



P. U. H. A. NEWSLETTER



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President's report --mike featherstone

The season started slowly with prices generally mid to low \$.70's and below expected demand. Through the fall the market has never gained a lot of strength and some prices slipped to the high \$.60's for anything which was less than perfect. There should be a re-bounce through the high demand Holiday Season. The forecast is for the market to kick in to high gear December 15th. Currently, the harvest is 250,000lbs behind (relative to 2003). However, compared to 2002, the fishery is 1.5 million lbs behind! Close to 80 licences have been validated, but fishermen have reported it will not be possible to exercise options on quota leases above \$15,000 if the prices stay low. Recently 2 leases went out at \$10,000. Only 15 licences have achieved their quotas compared to 27 in 2002. PUHA, DFO and D&D have worked closely with the fleet to move whenever weather or quality slowed the fishing.

The weakness in demand is caused in large part to the global supply particularly the unregulated Russian Fishery in the Kurile Islands, which has impacted on our peak shipping month of December. The early season weakness is more attributable to Chilean Fishery which shows indications of slowing. The price itself is under pressure from the weak \$US which has eroded processors margins by 10% compared to last season.

In November, members of the Sea Urchin Marketing Board traveled to Japan for 8 days. The trip was 50% funded from the CAFI Agri-Food Canada market development. A full trip report follows later in the newsletter! I would like to thank the directors and processors who participated for their efforts and contributions.

While in Japan, it was clear from our discussions with Japanese sea urchin importers and retailers that the Russian product is impacting the market more severely than 2003. To address this issue PUHA is working with an advocate from Japan who has a similar interest in stopping or slowing this fishery. Further, I met with Guy Beaupre, Director General, International Affaires Directorate in Ottawa on December 9th. I urged Mr. Beaupre to discuss the matter in Russia the following week while he was meeting with Russian officials. I am preparing a detailed report for Mr. Beaupre on the illegal fishery and its affects on our industry. Mr. Beaupre seems genuinely concerned about the situation and promised to work on our behalf on the file.

"The hardest knife ill-used doth lose his edge". **William Shakespeare, Sonnet 95**

The knife was out in December as the established processors stopped the trucks from carrying product for Sea Gate and Harbour Marine. PUHA protested the action as the industry policy has been to encourage open access to the transportation system. At a meeting in September PUHA's only comment to Keep It Cool (new tucker) was that the system had to be open to all fishermen, to which they agreed. PUHA's concern is that no product gets wasted and no fishermen are hurt by the action. The processors defence was increased market competition for a tight market and undercutting.

I wish the situation was better and we certainly have our challenges, somewhere ahead lays a brighter light. I want to wish all the divers, deckhands and owners a "HAPPY HOLIDAY and PROSPEROUS NEW YEAR!"

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November 2004 japan trip -- geoff krause

A delegation of Red and Green urchin harvesters and processors visited Japan for meetings and discussions with sea urchin importers in Japan in November 2004. The trip, undertaken as part of the CAFI marketing program with funding support from Agriculture and Agri-Food Canada, strengthened our relationships with the Japanese industry and projected a united commitment to the future of the industry. The general itinerary included a general meeting - including the full delegation from Canada and as many sea urchin importers as could make it, at the Canadian embassy in Tokyo, social gatherings arranged by individual processors with their buyers, visits to the Tsukiji uni auction and a side trip to Sapporo to get an update on the unregulated Russian fishery in the Kuriles.

At the meeting at the Embassy, PUHA showcased the new video "Sea Urchins From Canada" and a Power-Point presentation summarizing the state of the fishery from the Canadian perspective. The Japanese importers were generally impressed with both of these - as well as with the fact that representatives from all sectors of the industry were present and working together well. We invited their active participation in a marketing and promotional effort, emphasizing that the program is intended to benefit all levels of the value chain including Japanese importers, distributors and consumers, and that success in these sorts of initiatives is best assured when all players work jointly in a coordinated fashion. The buyers attending the meeting appreciated this and generally agreed to consider the idea of a Joint Marketing Initiative - but were unsure of how they might best contribute or even get the 'message' in front of consumers. They suggested improvements in communication between Canadian and Japanese representatives, with particular emphasis on more advance notification of meetings and their agendas, would allow them to better prepare for and facilitate better coordination at subsequent meetings

Business in Japan is based in large part on personal relationships and social gatherings are an important element in building mutual trust. We were generously hosted at dinners by a number of companies, and special acclamations to Paddy Wong, Peter and William Choi and Sung Kim are deserved for arranging such meetings with Kisaku, Kitaro and Eisaku Endo of Maruki (Paladin), Mack Nishida of Mack's Japan Foods (Kiku), Yasua Takano and Sigenori Kamikura of Takana Seafood/Sushi Katsu (Sung) and Tsukiji auction rep's Youichi Ogawa and Takeyasu Watanabe-san of Toichi (Sung). The discussions at these events ranged over many subjects, including but not restricted to business issues. The mood was invariably cordial and friendly so the events helped reinforce the positive relations we have, and want, with them.

The delegation split up after a few days and a number of us headed to Sapporo to meet with Masao Hashimoto, President of Kokusai Boueki Corp. to get an update on the Kurile Island's fishing and its effects on the Japanese uni market. Hashimoto-san imports urchins from legitimate urchin fisheries in Russia and is very concerned about the continuing poaching in the Kuriles. These islands are very close to Hokkaido and the product is landed on its east coast at between ¥300 - 450 per kg (~\$C 1.25 - 2.00/ lb) CIF before being processed and distributed throughout Japan. Comparable prices for Canadian product (live GSU) are about ¥ 950/kg. The Russian divers working the grounds have depleted all the shallow beds and are now fishing around 30 - 35 m depths so the recoveries are only averaging about 3% to maybe 5%. Production last year was about 9,000 MT

This 'mining operation' has been going on for a number of years and have contributed directly to reduced prices of about 25-50% seen for all other competing uni products, including premium urchins from Japan itself, through much of the country. Hashimoto-san feels the stocks will be gone within a couple of years, which will be a good thing but does not guarantee that the market(s) will return to normal as consumers are getting quite used to low cost uni and may resist higher prices, again emphasizing the need for raising the quality and productivity bars. The profile of Canada as a supplier of good value seafood in Japan needs considerable reinforcement because we are basically unknown to the consumer in this regard

D. & d. pacific report

South Coast - As requested by PUHA and it's members, The south coast fleet has been moving substantially through quota areas looking for the best quality. Consequently, we have over fourteen quota areas open in the south coast. DFO is concerned over the number of open areas, and is monitoring the fleet on a daily basis. D&D's greatest concern is that a growing number of vessels are not hailing their vessels properly in different quotas areas. We are also noting that vessels (not all) are documenting the wrong quota area on the logs, which also caused problems in tracking quota to zero. Because of this increasing problem in the south coast, D&D has been advised by DFO that all areas with the exception of one will be closed until the problem is rectified. This has in the past been not a problem within the red sea urchin fishery, but has tripled this season alone. When you look at the problem by vessel master, it is obvious that it is the same people from year to year, and in other fisheries as well.

North Coast - The fleet is active on West Aristazabal Island, and is moving fast through quota areas due to quality and weather. Weather pushed the fleet off Campania Island last week moving ahead of their Christmas schedule by almost two weeks. We hope the fleet will be able to fish with perfect weather and produce what they need for the Christmas market season.

The poor weather patterns in our coastal waters have not been helpful in the poor market conditions the red and green urchin fishermen are experiencing. D&D wishes all vessel crews and everyone else who rely on the sea urchin prosperity in these troubled times.

On a lighter side of "as the urchin turns" check out our website's bulletin board for the new by-catch fishery DFO wants us to monitor. It is a by-catch from the dogfish fishery, and if you think Sea Lions are a problem for divers - then you will want to check it out! - Merry Christmas and a Happy New Year.

Red Sea Urchin 2004 2005

Pacific Region

North Coast

Period: November,2004

<i>Open</i>	<i>Close</i>	<i>Quota Area</i>	<i>No of Vessels</i>	<i>Quota Allowed</i>	<i>Period Landings</i>	<i>Remaining quota</i>	<i>% Quota taken</i>
28-Oct-04	10-Nov-04	RU15 Outside Stephens Isl	8	50,000	30,699	19,301	61.40%
12-Nov-04	18-Nov-04	RU13A Dundas Isl. North	12	300,000	34,751	265,249	11.58%
12-Nov-04	18-Nov-04	RU13B Dundas Isl. South	15	130,000	47,731	82,269	36.72%
12-Nov-04	18-Nov-04	RU13C Melville Island	9	85,000	34,339	50,661	40.40%
12-Nov-04	15-Nov-04	RU13D Nares Islets	14	50,000	53,321	-3,321	106.64%
18-Nov-04	23-Nov-04	RU14 Tree Nob	38	300,000	146,848	153,152	48.95%
18-Nov-04	23-Nov-04	RU16 Inside Stephens Isl	12	50,000	47,792	2,208	95.58%
18-Nov-04	23-Nov-04	RU18 Oval Bay	47	150,000	155,427	-5,427	103.62%
23-Nov-04	26-Nov-04	RU19 Porcher Inlet	7	25,000	24,792	208	99.17%
23-Nov-04	28-Nov-04	RU20A Cape George	5	82,000	19,368	62,632	23.62%
23-Nov-04	26-Nov-04	RU20B Freeman Passage	21	70,000	70,507	-507	100.72%
26-Nov-04	28-Nov-04	RU21 Willis Bay	42	120,000	114,280	5,720	95.23%
28-Nov-04	30-Nov-04	RU22A Hankin Rock	16	60,000	54,907	5,093	91.51%
28-Nov-04	30-Nov-04	RU22B Beaver Pass.	20	60,000	62,992	-2,992	104.99%
29-Nov-04	04-Dec-04	RU23 Upper Principe Channel	22	120,000	90,061	29,939	75.05%
Total				1,652,000	987,815	664,185	59.80%

Pacific Region

South Coast

<i>Open</i>	<i>Close</i>	<i>Quota Area</i>	<i>No of Vessels</i>	<i>Quota Allowed</i>	<i>Period Landings</i>	<i>Remaining quota</i>	<i>% Quota taken</i>
28-Sep-04		12H Northern Johnstone St	5	81,158	32,201	48,957	39.68%
03-Oct-04		13E Cordero Channel	4	29,000	20,782	8,218	71.66%
28-Oct-04		12F Deserter Island	11	85,000	34,288	50,712	40.34%
28-Oct-04		12I Buckle Group	5	80,000	15,617	64,383	19.52%
05-Nov-04	11-Nov-04	12B Christie/Browning Pass.	27	105,000	104,706	294	99.72%
10-Nov-04	28-Nov-04	12A Bate Pass.	5	27,533	27,609	-76	100.28%
10-Nov-04	26-Nov-04	12J Shadwell Pass	18	60,000	60,029	-29	100.05%
21-Nov-04	27-Nov-04	12C Pt. Hardy	19	70,000	68,514	1,486	97.88%
27-Nov-04		12E Blackfish Sound	4	24,000	13,252	10,748	55.22%
Total				561,691	376,998	184,693	67.12%

Cumulative Landings**1,364,813**