



Feb. 23, 2016

Volume 17 Issue 1

OFFICE

604-524-0322

E-MAIL

puha@telus.net

WEBSITE

www.puha.org



PRESIDENT'S REPORT - MIKE FEATHERSTONE

This season has seen the worst weather in recent memory and has made fishing very difficult over the holidays and in to the New Year.

Landings are below last season for the period, however, the overall catch for the year is slightly up. Prices saw a nice bump up over the holidays and fishermen tried their best to fish around the never ending storms.

The opening date for Haida Gwaii is proposed for March 15, this is based on the current weather pattern and the remaining quota in the mainland region. Last year the fishery opened in the second week of March. This year, with the current trend of repeating storms, travelling to Haida Gwaii and starting the fishery early has not made sense, both from safety and practical considerations.

An area selection process will be held in 2016 to give Red Sea Urchin licence eligibility holders an opportunity to choose which licence area they would like to fish for the period of August 1, 2016 to July 31, 2018. This will be a two-step process to give licence eligibility holders an opportunity to choose either the North licence area (Management Areas 1 to 10) or the South licence area (Management Areas 11 to 29). Area selection ballots will be mailed out on the third week of February to all licence eligibility holders. First-round ballots will need to be returned by March 21st, 2016. First round results will be posted via fishery notice on or before March 23rd. Licence eligibility holders will get a second opportunity to change licence areas by sending in a second-round ballot which will need to be returned by April 11th, 2016. Final area selection results will be posted via fishery notice on April 13th, 2016. For more information please contact Pauline Ridings at 250-756-7118 or Pauline.Ridings@dfo-mpo.gc.ca.

On the science front, PUHA has joined with the Haida Nation and the Department of Fisheries and Oceans, to support and participate in the Gwaii Haanas Help for Kelp Forests Project planned for September 2016. The role of PUHA will be to provide and manage the necessary harvest vessels, packer vessels, off loading, transportation and processing of the sea urchins removed from the study site. The goal of the project is to restore the ecological integrity of degraded kelp forests to benefit endangered northern abalone, inshore rockfish, herring, lingcod, and many more species that are culturally, ecologically and economically important, by removing sea urchins.

CONTINUED ON PAGE 6

Inside this issue:

President's Report	1
D. & D. Pacific Pages 2 to 7 incl.	2
President's Report continued	8
Marketing Pages 9 & 10	9

South Coast Fleet

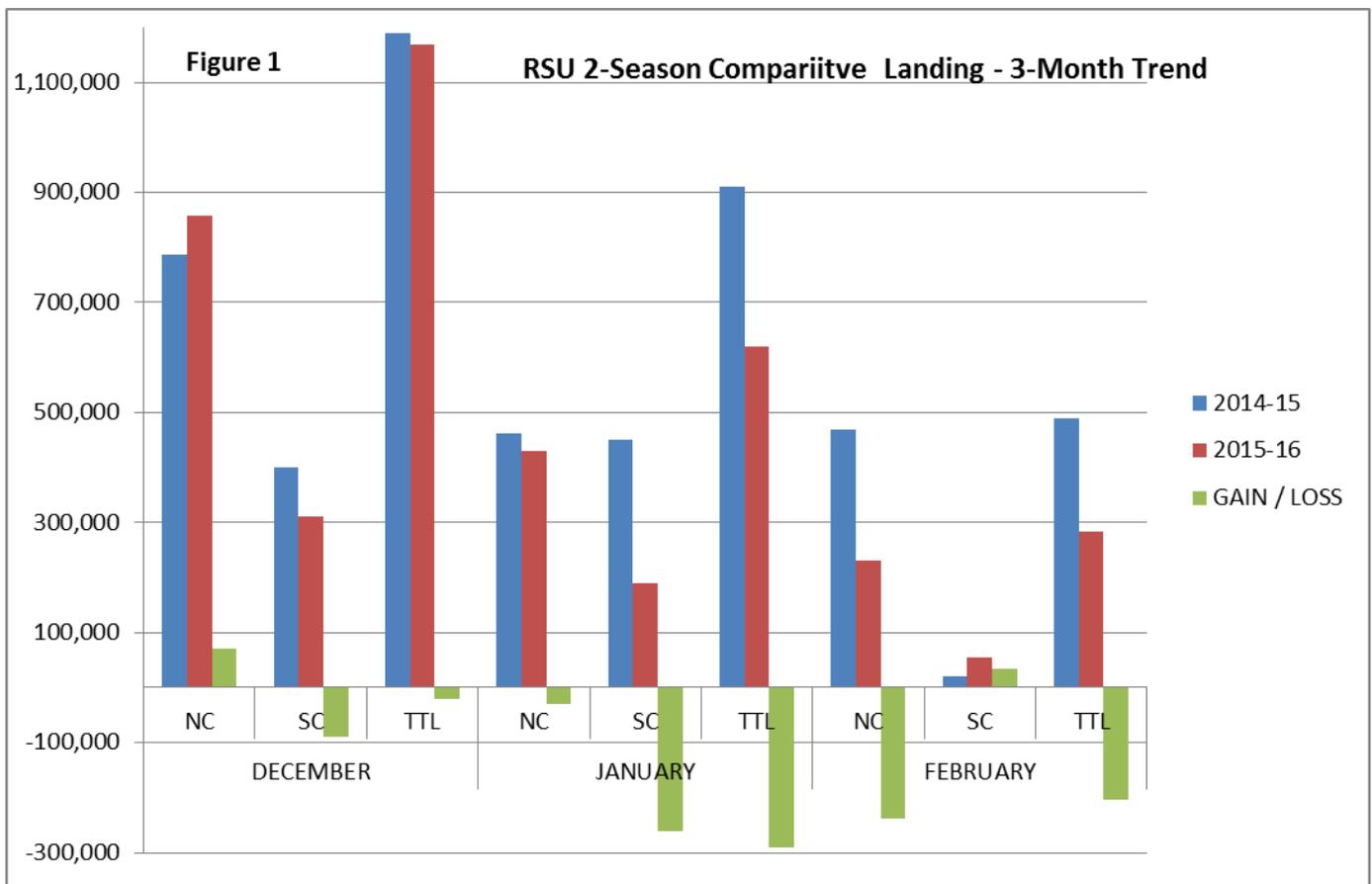
- Activity was difficult around the weather in the South Coast during December.
- We ended up 90k behind last season's December harvest total as a result.
- Weather was an issue since mid- November and continued into January.
- Minimal landings usually occur in January in the south coast with an average of 500k, but the weather was relentless and the month landed only 190K.
- February is no different for weather, but we are ahead of where we were at the same time last year.
- Currently (*around weather*), harvest is active out of Campbell River, Steveston, and Ucluelet.
- Public Sales continue, as do live shipments in efforts to build market home and abroad.
- Quality is of concern now, as vessels struggle find quality within QMAs between Kelsey Bay and Campbell River.
- The Sea Otter issue is of great concern in the Port Hardy area.
- Activity has started in Ucluelet, but I imagine the swell is the reason why minimal fishing has occurred.
- 39 of the 47 South Coast RSU tabs are registered at DFO to date.

North Coast Fleet

- The north Coast fleet was busy in December, and surpassed last season's harvest by 70k. The fleet would have harvested more if the weather had not shut them down on many occasions.
- Weather was an issue almost every day after the holiday break in December in the North Coast, and continued into January.
- January's weather was difficult, but the fleet did harvest close to what was landed last season. Unfortunately, January of 2015 was one of our worst landings to date due to the weather, and January 2016 we were 70k short of that number.
- February weather is no different. Half the landings to date compared to last season.
- Start of the Haida Qwaii QMAs was discussed on or about the 15th of February, but now looks like March 15th.
- Weather has limited harvest to the central coast as one fleet and the plant at Bella Bella work hard to land product.
- Quality in the central coast better now than it is in May when the fleet returns from Haida Gwaii.

CONTINUED ON PAGE 3

- It is recommended that the North Coast RSU fleet work the central coast QMAs before Haida Gwaii. Reasons for but not limited to;
 - The remaining "clean-up" quotas north of Milbanke Sound will only carry the fleet for 8 packer loads - will not carry them to a march 15 Haida Gwaii opening date.
 - Vessels wanting to harvest after April can clean-up the coast north of Bella Bella and still have quality in the Urchin.
 - The remaining QMAs will be around Prince Rupert and Smith inlet.
- 56 of the 63 North Coast tabs are registered with DFO to date.
- 20 RSU tabs are active in the north coast and 24 of tabs have completed their quota completely.



CONTINUED ON PAGE 4

D. & D. PACIFIC—CONTINUED

Harvest Charts and Data

- **Reminder - New for the season, harvest charts must be sent in to D&D within a month of the harvest date.**
 - Harvest chart delivery has improved, but some are being completed by someone else *not* on board.
 - This results in errors in harvest locations and even wrong QMAs being documented.
 - Please have the dive crew complete the charts.
 - Vessels Masters are now emailing their charts in. Great!

North Coast Protocol

- The north coast protocol was developed by PUHA and DFO in efforts to maintain control of the North Coast fishery without losing integrity with DFO since the loss of an on-grounds monitor.

New – North Coast Protocol

- PUHA and DFO have reviewed the North Coast Protocol and have developed a revised protocol to address the First Nation's effort to create economic opportunities in coastal communities. PUHA, D&D and DFO all support coastal communities and every effort to create jobs.
- As a result of the Bella Bella plant starting to land product and process, DFO has come out with a new protocol, supported by PUHA to assist in the viability of the plant in Bella Bella.
- A third fishing group will be allowed to fish from Area 7 south to Area 10.
- PUHA also requested that Haida Qwaii Area 1 & 2 will have the opportunity as a fourth group.
- The two groups from Area 3 to 6 will maintain 2 groups.
- There are no restrictions for the commercial vessels - they will be allowed to fish in any group. Please see the "revised" North Coast Protocol.

Red Sea Urchin Season Catch Comparative

Seasons of harvest have similar patterns and are driven by market demand. The last three seasons have similar characteristics, which show improvement to market demand and thus the fishery. Unfortunately weather was and is a major factor this season.

- Table 1 shows the total landings for the last two seasons to date (Feb 15).
- February usually lands approximately 900k - so far mid-February we are at 290k.

CONTINUED ON PAGE 5

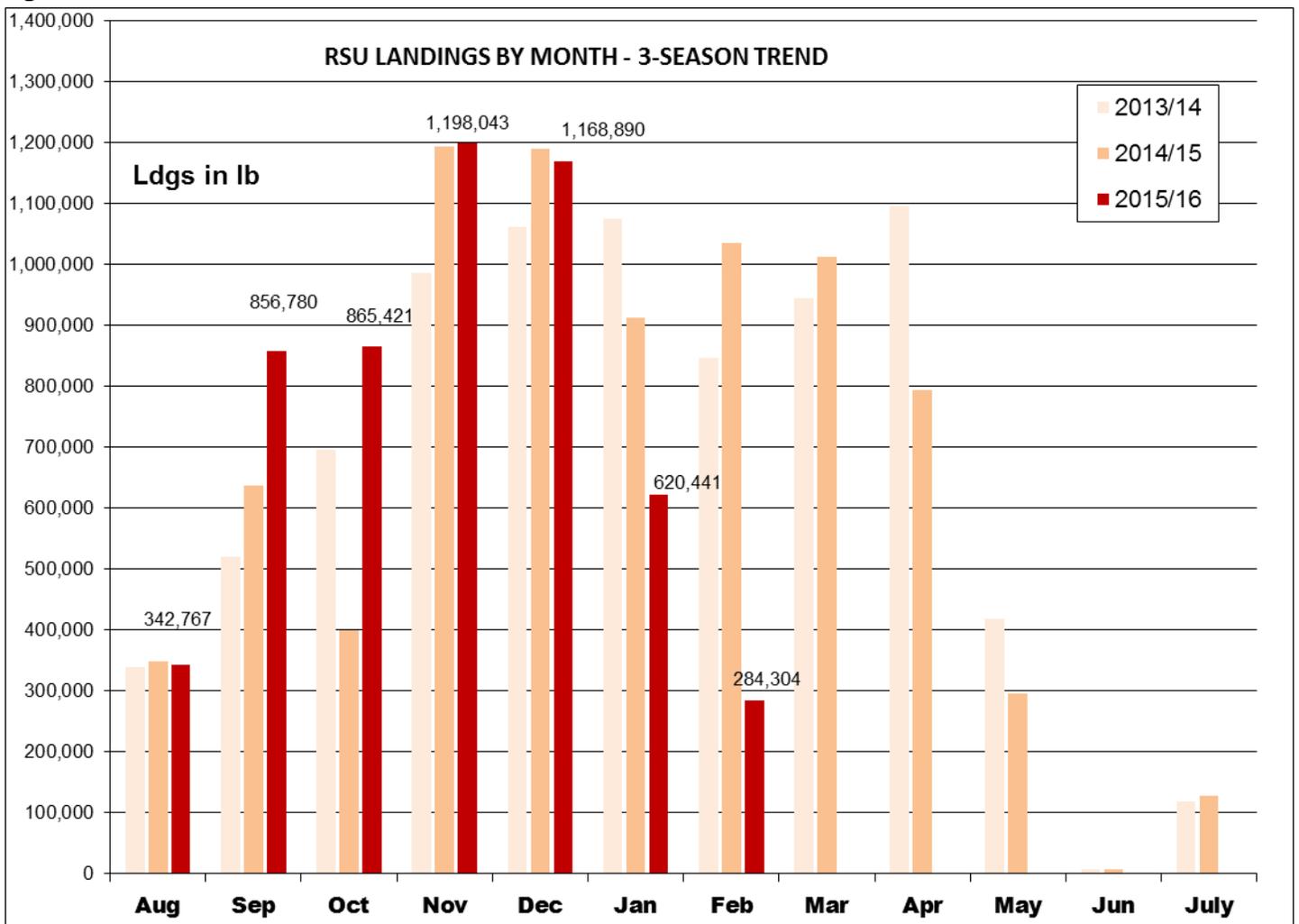
D. & D. PACIFIC—CONTINUED

- Even though the weather has hampered the fleet's effort to harvest, we are still 2% ahead of last season at this time due to the harvest rates in October and November. If that helps at all

Table 1

Red Sea Urchin Season Catch Comparison to February 15						
Season	North Coast	% Taken	South Coast	% Taken	Total Catch	% Taken
2014/2015	4,096,573	49%	1,067,171	67%	5,163,744	61%
2015/2016	4,494,704	53%	841,942	53%	5,336,646	63%
Difference	398,131	5%	-225,229	-14%	172,902	2%

Figure 2



Note: 2015-16 February landings are only up to February 15, 2016

CONTINUED ON PAGE 6

D. & D. PACIFIC—CONTINUED

2015–2016 GREEN SEA URCHIN UPDATE

3-Month Review – see Figure 3

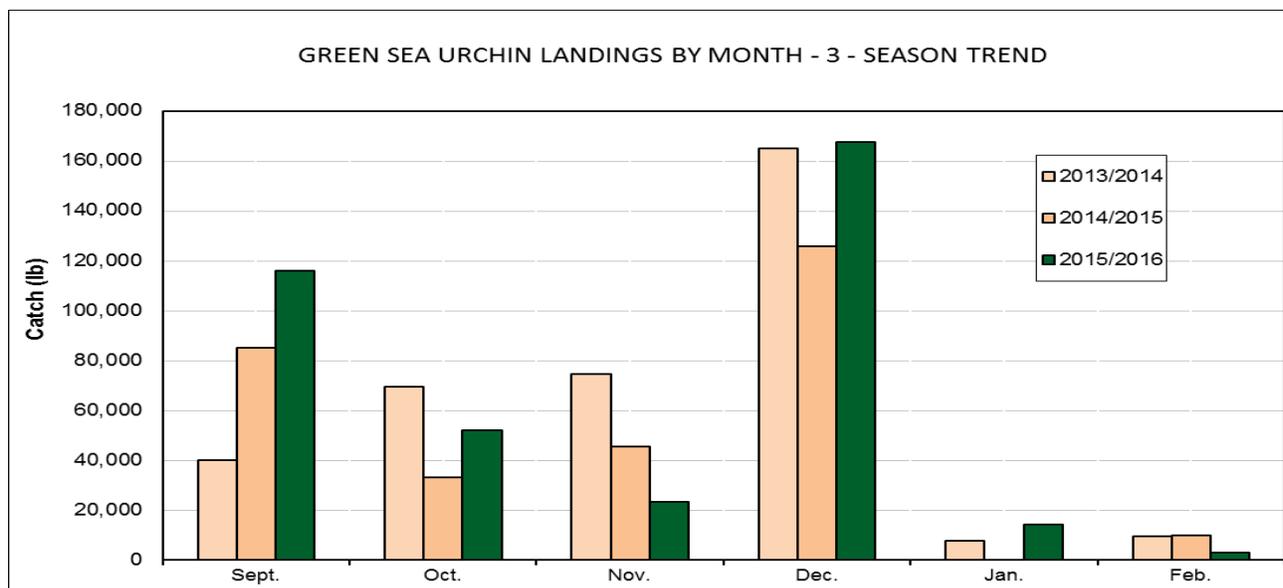
- The Green Sea Urchin fishery opened on September 1st with positive landings not seen in a long time.
- October landings were average and November was the worst in the last 3-years due to market and some quality issues.
- December was very good for fishermen.
- January has had minimal landings (sometimes zero), but the fleet worked hard to surpass the last two seasons.
- February market shows the minimal landings. Some quality issues may be present as well.
- Public sales have ended as available quota is achieved.

Green Sea Urchin Season Comparative

Seasons of harvest have similar patterns and are driven by market demand. The last three seasons have similar characteristics, which show improvement to market demand and thus the fishery.

- Figure 3 shows the total landings for the last three seasons to February 2016.
- Industry is ahead of last season by 76k.
- September landings surpassed all other seasons, showing a market demand that BC is filling.

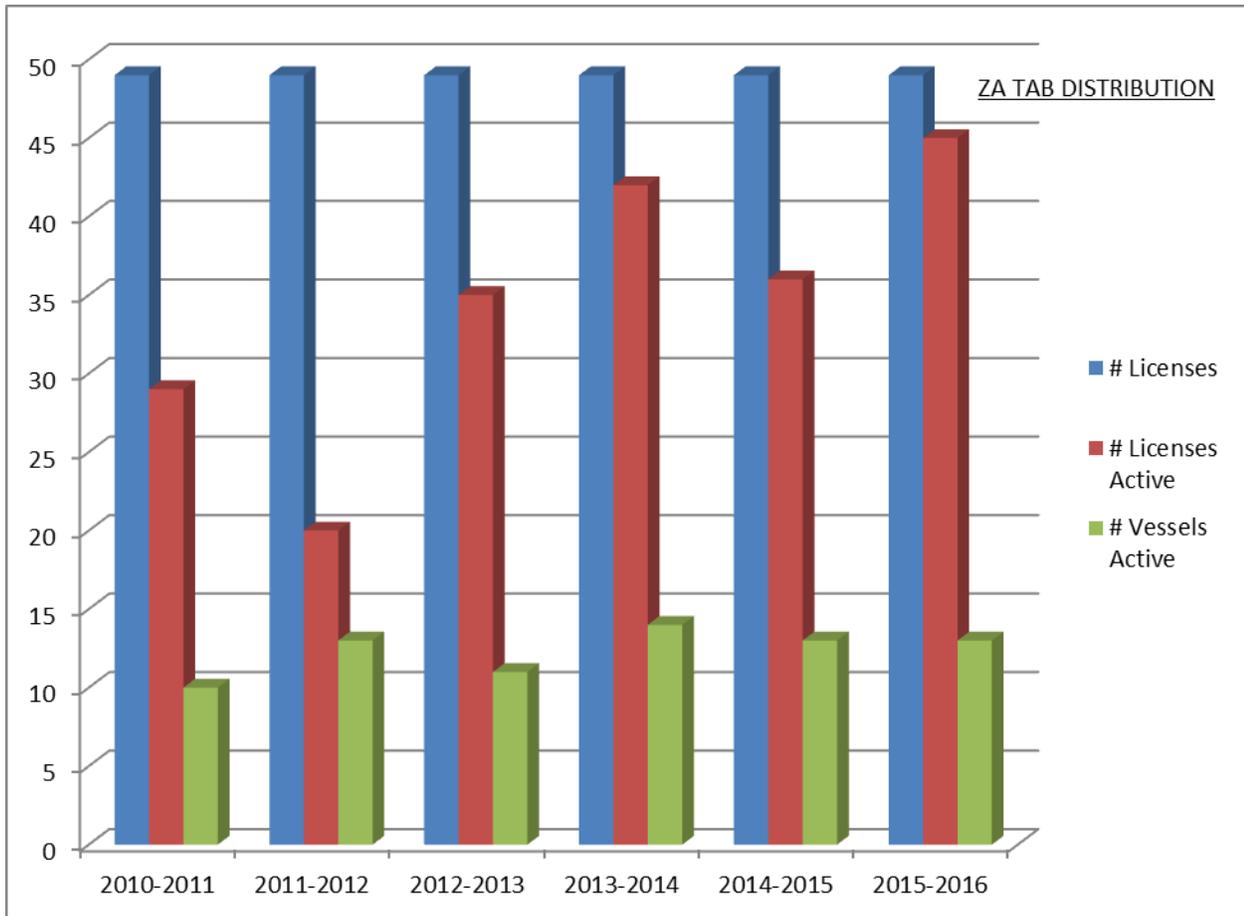
Figure 3



D. & D. PACIFIC—CONTINUED

- 45 tabs active out of 49 so far this season with 40 of those tabs completed.
- The number of vessels will adjust slightly as re-designations occurred during the season.

Figure 4



Comments from Industry

- Surveys needed for new areas as well as current QMAs.
- North Coast needs a protocol to spark interest in harvesting greens in Management Areas 3 to 10.
- Attached a protocol to RSU tabs in the north coast to promote green sea urchin identification
- Acquire any Sea Cucumber or RSU survey data to identify GSU bio-mass quantified within any surveys.
- The closure just north of Campbell River needs to be clarified. Large biomass.

PRESIDENT’S REPORT—CONTINUED

The project will be managed by the Gwaii Haanas Archipelago Management Board. As the project moves forward PUHA will provide information and opportunities for industry participation.

In early February, a group of industry representatives met with Janet Lohead in Nanaimo, to discuss and plan the green sea urchin science for the upcoming year. To date, 85% of the green quota has been achieved and 45 of 49 licences have been activated. The market trend is positive and it is forecast that 100 % of the quota will be achieved if this trend continues. With this in mind the group discussed the current quotas and how and where opportunities to expand the fishery exist. The minutes of the meeting can be found on the PUHA website.

In March, PUHA representatives will attend Seafood Expo North America in Boston. The goal is to explore the market opportunities in the US as well as gather information on the East Coast fishery and meet with US industry representatives. While at the Expo, I will join Canadian seafood industry representatives to meet with the new Minister of Fisheries and Oceans. This will be the second meeting with Minister Tootoo. Shortly after he was appointed the Minister visited the West Coast where we introduced our industry, our mandate and our current issues.

The Liberal Government has committed to an ambitious target of increasing “the proportion of Canada’s marine and coastal areas that are protected—to five percent by 2017 and ten percent by 2020—supported by new investments in community consultation and science.” The protected areas are being promoted as no take zones by conservation groups. This would have devastating effect on West Coast fisheries which provide many jobs and contribute over 900 million in sales and exports to the British Columbia economy. Seafood is the largest AgriFood export category in British Columbia.

In the past, no take zones for sea urchins, have resulted in the unintended consequences of urchin barrens and decreased bio diversity. PUHA advocates the adaptive management of the sea urchin populations, utilizing an eco system management approach. In this regard, I will attend an industry meeting in early March, to discuss the MPA’s and provide PUHA’s input.



MARKETING—GEOFF KRAUSE

We are well into the New Year now and rumour has it that the weather has not been terribly cooperative over the past few months, at least not on the North Coast anyways. El Nino was projected to deflect the storm tracks more to the south this year so places south of Portland, Oregon take the brunt (especially after New Years) but it doesn't look like it's necessarily working out that way. I am hearing though that the guys in California are also taking a hit, mainly because of the warm water affecting the kelp, and they too are hurting because of events outside their control. Water temperatures in the California Bight are about 2 - 3 °C (4 - 6F) warmer than normal while further south in Baja it looks like they are upwards 3-4°C higher. This compares to between 1- 2°C warmer off the BC coast.

On a brighter note, the import stats for sea urchin products are looking pretty good, and, based on the Statistics Canada are up overall in Canadian dollar terms (\$C) by 23% over the last year. Japan, with sales of \$C 11.4 M (up from \$C 10.5 M in 2014), unsurprisingly remains our biggest market but we are also doing quite well in Hong Kong, Taiwan and China. Hong Kong especially bounced back nicely in the September through December period with an increase in sales to over \$C 1 M from \$C 450 K in the same period last year and racked up total annual sales of \$C 2.05 M. This represents a pretty substantial turnaround from 2014 when the Occupy Central protests impacted sales from September right through the spring. Taiwan also continued growing throughout the whole year, adding about \$C 500 K to reach total annual sales of \$C 2.1 M. China similarly experienced a good jump to about \$C 928 K in 2015 from \$C 597 K in 2014. All of these are quite heartening and hopefully bode well for the future.

Japanese imports according to Japan Customs data also suggest the volume from Canada for 2015 is on track to be only a bit lower than 2014, which was the best year since 2005, while revenues are looking to increase because prices are up by (on average) about 15- 20% in terms of the Yen. The supply from the US into Japan is continuing to decline although again their revenues are staying up because prices are on the rise. I don't think the price rise can be attributed to declining imports from Russia, as those are looking apparently steady and they too are seeing a modest price increase. Taken together, it seems there is something else going on that is, to this point, still a bit of a mystery.

The statistics from StatsCanada and Japan Customs sort of agree on the trends with the Canadian bit, both indicate the volume, revenues and prices are all up, but there remains some distance between the actual numbers each actually reports (eg. 2014 volume StatsCan vs Japan Customs: 322.8 vs 308.1 MT, 2014 revenues: \$C 11.4 vs \$C 23.8 M). Again, these differences are something that remains a bit of a mystery but are also something likely to remain so for a while yet. From what I can tell it is accepted as something that just is and it does not look like there is a lot of concern from any country to get a better reconciliation.

This has been the case for just about forever as far as I can tell and there also appears there are a few other things sitting top of mind when it comes to prognosticating future economic trends. These are, as an old Chinese curse might envision, interesting times because there is so much stuff going on. This is something that I could go on for some time about but I expect I'd just get tuned out. Suffice it to say though, we can only trust that everybody, just like each of us, is able, willing and even determined to do their job effectively with a view to some sort of end that hopefully recognizes shared prosperity as an essential and integral part of everyone's enlightened self-interest. There seems to be an awful lots of ways for things to go terribly sideways these days but I remain optimistic that things will work out for the best as we seem to be able to muddle through with the leadership we get.

MARKETING—CONTINUED

We have one other trip to attend to this year. Mike Featherstone, David McRae, Bob Hegedus and myself will be attending the 2016 Seafood Expo North America, aka the Boston Seafood Show, in early March. We are all hoping it will not be the snow-mageddon that popped up last year (3-4 feet of snow in the week before the show) and that we will be able to get a better handle on what may be a another good potential market. Given the economic and financial etc. uncertainties around the world, it only makes sense to check out all the market diversification options we can.

We also had an encouraging meeting a few weeks back with DFO on the Green Urchin fishery. A new science paper requested by managers to inform the management of the fishery is just being completed and will be peer reviewed sometime over the next few months. It is hard to say what the outcome will be but current policy for the fishery holds that surveys will be required for new areas before area quotas can be assigned. GSU are known to lay deeper in some areas where normal surveys won't count but there may be some video and other survey data available that can provide some baselines to help ID areas of main interest. I guess my hope is that you people will take note of areas where you spot substantial numbers of Green (and Purple?) sea urchins so proper surveys can be undertaken to get a better picture of what is available where.

Part of the discussion revolved around the emerging realization amongst the general public that too many urchins in an area depletes the kelp and algal resources that are so important as habitat and feed for so many other fish. Interestingly, if a bit off point perhaps- there are apparently some substantial swathes of ground in California seeing purple sea urchins creating barrens type habitat out of what was productive kelp and RSU grounds. They are now paying guys to simply swim around and bash them with a hammer. This sort of information helps make the point that (perhaps one day) differential fishing rates on urchins will be recognized within an ecologically-based management framework as a tool to better optimize fisheries production on local or even perhaps a regional scale and allow increased fishing rates on available urchin stocks. It sounds like some experiments along this line in Gwaii Hanaas are planned and that some additional requests to increase urchin harvests around Campbell River to address impacts of urchin over-abundance are under consideration. This, but don't your breath, could turn out to be a very big deal.

