PACIFIC URCHIN HARVESTERS ASSOCIATION

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PRESIDENT'S REPORT —MIKE FEATHERSTONE

This season is showing a marked improvement over the past few years with the current landings exceeding each of the past 3 years. Check out the D&D report for more details.

In January PUHA representatives traveled to Hong Kong and Guangzhou, China to attend a special reception hosted by the Canadian Consul for Guangzhou and the Guangdong Fisheries Association. The event specifically highlighted red sea urchin. Invited guests included seafood importers, distributors and restaurant owners. The response was very positive and all guests were very excited about the dishes the chefs prepared. Paddy Wong provided the recipes and helped with the facilitation of the event. See Geoff's report for more details.

The challenge now is to get more of our product flowing into the market. The demand is there and the potential is great. One problem is the hefty duties on imports which I will raise with the International Trade representatives on my next visit to Ottawa. Further to that representatives of the Western Seafood Processors Association plan to raise the issue when they travel to Beijing this spring. Direct flights to Guangzhou are scheduled to commence this spring as well and there is a feeling that the Chinese importers will also support the reduction of the tariffs to enhance their business. The tariff and duties currently stand at close to 40% for imported seafood.

At least 2 different new exporters have been shipping small live orders of red and green sea urchins to Hong Kong. Although this market is currently very small it is showing positive signs. Slowly the logistics are being sorted out and some of the importers have proper cold water tanks keeping the urchins alive after shipment.

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Inside this issue:

D. & D. Pacific

<u>North Coast:</u> Vessels have been active around weather, fishing in two groups. With the exception of the Dundas quotas, most of the quota areas above Upper West Aristazabal have been re-opened for harvest at least twice. The two fleets seem to rotate around these quota areas trying to stay close to Prince Rupert, but try not to fish together. One fleet is active on West Aristazabal at this time, and the other fleet is close to Prince Rupert again fishing the Tree Nob area. As the charts show below, there a definite sign of growth in landings compared to the last four seasons.

<u>South Coast:</u> The landings have been similar compared to previous seasons if you look at the landings by month. We are definitely ahead of the last two seasons and we match closely to the landings three years ago. The south coast fishing this season was strong in the beginning and has now dropped off to minimal landings for Public sales and minor market orders. Positive news for the south coast is the harvest for Urchins has begun in Ucluelet. It has been at least four seasons since we harvested from the west coast.

<u>Licence Registration</u>: To date, the number of licenses registered is 61. The North Coast with 29 and the South Coast with 32 registered tabs. The number of South Coast registered tabs exceeds previous seasons total for the entire year which is nice to see. As for the North, there is not much of a change, but better than last years total. See the table below.

Red Sea Urchin
Season Catch Comparison

Season	South Coast	% Taken	# of Licences	North Coast	% Taken	# of Licences	Total Catch	% Taken	# of Licences	Comments
2005/2006	1,408,515	85%	17	3,900,406	53%	79	5,308,921	59%	96	Licence count end of season
2006/2007	1,171,483	71%	16	2,583,672	29%	51	3,755,155	35%	67	Licence count end of season
2007/2008	676,467	45%	27	2,026,411	25%	34	2,702,878	28%	61	Licence count end of season
2008/2009	635,968	43%	23	1,783,626	22%	34	2,419,594	25%	57	Licence count end of season
2009/2010	718,367	45%	27	1,609,529	19%	28	2,327,896	23%	55	Licence count end of season
2010/2011	800,781	51%	32	2,160,698	25%	29	2,961,479	29%	61	Licence count as of the end of January

<u>Problems and Issues:</u> The monitoring program is running properly at this time. Issues D&D is tracking and is aware of the low average landing per vessel in the north and especially the south coast this season. The low average landings are causing monitoring budgets in the south coast to evaporate. The reduced average landings are also affecting offloading and trucking costs for buyers and fishers alike. The vessels are trying to make things work by offloading two-day loads, which helps the trucking costs, but at the cost of losing quality.

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President's Report—continued

This month has been very difficult for the fishing due to the bad weather which has really slowed down the landings. It is important that all vessels on the grounds follow all the proper hail and reporting requirements. It will create major problems if the fleet does not adhere to all the DFO requirements. There has been a report that abalone were found under one of the active sea urchin harvest vessels. This is a situation that cannot be tolerated and PUHA will report any violators and support full prosecution of any offending fishermen.

The QCC Island fishery is planned for the middle of March, dates and times to be determined by consultations with the fleet.

On the research front there are a number of surveys planned for this summer and any vessels wanting to participate should contact Dan Leus at 1 250 756 7147 (Pacific Biological Station)

Marketing—GEOFF KRAUSE

The Christmas- New Years rush is now behind us and 2010 was the best year as far as volume and value shipped to Japan for the calendar year since 2006. As can be seen in the table below, Japan Customs records of the 244.2 MT of product valued at 1.192 B ¥ are the highest we've seen since 2006. Hopefully this bodes well for the future despite the rising value of the Canadian dollar and assuming of course that we can get the weather to cooperate.

Quantity (kg)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2000	57,488	41,989	53,266	43,782	14,848	922	601	2,368	22,294	54,807	69,148	100,381	461,894
2001	58,943	43,010	52,295	25,834	2,754			708	15,363	51,435	59,677	101,617	411,636
2002	58,378	45,134	44,037	13,546	763			388	21,412	57,416	52,462	99,983	393,519
2003	69,532	38,244	33,851	23,944	2,186	156		72	12,598	36,468	57,042	93,637	367,730
2004	59,391	50,210	50,762	23,635	3,597	60	122	1,031	9,370	34,545	44,706	95,635	373,064
2005	51,042	41,164	38,271	33,649	3,046			1,023	13,764	28,148	41,755	87,794	339,656
2006	37,832	39,997	39,865	28,075	453		623	1,171	7,587	16,673	37,766	59,821	269,863
2007	40,658	22,980	36,029	24,403	1,884			1,926	3,732	8,342	16,655	43,861	200,470
2008	33,604	24,587	21,310	21,371	1,998			1,330	3,358	5,079	11,363	41,493	165,493
2009	28,494	22,579	24,427	20,989	5,372	0		601	1,957	7,551	11,720	36,641	160,331
2010	24,158	21,504	23,230	38,378	20,805	0	0	956	11,055	26,319	26,908	50,902	244,215

Value ('000 yen)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2000	249,111	211,510	222,942	190,242	66,249	3,516	2,626	11,239	100,964	246,568	312,564	499,297	2,116,828
2001	305,739	217,867	252,999	131,257	13,672			3,911	79,066	244,733	284,602	521,061	2,054,907
2002	306,306	244,727	212,423	61,704	4,677			2,243	101,953	274,251	237,247	494,206	1,939,737
2003	346,814	176,178	159,160	103,625	9,642	553		426	62,900	166,512	256,353	447,816	1,729,979
2004	295,755	228,691	229,484	106,626	15,978	236	593	5,973	46,458	166,663	210,633	463,132	1,770,222
2005	242,556	189,534	178,676	156,383	13,149			6,093	68,982	144,809	209,576	480,309	1,690,067
2006	192,912	204,575	202,409	139,992	2,464		3,125	7,407	29,443	88,043	199,693	339,465	1,409,528
2007	226,184	119,523	196,559	127,142	11,901			11,821	22,322	49,168	98,284	251,018	1,113,922
2008	186,022	118,565	108,705	102,745	9,450			8,404	18,123	27,440	51,974	189,766	821,194
2009	123,428	91,901	105,746	95,417	6,780	0		3,089	9,453	31,379	50,436	165,493	683,122
2010	108,111	96,770	107,781	178,720	101,357	0	0	3,623	62,202	135,323	134,093	264,467	1,192,447

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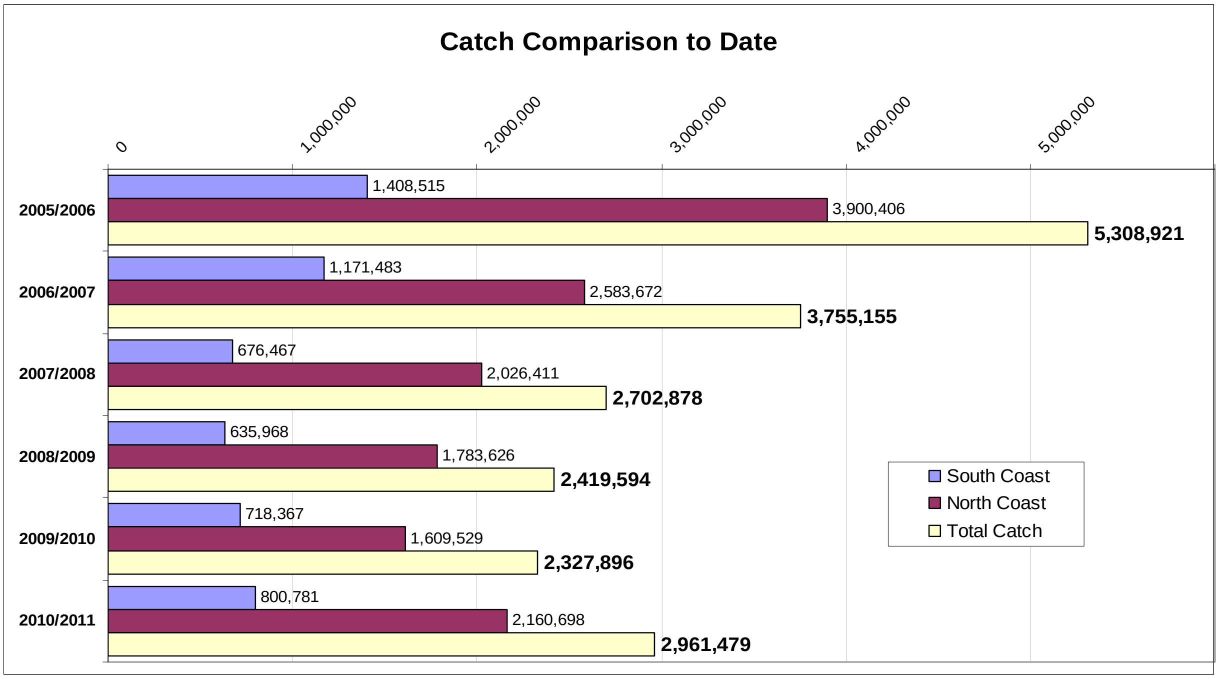
Unit Valu (yen/kg)

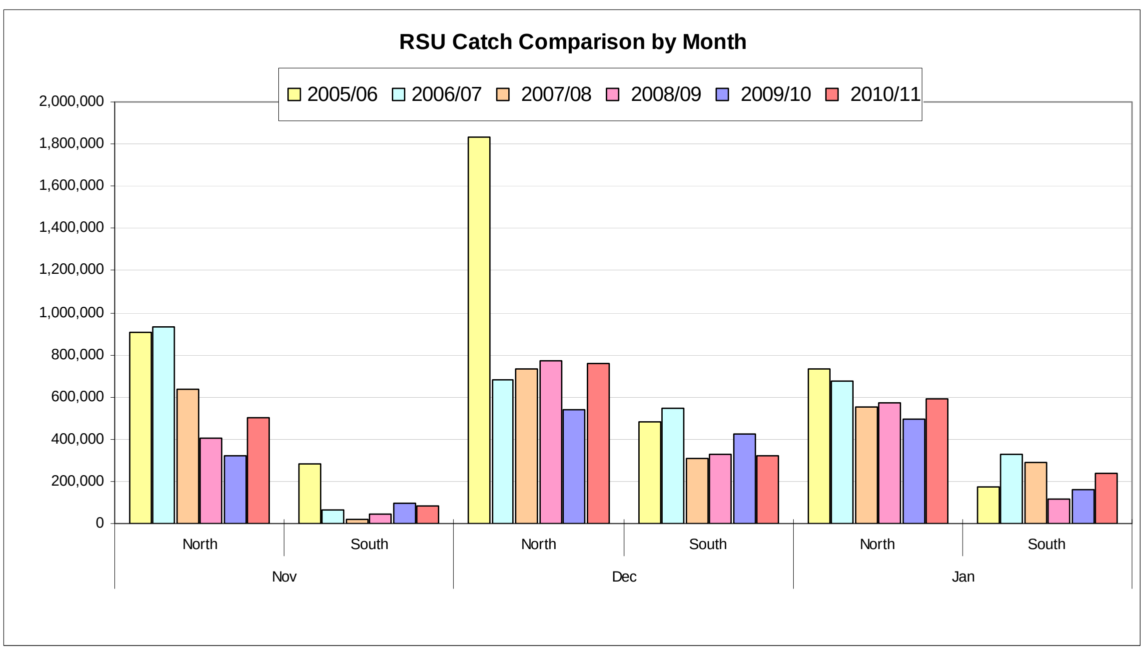
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2000	¥4,333	¥5,037	¥4,185	¥4,345	¥4,462	¥3,813	¥4,369	¥4,746	¥4,529	¥4,499	¥4,520	¥4,974	¥4,583
2001	¥5,187	¥5,065	¥4,838	¥5,081	¥4,964			¥5,524	¥5,147	¥4,758	¥4,769	¥5,128	¥4,992
2002	¥5,247	¥5,422	¥4,824	¥4,555	¥6,130			¥5,781	¥4,761	¥4,777	¥4,522	¥4,943	¥4,929
2003	¥4,988	¥4,607	¥4,702	¥4,328	¥4,411	¥3,545		¥5,917	¥4,993	¥4,566	¥4,494	¥4,782	¥4,704
2004	¥4,980	¥4,555	¥4,521	¥4,511	¥4,442	¥3,933	¥4,861	¥5,793	¥4,958	¥4,825	¥4,712	¥4,843	¥4,745
2005	¥4,752	¥4,604	¥4,669	¥4,647	¥4,317			¥5,956	¥5,012	¥5,145	¥5,019	¥5,471	¥4,976
2006	¥5,099	¥5,115	¥5,077	¥4,986	¥5,439		¥5,016	¥6,325	¥3,881	¥5,281	¥5,288	¥5,675	¥5,223
2007	¥5,563	¥5,201	¥5,456	¥5,210	¥6,317			¥6,138	¥5,981	¥5,894	¥5,901	¥5,723	¥5,557
2008	¥5,536	¥4,822	¥5,101	¥4,808	¥4,730			¥6,319	¥5,397	¥5,403	¥4,574	¥4,573	¥4,962
2009	¥3,673	¥3,738	¥4,962	¥4,465	¥3,393			¥2,323	¥2,815	¥6,178	¥4,439	¥3,988	¥4,261
2010	¥4,475	¥4,500	¥4,640	¥4,657	¥4,872			¥3,790	¥5,627	¥5,142	¥4,983	¥5,196	¥4,883

D. & D. Pacific—continued.

Red Sea Urchin Catch Comparison by Season (*to the end of January*)



Landings by Month Comparison



News item from Seafood.com that may interest readers,… unfortunately! Go China Go!

"Finally, supermarket sales of seafood in Japan continue their uninterrupted decline - now for 34 years in a row. I think that qualifies as a trend. But despite lower sales volume from the previous year, crab and shrimp remained bright spots for the mass marketers". Seafood.com

There was some indication back in August-September that the Russian IUU fishing in Kuriles might be coming under more scrutiny and better control by the Russian fishery authorities and that prices might recover at least partially as a result. What seems to be happening there is that the Russian Coast Guard remains on station in the lower Kuriles during the summer but they return to their home base in Vladivostok the fall. Imports of whole Russian urchins to other ports in Japan are assumed to be legal and in those months over the past couple of years have been maintained at between 250 - 325 MT per month while the IUU shipments into Hanasaki dropped to 0. However the IUU fishery apparently started up again in October and continued through December at production levels between about 550 - 1,000 MT per month. Annual production in the Kuriles peaked at about 11,000 MT in 2006 and then fell to around 6,500 - 7,000 MT within 2 years and where it has remained since. Despite reports of IUU vessel seizures by the Russian government and the imminent implementation of United Nation Fisheries and Agriculture Organization (FAO) port measures, the impacts on Japanese markets are yet to become obvious or entrenched.

Partly because of this, we are continuing to explore the Chinese market. The potential of selling to a 1.33 billion person strong market is exciting but of course it is not something any of us are going to figure out overnight or even in one go. We had a couple of successful shows in Hong Kong and Dalian this past year and followed through on a visit to GuangZhou in January that was very encouraging. In that instance we had been invited by the Guangdong Fisheries Association to an event they hosted which featured BC sea urchin and secondarily sea cucumber. The Guangzhou offices of Canadian consulate and the British Columbia Ministry of International Trade and Investment jumped right in and really helped make it a memorable and successful event. There were about 75 buyers from Guangdong Province attending the showcase dinner and we received many expressions of interest in developing business in the area. The report for the trip is complete and should be posted on the website in the near future. No information on sales developed as a result of the trip have yet been shared but hopefully we'll get a nice bounce both this year and down the road.

We are continuing with our international marketing efforts with some emphasis on China. As in Japan, face to face meetings are an important part of their business culture as a way to demonstrate we are serious. These trips are, therefore, core elements of our marketing We applied for Agri-Marketing Program (AMP) funding assistance through Agriculture and Agri-Food Canada again this year so we can attend the Asia Seafood Expo in Hong Kong in September and the China Fisheries and Seafood Expo in Qingdao in November. As you know the AMP provides 50% funding based on approved budget activities. There are other market research activities, ongoing quality monitoring and assurance initiatives and some additional visits to customers in Asia, including Japan, so the whole budget is projected at about $90 K. This is similar to previous years and is similarly subject to modification depending on how the approval process goes. We have been diligent in following through on the program requirements over the past couple of years (kudo's to Ross Morris on that) so we are optimistic that we will again have the majority of our plan approved. Last year the approvals were finalized in July (I believe) and the contribution agreements arrived in August. The AMP folks maintain they are trying to beat these dates this year but we'll have to see on that.

Anyways- I hope your seasons are going well and that improving market prospects continue. Stay safe.

2010 Summary

- Five field surveys completed with over 600 dives (305 transects) in 30 dive days covering about 250km of shoreline/all data entered and analyzed
- Publication accepted into the journal Fisheries Research: Zhang, Z., Campbell, A., Leus, D., Bureau, D. 2011. Recruitment patterns and juvenile-adult associations of red sea urchins in three areas of British Columbia. Fish. Res. In press.
- Red sea urchin habitat modeling: integration of survey data and B.C. shorezone data set complete, implementation of new shoreline targeted for 2012/2013 quotas
- Live market validation program designed and preliminary data gathered, results to be presented at Sectoral on March 15th at DFO in Nanaimo

2011 Plans

- Five field surveys are planned for the 2011 field season. Based on harvest pressure and lack of survey data, Campbell River East and/or Kelsey Bay Proper will be survey in the south coast and Skincuttle Inlet will be surveyed in the North Coast. Annual research surveys are also planned for Tofino and Louise Island.
- Substantial habitat modeling was completed in 2010 which affects the shoreline lengths used in quota estimations. Integration and documentation of these analyses are planned for 2011 for implementation into the 2012/2013 quota recommendations.
- A live market/submersed product pilot validation program is planned for 2011 with a target for full implementation in the 2012/2013 fishing season.

Validation of submersed and fresh dockside urchins for the live market:

A total of 20 totes were sampled for water loss during the preliminary live market validation sampling program. The mean water loss observed was 12.6% from the time the urchins were removed from the water to the mean weight after draining 4 to 6 hours (drain time used for quotas).

Due to the variety of totes used in the industry a few possible alternatives exist to the current validation program that would allow for landing of submersed product. DFO will present two of the potential alternatives at the red sea urchin sectoral scheduled for March 15 at the Pacific Biological Station. The alternatives include either using tote volume or draining the tote, weighing it immediately after draining and refilling it.

Want to get involved in urchin dive surveys and make $1300/day?

If you have a vessel and crew that meet WCB standards (i.e. vessel has current air compressor test, crew are WCB certified shellfish harvester/SCUBA and have current medicals and first aid etc.) you can earn money in the off season conducting red sea urchin surveys. Dive survey contracts are with PUHA and require you to provide a crewed (skipper and one diver) vessel that can sleep 3, food and transportation from port to the survey site and back. Pay for 2011 is $1300 for each working dive day plus one paid travel day (full day rate) for North Coast surveys and two paid travel days for surveys in the Haida Gwaii (no travel days for South Coast surveys).

Questions/Comments to: Dan Leus at DFO: 250 756-7147 office, 250 739-DIVE cell.