U.H.A ANNUAL GENERAL MEETING

SEPTEMBER 20, 2007

(THURSDAY)

9:30 A.M.

STEVESTON HOTEL

12111 -3 RD AVENUE & MONCTON STREET

RICHMOND (STEVESTON)