

# PUHA NEWSLETTER

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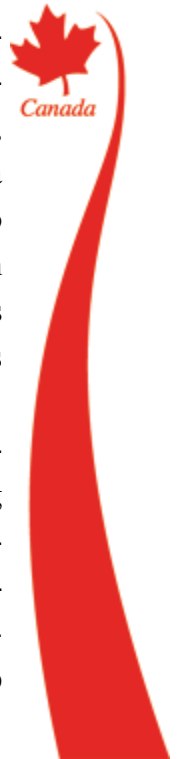


## PRESIDENT'S REPORT —MIKE FEATHERSTONE

The market has been strong this summer and into the fall. Total landings are approaching 1 million lbs, which is more than double any start in the past seven years. The season started on opening day August 1 and landings have continued, slow but steady, ever since. The harvest schedule is generally 2 day trips with a dock weight of around 40,000 lbs ( 1 semi –trailer). A twist to this season is that most of the landings have been in the North Coast. In the past years, the south coast has taken the lion's share of the early season landings, whereas the north coast, has not kicked into gear until after cuc season.

China and Japan relations are certainly playing a role in this seasons demand. Firstly, the sales to China, including Hong Kong and Taiwan, have steadily increasing over the past 4 years. Secondly, Chinese sea urchin shipments to Japan have been curtailed, due to sanitary concerns. Finally, nationalist conflicts between the two countries, related to territorial resource ownership in the South China Sea, may also be having an impact.

Sea otters are identified as the biggest threat to sea urchin sustainability. The west coast sea urchin study area in Tofino has since a decrease to 0.1% abundance since the repatriation of sea otters into the area. There has been no recovery of urchin's in the area in the past 5 years. Unfortunately otters continue their expansion over the BC coast. Please log on to the DFO sea otter consultation page to provide your comments and concerns: <http://www.pac.dfo-mpo.gc.ca/consultation/sara-lep/otter-loutre/index-eng.htm>

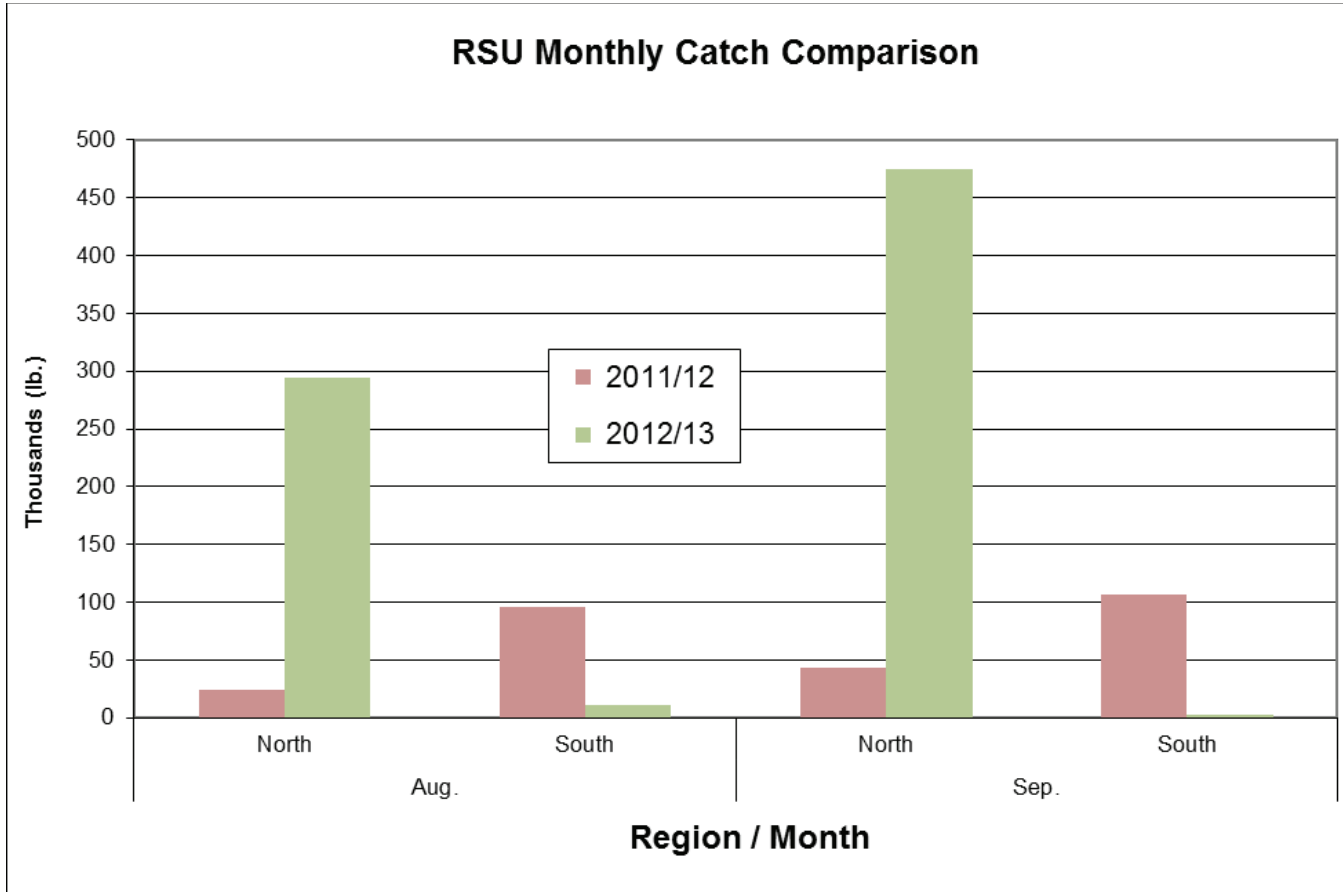


### Inside this issue:

President's Report	1
D. & D. Pacific	2
Survey's	3
President's Report continued	3
D. & D. Pacific continued	4
Marketing	5
Marketing continued	6

*Continued on page 3*

## D. & D. PACIFIC—Red Sea Urchin Update



The 2012-2013 RSU season opened on August 1st and surpassed every fishing season for north coast landings. But, the south coast trend of fishing in August and September was reduced significantly.

Reasons for the reduction in harvest from the south coast reported by vessel masters was the quality in the Port Hardy area(s) showed to be less than in previous seasons. The same was expressed for the Victoria and Sidney quota areas.

Currently, the north coast fleet is active in the Oval Bay area, and the west side of Banks Island. The south coast is not active and has seen only landings for Public Sales in Steveston. No fishing has occurred since the start of Sea Cucumbers.

Compliance to the Conditions of Licence relating to harvest data is good. Compliance to actually having a licence on board your vessel while fishing has been a problem for many years. This issue now has the attention of DFO C&P officers. The problem seems to originate to when a licence is leased to a buyer. The buyer **does not** register the licence with PUHA (and some not even registering it with DFO) until the last minute before the vessel needs to fish the licence. This causes the vessel to fish without a valid licence on-board. We have been advised by DFO that they will be checking all vessels against their tabs – and which ones have completed their individual quota(s). D&D has been notifying the buyers that continuously conduct business this way.

PUHA and DFO are pleased to announce Steveston has been chosen as the Port to pilot a new live market validation program. Vessels landing urchins at this port are able to arrange the validation of their product while it is still submerged in totes full of water, or momentarily removed from water with a water loss correction factor applied to the validated wet weight. The program was developed in support of PUHA's efforts to expand into new markets which are better suited to receive live product. For more information you can contact D&D or call me directly.

Survey planning for Summer 2013 is underway. If you would like to earn some extra money participating in Dive Surveys, or if you have any other questions, comments, feedback or concerns please contact me at the number below,

Dan Leus

250 756-7147

## PRESIDENT'S REPORT—CONTINUED

Research funding is in place for 2012/2013 biomass surveys. DFO has not announced if there will be an alternative program for funding research going forward or if the surveys will be funded through a “use of Fish” agreement. There is a new agreement for research vessels which covers safety and a code of conduct for behavior during surveys.

PUHA now has its Face Book page up and providing lots of current information and industry updates. There are links to the PUHA MEDIA on You Tube where all the current videos are available. Please be a PUHA FACEBOOK friend and invite all your friends to “LIKE” us.

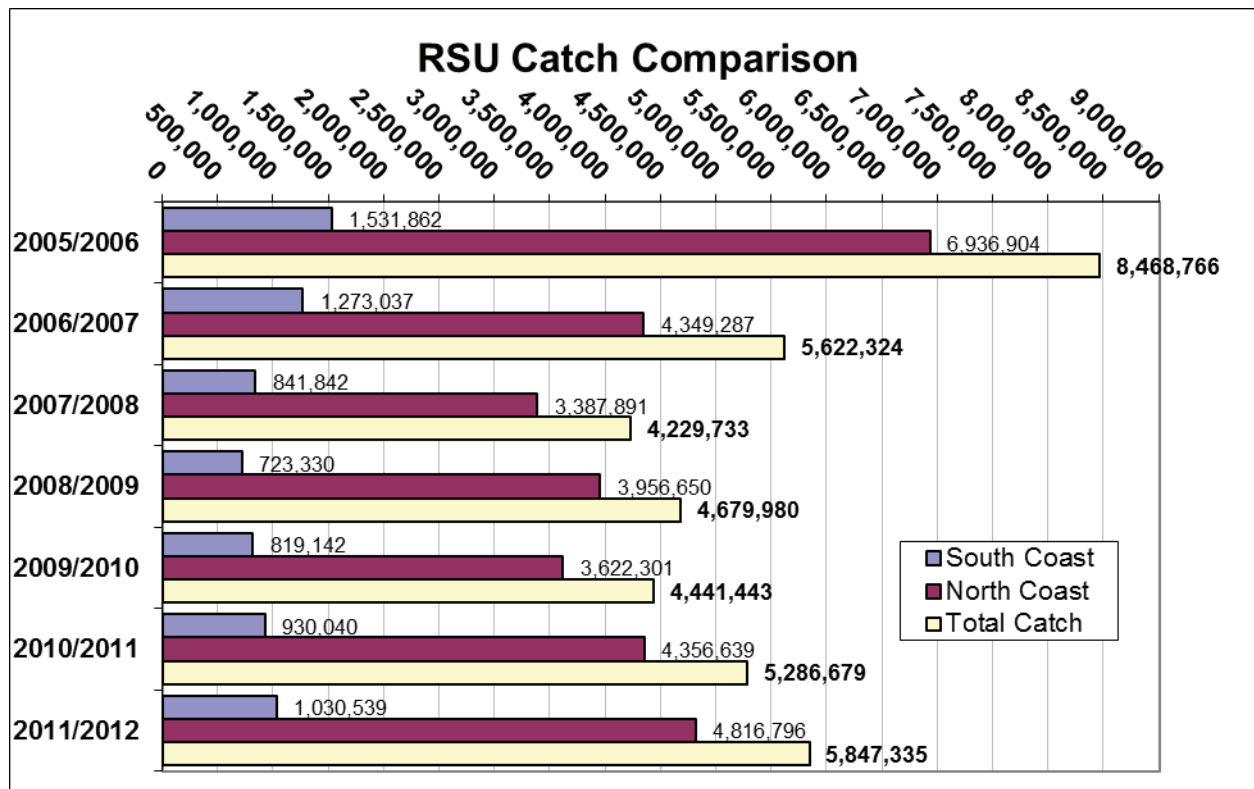
The marketing program this year is again focusing its efforts on Hong Kong and China. The Hong Kong show in September was well attended and the China Seafood Exposition is coming up in November. Growth in these markets has shown the greatest percentage increase, where the Japan market has remained flat. With the increase landings this season it is predicted that the demand should translate into some upward price movement.

The key to possible higher prices will become apparent by mid-December. This is historically the time where PUHA fishermen have received high prices, as they supply quality product during the highest demand period, over Christmas and New Years. This year I expect fishermen will be offered good prices to fish near to, and, through the Holiday season. This would be a big benefit, both to Canada's reputation as a key supplier, but also to the fishermen, who can reap the potential financial benefits.

On a final note: Why does a Diver fall backwards off the boat? Well, if he fell forward he would still be on the boat! Cheers and FISH SAFE!



## D. & D. PACIFIC



### Comments Relating to the 2012-2013 Season from DFO:

- New shellfish coordinator Jeff Johansen.
- **Update:** Pauline Ridings is still active in the day to day operations of the RSU fishery.
- Licenses held by PICFI to be allocated by June.
- **Update:** Manager Barb Schneider has allocated all but one PICFI tab(s) to First Nations. DFO has notified all First Nations about contacting PUHA for licence lease opportunities. Go online to see the list at DFO.
- Reserve area 17 in the south coast for live market fishing only.
- **Update:** This has been done.
- Continue with the pilot VMS into next season, DFO will provide review of this season.
- **Update:** Other vessels are getting the VMS unit ensuring that they will have the opportunity to fish when the other VMS vessels go home for a break. Yes, there is still a slow setup time with RomComm and DFO, but DFO has vastly improved their delay time.

The new season is upon us and the universe is unfolding as it always does without much regard to uncertainties facing us as individuals. So- in the spirit of just simply getting over it- here is the latest rundown on our program and prospects for marketing sea urchins.

Fishing started this year in August and demand apparently justified an earlier start and provided a weather window to access exposed beds which are harder to get at in the winter. There is also a refrigeration upgrade on a packer, the Ocean Ranger, which should allow more effective handling in warm weather. I'm not sure how much advantage was taken of access advantage but it sounds like an opportunity that should be further explored, maybe particularly given the continuing expansion of sea otters.

Another finding of note from the Tsukiji price history collected over the past 5 years supporting an earlier resumption of fishing is that high prices for, and low volumes of, uni are apparently kind of normal in September. Some of the highest prices of the year are paid at the auction in September for both Japanese red uni (*S. intermedius*) and California RSU (*S. franciscanus*). In fact, the top 5 months over the past 5 years rated by the average price for Japanese product have all been in September. October also rates pretty well in sequence as September and October account for 10 of the top 13 months over the past 5 years for the Japanese product. Both these trends are reflected to a lesser degree in sales for California product but their results are also confounded by reports that they no longer ship their top grades to Japan, these are reserved for domestic sales instead. California producers also report their best market conditions domestically are in the summer, likely reflecting high points in the food service sector. Waiting to get started until towards the end of October, when supplies are generally abundant and prices apparently heading southerly, might actually be akin to forfeiting opportunity. Remember too that the Russian IUU fishing has been curtailed by the presence of the Russian Coastguard in August and September over the past few years but that they are generally back in action and getting more fully engaged in the market as we move through October.

Staying on the subject of Japan for a moment, they are still our largest customer after all, the deteriorating relationship between them and China may be affecting the demand for our product. I have not yet checked into specifics on Japanese imports of Chinese product but rumour has it that the increasing antagonism between the two may be drawing more rigorous scrutiny of Chinese food imports resulting in more claims and even rejections at the border.

This is a bit of a sensitive issue for us as Hong Kong is now our second largest market and we are also putting considerable effort into other parts of China. Given the robust growth projections for China, this has got to be a good thing but it would not likely bode well if things escalate as the world economy is not looking robust enough to easily digest a growing dispute between the second and third largest national economies in the world on top of the economic (and political?) problems in the EU and the US. However, because it is so likely to be bad for business, both governments are likely to take a step back once some political advantages of keeping their citizens distracted have dissipated. This will hopefully occur sometime shortly after the new leadership is installed in China (November) and the political kerfuffle over possibly increasing VAT taxes and energy prices (among other things) settles down a bit in Japan early in the new year. This is of course all speculation but, assuming there is no meltdown in the US and/or Europe, it looks like there is a pretty good chance that a 3-4 month window with better than normal market conditions in Japan is beckoning.

*Continued on page 6*

## MARKETING—CONTINUED

looking back at Hong Kong again, we again attended the Asian Seafood Expo and had a pretty good turnout. Mike Featherstone, Ross Morris, Sheila Wood, Gary and Viv Grant, Paddy and Alfa Wong, Pat Fantillo and Stephanie Carr were part of a joint delegation from PUHA, PSCHA and UHA in a shared booth. We distributed samples of uni at the show and did a pretty good job of stimulating a fair feeding frenzy. I think it is fair to say that the urchins drew the most contacts of the three associations but you can judge for yourself by reviewing the joint report that has been posted on the PUHA website.

We are also now putting together our next trip to the 2012 China Fisheries and Seafood Expo in Dalian. It looks like we have a good number of delegates going with reps from Paladin, Grand Hale and RBS all coming along. That report should be complete and likewise posted on the website by around the end of November

Ross Morris and I also attended the annual AMP meetings in Ottawa in early October this year. It was an interesting session of meetings and I will put a wee summary of them over the next while. As a quick and dirty update I can tell you that the program has been renewed this year but, because it is a full re-implementation, the call for new proposals (RFP) has not yet gone out. However the folks we met with there were confident that everything was under control and moving ahead although it should be mentioned that the Program was actually still awaiting further advice from Cabinet and Treasury Board which means it was not yet an entirely done deal, but it sounds like more of the paperwork is moving on line so that should facilitate quicker reviews and approvals so hopefully the RFP will come out before Christmas and we'll still get approvals in place prior to the beginning of the new fiscal (April 2013). We have not had any further updates since returning.

That is about it for now. Hopefully things are going great for all and everyone is staying safe. Good fishin eh. Cheers.



## OTTER'S

**DON'T FORGET TO EXPRESS YOUR CONCERNS ON THE D.F.O. SEA OTTER PAGE**

<http://www.pac.dfo-mpo.gc.ca/consultation/sara-lep/otter-loutre/index-eng.htm>