



PUHA NEWSLETTER

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OFFICE

604-524-0322

FAX

6-4=524-1023

E-MAIL

puha@telus.net

WEBSITE

www.puha.org



PRESIDENTS

The planning for next season is completed and the new management plan should come out near the end of July. The fishery is scheduled to open August 1st in an effort to increase landings and lengthen the season. It remains to be seen how much activity will actually take place as there only a few processors still operating and the market demand is not anticipated to be great. Interest from Japan has been so-so with respect to Canadian product and the Japanese are seemingly unwilling to pay increased prices particularly when they have access to cheap product from Russia. Even the once high rolling prawn fishery is facing low prices this year and the Japanese seem unwilling to budge. Interestingly enough every buyer is offering the Canadian processors exactly the same price.

The area selection process is now completed for the upcoming season and the unofficial results are: 42 South Coast with an IQ of 36,738 lb. and 68 North Coast with an IQ of 125,309 lb. At the Spring general meeting the majority recommended continuing under the same licence based fee structure as last season. The industry management fee, which includes validation, on grounds monitoring and PUHA operations will decrease to \$5,000/ licence. PUHA is working with D&D to develop a pro rated alternative fee structure for discussion at the Annual General Meeting. Certainly there were a few who were opposed to last season's structure. If you were one of those I certainly encourage you to attend the AGM or send a representative with a proxy and present your opinion and vote on the issue.

There are few changes to the management plan itself and the quotas are basically unchanged. The big challenge is going to be the market and how many buyers will step up to the plate. The CAFI marketing program is presently uncertain as seafood is being pushed out of the Agriculture and Agri-Food Canada umbrella. This is really unfortunate as now seafood will be back under the DFO mandate and the DFO is unlikely to promote seafood as did AAFC. It was only 5 short years ago that seafood was recognized under the AAFC and reasonable funding became available for marketing and market development. The AAFC people were great to work with and PUHA received considerable support from AAFC, it will be another blow to our industry and indeed the sector as a whole.

Please note that the AGM is July 29th in Steveston. I encourage everyone to attend and lend your opinions to the discussions. Look forward to seeing you there !

Inside this issue:

President's Report	1
Marketing	2
Dive Safe Int'l	3
Of Interest	3
Lottery Results	3
Marketing—cont.	4
Survey's	4

Another season has come to a close- and, if you are reading this, the good news is that you are able to read this. As a wise(?) old guy once told me- simply having life, along with the wit and imagination to appreciate it, counts for 99% of the value of living and most everything else just serves to hide that basic truth. This year's fishing season is perhaps best viewed with that in mind.

So how bad was it? The harvest tally for the year to mid-April saw only 40.4% and 56.3% of the North and South Coast quotas harvested respectively so that only 42.8% overall of the TAC was harvested to that point, the slowest year to date recorded since quotas were established. Fishing was slower in all areas in all months this year than in previous years. Only 61 licences, comprising 34 North Coast and 27 South Coast, were active. This is down from 70 active licences (54 NC/16 SC) last year although it appears the same number of vessels was involved but with less stacking this year.

In a sense events have conspired to make it a buyers market all the way up the chain. The IUU fishing in Russia was again biting into the market and hurting Canadian producers quite badly. The reduced number of buyers active in Canada, major players having declined from 6 to 2, has reduced competition and brought lower prices to the divers. Weather was also an issue this year. Fishing was possible on only 13 days on the North Coast in February. Even a few good days saw some boats shut down by processor limits and most were limited to 3,000 lbs per day for the rest of the time. And then, just when things look like they can't get much worse, the price of fuel resumes its flight into the stratosphere.

I've heard that enduring hardship builds character, but hey - enough already. The problem is that complaints of that type do not have any effect on the factors causing the problems- they remain outside the influence of any one supplier. The way things are cascading, even if all suppliers, buyers and consumers were somehow working together (as if), the impact would still be limited, at least over the short term, because there is a larger "storm" reverberating throughout the global marketplace and affecting virtually everything economic. This will eventually subside and people will look anew for products and people they can identify with and trust. Including some inspirational and/or aspirational leadership kernels of innovation as part of the package will translate into a key advantage almost anywhere.

Markets are networks of relationships and success depends on reputations, especially when dealing with other cultures. In essence it means it is who, as opposed to what, you know and what it is they say about you that determines your popularity. Funny isn't it how the older you get, the more the first part of that old truism really strikes home. There is one way, and one way only, to really meet people in other countries and that way is through travel. Those travelling to the other markets are in effect entrusted with the relationships and communications and control the message. PUHA made 4 trips to Japan between 2003 - 2005 and, I feel, was building towards a breakthrough as an industry in its relationship with Japanese buyers but the planned joint trips in 2006 and 2007 were cancelled, despite the lock on 50% funding from CAFI that made them more than simply affordable. PUHA was therefore represented solely by whatever trips were made by the processing companies over those two years. My understanding is that not everyone is entirely comfortable with that but, unfortunate and unintentional though it may be, it remains a hard to discredit logical consequence.

I heard some talk earlier this year that some fishermen were saying the international trips were a waste of time and that the money would be better used to get some more equipment upgrades. I suppose that might be so but unfortunately the CAFI money could only be used for international marketing- CAFI actually stands for Canada Agri-Food International. In fact, any kind of diversion that funding towards equipment would have likely resulted in a pretty severe loss of credibility for all involved.

CONTINUED ON PAGE 4

Expand your work into survey, environmental assessment, aquaculture and other dive work in the off season. Dive Safe International has developed a specialized course to cross-over divers with a W.C.B. Harvester certificate to C.S.A. Occupational Certificate. You can get credit for your diving experience and obtain your C.S.A. certification in as little as 7 days. Contact Dive Safe at: 250-287-3837

e-mail info@divesafe.com Web www.divesafe.com

INTERESTING



Russian veterinary authorities are expected to inspect Canadian seafood plants in June 2008 to certify them for export to Russia. Although attempts are being made to negotiate a system-wide equivalency between Canada and Russia, plants not certified may be prohibited from shipping to this growing markets. All federally-inspected seafood plants should have received notification from the DFIA of this inspection tour and been given an opportunity to participate. However, brokers and trading houses may not have been advised. If you are exporting to Russia, or envision exporting to Russia in the future, you should contact DFIA to ensure your plant or sources have been identified for inclusion in the inspection tour.



RED SEA URCHIN LOTTERY RESULTS

SOUTH COAST	42 LICENCES	36,738 LBS. per licence
NORTH COAST	68 LICENCES	125,309 LBS. per licence

MARKETING—CONTINUED

As it was, cancelling the trips over those two years and leaving about \$40 -some K on the table affected CAFI's take on PUHA's commitment to joint activities and suitability for continuing funding and other assistance. I submitted another proposal to CAFI which includes international travel to China, Japan and California and understand the chances for approval are "not bad" but, because each failure to follow through on the project/program activities reduces the willingness of funding agencies to go to bat for the Association, our rating has dropped.

If approved, the funding will amount to 50% dollars on an approximate \$ 90K budget for a project looking for new market research on China and Japan and the potential for hooking up a bit more with California fishermen to collaborate on product and handling standards/guidelines. On the last bit, the rationale is that Red Sea Urchin is a unique product available from only the West Coast of North America and it is incumbent on those who make their living from it to develop it into a high value signature product. In this it only makes sense to work with the other suppliers to see if there might not be ways to complement each other or at least to avoid working at cross purposes.

SURVEY'S—DAN LEUS

The journal *North American Journal of Fisheries Management* recently published an article titled "Evaluation of Sampling Designs for Red Sea Urchins *Strongylocentrotus franciscanus* in British Columbia". This study, by Simon Fraser University researchers, compared DFO's existing survey methodology to several alternatives. Red sea urchin data from the 2000 Laredo Channel survey were used to create 200 simulated populations that shared the same characteristics as the Laredo data (e.g. density related to substrate, clumped distribution). The different survey designs that were evaluated included a complete surveying of all quadrats (compared to the current DFO approach of sampling every second quadrat) and more complex, adaptive, designs. The results of their investigations show that the current survey protocol achieves a good overall balance between efficiency, bias and precision. DFO may, however, explore some of the other options for increasing the accuracy of density estimates that may be applicable to specific challenging areas of the B.C. coastline. We would like to thank the authors for their analyses.

ANNUAL GENERAL MEETING

JULY 29, 2008
STEVESTON HOTEL
RICHMOND, B.C.
9:30 A.M.

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