



# P.U.H.A. NEWSLETTER

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## President's Report —mike featherstone



The current market situation continues to be very poor due to the over supply by the IUU Russian sea urchin fishery in the Kurile Islands. On our recent market development trip to Japan, the delegates took the opportunity to travel to the Hanasaki Port near Nemuro City in Northern Hokkaido. For more details on the trip, look for Geoff's report later in this newsletter. The full reports on the meetings and the investigation into the Russian fishery will be available on the web site ([www.puha.org](http://www.puha.org)).

The PUHA website is under construction and is still undergoing changes. If you haven't registered yet or haven't been contacted regarding a password to the member section, follow up with Ross Morris at the PUHA office. The goal of the web site redesign was to make confidential information secure to members only and to develop a commercial section which promoted Canadian urchin market and sales development. Non licence holders can still get a password by registering as an Associate Member, contact the PUHA office.

The latest figures on the 2005 fishery are included in the D&D report. We are further behind than last year and the situation does not look as if it will improve anytime soon. The only hope is if the Russian product stops coming in at the present rate. This situation has also exacerbated the situation in Canada and markets other than Japan. With 9 processors competing in a tight market environment, something has to give and some buyers have been forced to lower prices in an effort to move product. Local tray prices are currently down as much as 20%. Even as we head into the prime December month there is little optimism that the processors can push any price increases.

All this has of course had an influence on the ex-vessel price which is averaging below \$.70. It has also fragmented the industry and with an uncooperative environment everyone seems to be getting hurt. PUHA has continued to advocate for cooperation and search for common ground where processors, packers and fishermen can work together, especially when this could benefit freshness and transportation economics. At a recent meeting in early December, the key parties who are being influenced by this fragmentation didn't even show up to express their views or support PUHA executive in their efforts. This is particularly frustrating but PUHA will continue to encourage all parties to work together. If not, processors on both sides will suffer.

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The only good news is that the situation will eventually get better and we should be well positioned to take advantage of things. This can happen quickly as we witnessed in October when the Russian Coast Guard blockaded the Russian vessels and prevented the product from being landed. Canadian tray prices doubled in a matter of days.

Keep your hopes up and hope for a better new year! Best hopes for the holidays!

## November Japan Trip —GEOFF KRAUSE

As part of the 2005-06 Sea Urchins from Canada Marketing Initiative, Mike Featherstone, Ken Ridgeway, Dave McRae and Francis Cheung met Paddy Wong, Kryzstoff Machaj and Geoff Krause in Tokyo to represent Canadian industry as a delegation to exchange information and reinforce our relationships with Japanese handlers of Canadian uni. One of the more important functions in Tokyo was the third annual meeting we hosted at the Canadian Embassy where we presented a PowerPoint review of the issues and developments in the BC urchin fishery and to trade opinions and ideas with the Japanese buyers as to how expectations and explore how we should proceed to jointly improve the standing of BC urchin products on the Japanese market.

This year's presentation (available on the website to members as a pdf) touched on the reasons behind Canadian processors reluctance to sell more product through Tsukiji on consignment, our responses to issues raised in prior years, a quick review of last year's results (especially the bit about the 1 M. lbs left in water) and the reasons behind it, initiatives being pursued by the industry in Canada, including having 3 areas open at a time to reduce weather-related harvest interruptions, investigating new handling methods to increase product quality as a way to improve the net operating finances throughout the value chain (Logistics Program), involvement with a new premium "Canadian Branding" initiative and how this can form part of a Joint Marketing Initiative involving Canadian and Japanese interests as partners which will focus on closer attendance to consumer desires by providing a higher quality product which is better supported by additional services (web-based temperature profiles, traceability etc). The comments from our Japanese partners acknowledged that Canadian product does not have a great reputation with Japanese consumers but they were all generally supportive and encouraging that these sorts of innovations can help turn things around. Japan is still the world's premiere market for luxury goods that satisfy the strict quality demands of the consumer and they hope we can work together towards this goal as well.



One factor which is dramatically impacting the whole of the Japanese uni market is the Illegal, Unreported and Unregulated (IUU) urchin fishery being conducted by Russian fishermen in the Kurile Islands off the North-east coast of Hokkaido. Mike, Ken, Dave and Geoff took a quick trip up to Nemuro and Hanosaki Port to observe and gather first hand information on the fishery, the unloading facilities and the port operations. This fishery lands approximately 8,000- 9,000 MT of live product per year even though the official TAC is not supposed to exceed 2,000 MT. The Kurile Islands are claimed by both the Japanese and Russians and while both parties have some interest in bringing the fishery into a sustainable balance, the fact that the transport time from the grounds to the dock is only about 6 hours while the nearest Russian Coast Guard base is probably 600 miles away and that many Japanese and Russians are benefiting from the activity, the chances of a timely resolution are not high. This activity has been going on since the late 1990's, and because the landed prices are so low, imports of live product around the world, including GSU from BC, have been severely reduced even as domestic suppliers and other finished product suppliers have taken a major hit because legal supplies simply cannot compete with this IUU supply and the market has seemingly now shifted so the Russian supplies now benchmark the whole industry with respect to quality and price expectations. The trip report for this portion of the trip is likewise available on the PUHA website as a pdf for members.

## Biologist Report—DAN LEUS

For the past several months PUHA has been working with DFO on the development of a new framework for quota recommendations for the red sea urchin fishery. The previously accepted method relied on fishing beds to define areas of urchin habitat. A new framework is needed to take full advantage of recent developments in newer technology and higher resolution charts. We hope to be able to estimate urchin populations with greater accuracy, ensuring long term sustainability of the Canadian red sea urchin industry.

PUHA and DFO presented these findings at a recent meeting with the Pacific Scientific Advice Review Committee (PSARC) who is responsible for setting quotas for the red sea urchin fishery. With feedback from the Alaska Dept. of Fisheries and Game, The Washington Dept. of Fish and Wildlife, First Nations, Industry and other Stakeholders, PUHA and DFO feel confident in moving forward with our new framework.

We will be asking for your input and feedback with the refinement of the new model in the upcoming months. If you have any questions or would like further information on our progress please contact PUHA.

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Merry  
Christmas

