

PUHA

PACIFIC URCHIN HARVESTERS
ASSOCIATION



August 12 , 2013

Volume 14 Issue 3

PRESIDENT'S REPORT —MIKE FEATHERSTONE

The 2013 season ended with 4 boats fishing the last two weeks of July at Moore Islands, cleaning up an extra 100,000 lbs of the 2013 quota. The landings for the 2013 season totaled just under 7 million lbs making this season the best total catch in the past 7 years. This is good news! The market demand, particularly in the new Asian markets, continues to grow. In the south coast the live dock sales were steady to the end of July. Many weekends there was 3 vessels selling live product at the Steveston Fish sales dock.

A conference call was held in June to discuss the fishing schedule for the 2014 season. The point was made that the summer fishing should focus on the outside exposed areas such as Bonilla, Outside Banks Island, Oval Bay and North Dundas, and that the protected areas should be avoided and left for the winter months. The NC quota is `133,539 lbs for 63 vessels. The SC quota is 34,106 lbs for 47 vessels. This split will be in effect for 3 seasons as DFO moves to longer term management plans

There was discussion of the spread of sea otters in the central coast and the west coast of Vancouver Island. Area 12 has been hit hard and the management has reflected these impacts with the reverse fall back option in place for 2014.

It was reported that south of Grenville Channel, Fin and Gill Island areas have significant biomass which was noticed during the sea cucumber fishery. Currently there is no quota assigned to these areas. The suggestion was to request DFO to include the statistical areas with the quotas in adjacent areas to allow exploration. Mike will coordinate with D&D and present the idea to Pauline.

It was also reported that the Bamfield area has more available stocks. PUHA will survey the area this survey season. The sea otters are starting to show up in the Ukie area. There was some discussion of adding Bamfield as a landing port.

The conference call was a very productive and also cost effective (1.5 hrs for around \$40) there was 7 vessels represented, as well as 1 processor and D&D. It was agreed that the conference call option should be used again in the future as it allows participation without lengthy and expensive travel cost.

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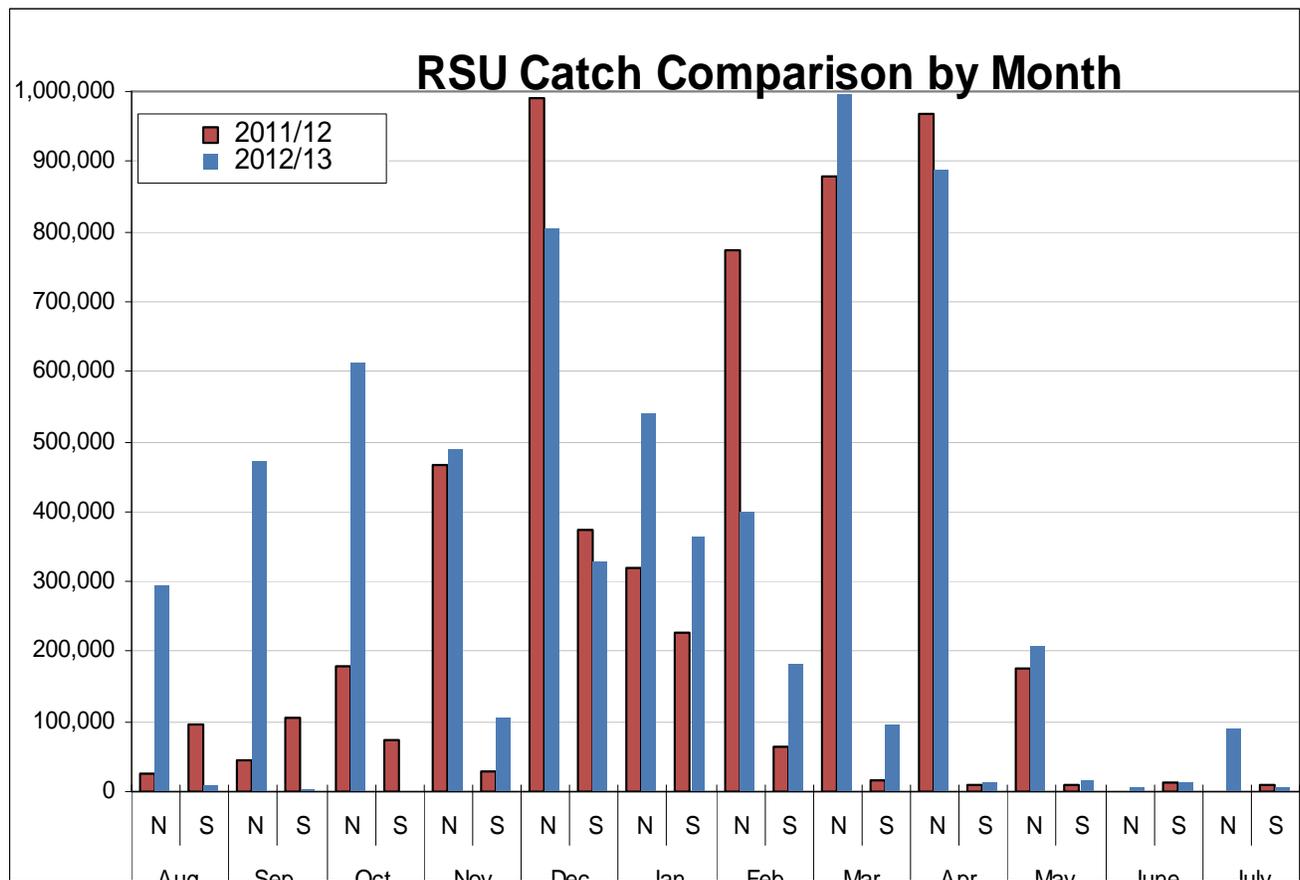
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D. & D. Pacific



2012-2013 RSU Fishing Season

As the 2012-2013 RSU fishing effort slowed down in both the north and south areas in May and June, landings have since started up again in the north prior to the end of the season. The South Coast has continued with its' weekly landings for public sales, and will continue until the end of the season.

The **South Coast** has landings for Public sales only in the past three months and only one day every week. It is expected that the vessels will re-new their licenses for 2013-2014 and keep fishing weekly for public sales in Steveston.

North Coast is active with a small fleet working Moore Islands, then making their way up closer to Prince Rupert to renew their licenses when the new season starts. PUHA had one vessel attempt to work the Public Sales market in Prince Rupert in June. At least one landing was made for a buyer and attempts were made to sell dockside in Prince Rupert.



Logbooks are changing for the 2013-2014 Season. All old logbooks will no longer be used and must be recycled. With the new licensing program (online) and DFO requiring logbooks to be controlled must be assigned to the vessel(s) prior to release, and each licence must use the logbook designated to it. No longer will fishers and buyers designate a licence the same day they fish and, must “plan ahead” to get everything in order before heading out to fish. The Red Sea Urchin Fishery in the past has seen people designate tabs to vessels last minute. This means registration with PUHA, DFO licence pick-up, logbook/chart delivery all on the same day the vessel fishes is a thing of the past. This of course opens the door for errors. Logbook and charts don't arrive to the vessel prior to fishing, no licence on-board while fishing etc.

Harvest Charts are required to be filled out by midnight of each days harvest like the logbook itself. This is a Condition of Licence. The Logpage and Chart must be completed by the vessel master or crew that is on-board the vessel. Having someone else complete the harvest chart who is not on the vessel is not allowed as stated in the conditions of licence. When this is done, errors occur, mis-reporting the harvest site, wrong entry – fishing in closed areas, and so on.

C&P is aware of the midnight rule for harvest charts now, and will be checking for this. Please have your crew complete the data by midnight each harvest day to ensure accurate, complete data is captured in a timely manner as not to put the licence holder in a corner at the end of the year.

Quota Changes in the **south coast** as discussed at the annual Sectoral meeting in Nanaimo will take effect next year due to the Sea Otters in the Port Hardy area. PUHA consulted fishermen on the decline of stocks in the Port Hardy quota areas, moved quota to adjacent quota areas, and came up with new quota allotments for the 2013-2014 fishing season. The RSU IFMP is in draft form, but the quotas can be viewed online at DFO's website.

Multiple vessels surveyed the top end of Vancouver Island including the mainland side (Area 11). Strong efforts to find Sea Urchins left almost 340,000 lbs. in the water. Urchins are still in the areas, but deeper and hiding in cracks from the otters. PUHA still reserves the right to explore these areas during the season.

North coast quotas areas have changed also slightly, Some quota areas that were combined a few years ago have been changed back to their original RU definition.

Please refer to the logbook insert that will show all the changes for north and south coast quota areas.



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MARKETING—GEOFF KRAUSE

We are still waiting on the approval for this year's AgriMarketing proposal. The decision is expected imminently, and we should know the outcome by the time of the AGM, but at this point we are still limited to optimism over knowledge. As previously reported in the May 2013 PUHA Newsletter, the proposal again includes trips to the Asian Seafood Expo (ASE) in early September and to the China Fisheries and Seafood Expo (CFSE) in November. There is also provision for a side trip to Taiwan and/or possibly Japan after the China show although these legs will depend on arrangements by processors with their buyers. We have also included meeting with California producers as part of an on-going effort to establish and differentiate Red Sea Urchin as a signature seafood distinct from the more generalized uni as a commodity market. The total budget in the proposal is about \$107k and we are looking for 50% funding from the Program.

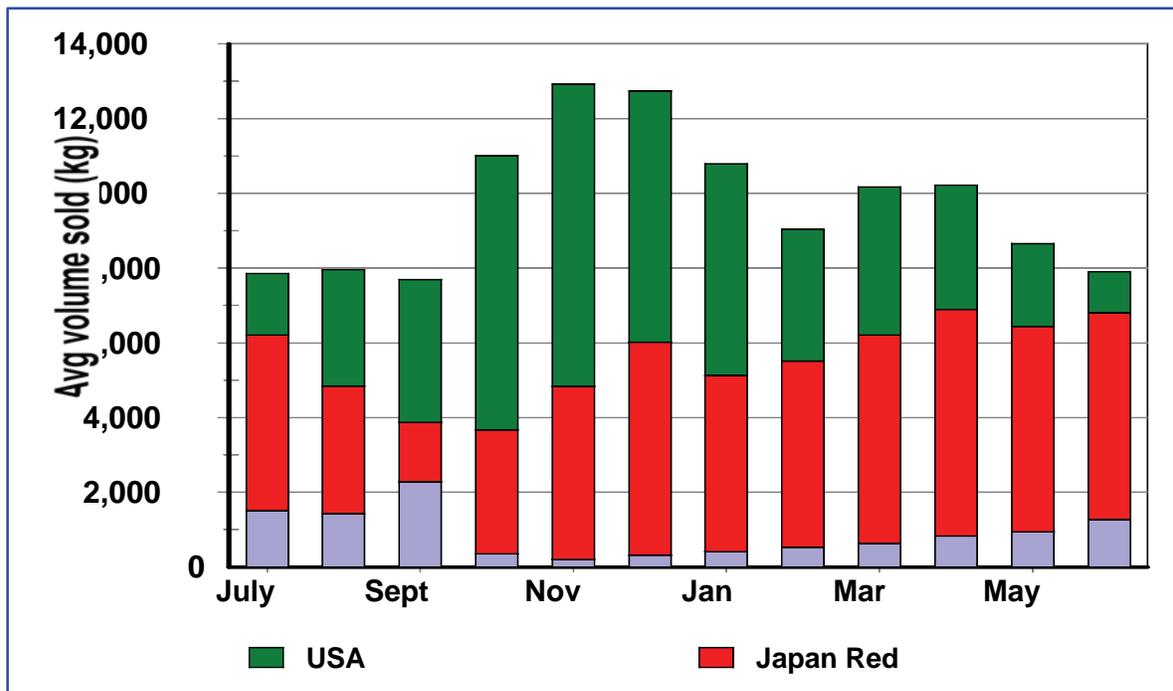
Despite the continuing uncertainty, we have moved ahead and finalized most of the arrangements for the ASE and have only to determine who is coming along to the show so we can arrange the flights, accommodation and badges. We have similarly confirmed and paid for the booth at the CFSE and initiated the process to get everything else in place. The timing on these completions has been dictated by the events themselves and we just could not extend matters to accommodate the delay in approval.

Life has continued moving on in other ways as well. Fishing got started this year in July on the North Coast as well as for the Steveston Live Market and this activity is expected to continue and perhaps even build through August onwards. Part of this effort includes the use of refrigeration on the packer as a handling improvement with temperature monitoring throughout the delivery to the plant. The first results will be tabulated in early August and we are hoping to see further quality improvements and proof that fishing can be extended year-round. This would allow better access to exposed fishing areas during the summer simply because of the better weather, spreading the catch over a greater area and allowing greater utilization of the available TAC while reducing pressure on "winter" stocks. It will also supply new "seasonal" markets giving us a year-round presence and provide opportunities to use this advanced monitoring capacity as a quality assurance benefit in the marketing of BC urchin products.

Unsurprisingly Japan remains our primary market but Hong Kong and Taiwan are also looking up and the same will hopefully become more apparent in China in coming years. I believe the latter offer great opportunities to diversify but Japan is still setting the trend for the overall market. That being said, there are opportunities in Japan, the summer market(s) there being one example. I remember hearing and reading a long while back, way back in the 90's even, that uni market in Japan basically disappears every summer as they eat other stuff once it gets hot. We now have data from Tsukiji from 2007 onwards and, as can be seen in the following graph of the monthly average volume of sales on Tsukiji, that is not quite the whole story. On this it looks like Japan's production (note: the blue bits are Japan white uni- really high prestige/cost product) stays steady between about December and July at about 6,000 MT/month and then falls off to a low in October before ramping up again to December

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MARKETING—CONTINUED FROM PAGE 4



The prices at least sort of follow the same pattern- the whites peak in December at around 33 ¥/gram while the Japanese and US reds peak in September - October @ ~ 25 ¥/g and ~6.5 ¥/g respectively. Japanese red is generally about 2-4 times the price of the US product and the white fetches on average about twice the red product in November and December each year. Peak prices for the white reach upwards of 40,000 to 50,000 ¥ per 300 g tray or about 150¥/g but strikes as an artifact of something else going on.

So that is the monthly performance in that market. Annually the volumes sold on Tsukiji have been dropping pretty steady since 2007, in the case of the whites from a peak of 12.6 and 12.8 MT respectively in 2008/09 and 09/10 (year end June 30) to 9.6 MT in 2012/13 and the reds from 67.5 MT in 2008/09 to about 40 MT in 2012/13. US reds have been bouncing between about 41 and 50 MT since 2009/10.

Prices have been swinging up for the past few years for all three categories which is a good sign. As I expect everybody knows, the Government of Japan is working very hard to jolt the Japanese economy out of the doldrums that have been afflicting it for the past couple of decades and is hoping to get the good times of the late eighties rolling there again. The jury is still out on how it is working even on the short term, much less the long term, we can only wish them good luck- they are committed. If they are successful there should be a tremendous upside for BC fishing products but caution is still recommended as it remains extremely difficult to predict the future.

I will continue working with the data I have collected - Tsukiji, Japan Customs and Stats Canada, and try to fill in a few holes on what is happening elsewhere so I don't completely bore you at the upcoming AGM. Hope you are all having a good summer and look forward to seeing you next month.

ANNUAL GENERAL MEETING PROXY

PACIFIC URCHIN HARVESTERS ASSOCIATION

PROXY FOR GENERAL MEETINGS

I, the undersigned member of the **PACIFIC URCHIN HARVESTERS ASSOCIATION** (the Association), hereby appoint:

_____, as my proxy to vote for and on my behalf at any Association meetings, whether general or extraordinary, until this proxy is revoked in writing and delivered to the Association's general office.

DATED on _____

Signature of Member _____

Name (print) _____

Tab Number (s) _____

**P. U. H. A.
ANNUAL GENERAL MEETING**

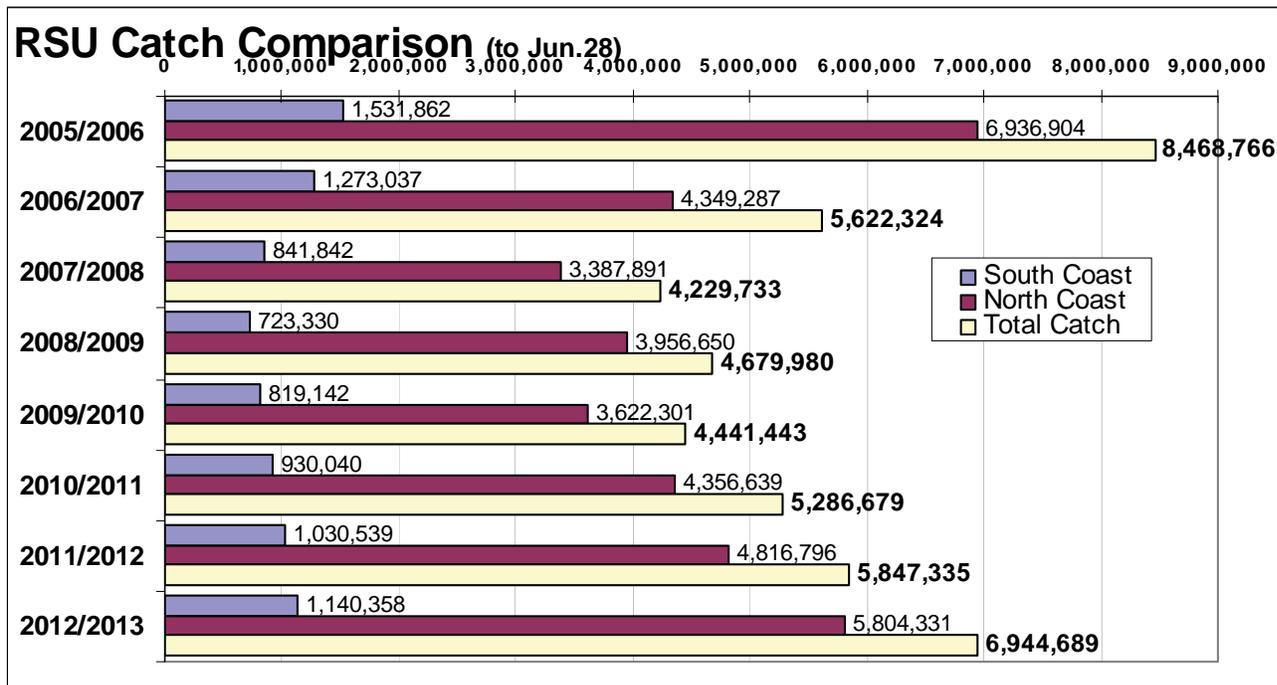
**AUGUST 28, 2013
(WEDNESDAY)**

9:00 A.M.

**STEVESTON HOTEL
12111—3rd AVENUE
RICHMOND, B. C.**

2012 A.G.M. MINUTES ARE AVAILABLE ON OUR WEBSITE

WWW.PUHA.ORG



North Coast fishing protocol has been modified by DFO due to the constant reiteration of the protocol to certain fleet participants, and their efforts to get around the protocol. The Protocol, established by PUHA and DFO is to accommodate the lack of an independent on-grounds monitor due to the financial strain PUHA is facing during the economic downturn of the fishery. Changes to the protocol can be viewed within the IFMP (management plan). One major change is a VMS unit will be required when fishing all RU areas in the north coast. Last season, the central areas below Bella Bella did not require a VMS vessel, now they do.

If vessels continue to “test” DFO on the protocol, D&D has been advised that the program will be reduced to one area open at a time for the fleet(s) and they (*the vessels*) will have to wait for another opening. Hopefully this will not occur as PUHA is contacting the vessels and their buyers involved in the issue to rectify the problem. D&D is confident that PUHA can resolve this issue “in-house” so as not to have DFO resolve it.

The Vessel Monitoring System (VMS) pilot program will be in its third season and continues as a pilot. Problems still occur with vessels trying to deviate from the protocol, and all vessels are reminded to follow the protocol established that works in association with the VMS.

D&D has no access to the VMS system as it is a DFO program.

The DFO licence unit has finalized the licence list for each area: north with 63 licences and the south at 47. Quota for each has not yet been finalized. The IFMP is released for the consultation process. What has changed is this will be the number for each area for three years.

PRESIDENT'S REPORT—CONTINUED FROM PAGE 1

WCB is pushing for more stringent dive planning requirements. There is a meeting on August 29th to discuss the proposal where representatives from all dive sectors including farm fish, construction, research and seafood harvesters have been invited. One of the proposals would require dive supervisors to phone in the dive plan and location daily. Since the WCB meeting is the day after the PUHA general meeting I hope some of the active seafood industry members will stay over in Vancouver and attend to provide their input and experience. PUHA will contact the Steveston Hotel to try and arrange a group rate for the night of the 28th.

Another issue in the WCB headlights is the use of dive computers. Dive computers are currently not allowed for use in any commercial diving. Each dive has to be planned and recorded in the Dive Supervisor log as well as the Diver Log. WCB will actively be checking these records. Interestingly enough the US Navy now issues personal dive computers to all Navy divers upon completion of their training.

PUHA received some disappointing news from the Science branch regarding survey cost sharing. PUHA had agreed with DFO to complete 3 surveys with industry funding \$30,000. DFO was going to complete all the surveys using their vessels and crew. The day before the first survey was set to start the Science branch was notified that there would be no funds available for any dive industry surveys. Subsequently,

PUHA agreed to fund \$40,000 for 2 surveys. Dan Leus is preparing a Joint Project Agreement reflecting the industry commitment and then the surveys will proceed. One piece of good news was that the Haida Qwaii survey was completed during a DFO survey trip to the area. The lack of Science funding is troubling and industry will have to find ways to fund the necessary research. Fortunately for PUHA our industry has been active while funding was available and there is good information on many of the fishing areas. PUHA has requested a three year research plan to facilitate planning and budgeting.

Many of you will have received your new pass codes for the National on line licencing system which is now up and running. Once you have your code you can log into the new site and update your information and licence renewals. Unfortunately the system is not set up for licence transfers and other more technical transactions. These transactions will require the printing of an on line form which then has to be filled out and faxed to the office. Please allow extra time when renewing your 2014 licences as the system is a bit of a challenge to maneuver to begin with. A number of licence holders participated in a training and orientation session with DFO in Vancouver and Nanaimo. There were many questions even with the DFO officials walking everyone through the process. To get started goggle DFO Pacific and you will be directed to the home page. Then you follow the prompts. There is a 1 800 help line and as well licence holders can set up appointments and visit the DFO licencing office. At this time the licence offices are still open so if you have any licences to renew for 2014 it might be an idea to go to the office and renew while you can. One more point if you do not renew a licence in a particular fishing year then the licence will be dropped from the system by default for the following year.

Good luck in the upcoming season and I hope to see you at the Annual General meeting August 28 at the Steveston Hotel.

