



PUHA NEWSLETTER

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PRESIDENT'S REPORT —MIKE FEATHERSTONE

The new season has started with an upbeat feel due to an increase in the market demand. The Japanese Yen is very strong and there is a downturn in the landings from Russia into Japan. Although the BC landings have not been large they have been steady. In the south there has been weekly activity from 1 or 2 vessels since August and in the north 3 to 5 vessels have been fishing since early October. Now that the sea cucumber fishery has wound down, all the processors are beginning to focus on sea urchins. The industry is hoping to avoid the downturn in landings seen in November last year due to a weak market. Nevertheless the November market has not been strong in recent years and time will tell if the positive start carries through the season with improved results.

The Annual General Meeting was held September 24 in Nanaimo; the draft minutes are available on the website. When you visit the website you will notice the new design and updated look. Send PUHA your website comments so we can improve the site and make it work better for all the members. When you review the AGM minutes you will find annual reports summarizing last season as well as updates on research and marketing.

PUHA has been busy working a number of marketing initiatives this summer and fall. The main focus of the marketing has been the expansion of the new market opportunities in China.

In September a delegation traveled to Hong Kong for the Asia Seafood Expo. Representatives from Sea Cucumber and Sea Urchin associations attended the event. The show itself was not large by seafood trade show standards but the activity was brisk and the contacts were well qualified, including both end users and importer/distributors. By all accounts the event was a success and a great deal of information was learned about the Hong Kong market. Surprisingly Canadian sea urchin is already present and accepted both in the food service (restaurant) and the retail (grocery store) markets.

Immediately after returning from Hong Kong, Geoff Krause and I attended the Canadian Chef's congress which was held this year on Providence Farm in Duncan British Columbia. The theme of the Congress was "Ocean's for Tomorrow". I presented a report on Traceability and Sustainability in today's fisheries. .

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We got funding from Agriculture and AgriFood Canada's AgriMarketing Program (AMP) on the order of \$42.6 K this year to support a program costing about \$85.2 K. We had a bit of slow start but things got rolling along OK as soon as we were approved in mid- late July. The submission deadline was set to early January 2010 with the idea that approvals would be ready by late April or early May. It turned out to be a bit unrealistic as things do not generally go that smoothly when all proposals have to run through multiple layers for approval, with each layer having its own say and all having to be reconciled at the end of the process. Still, we got the approval and have been beavering away at the program as per our plan.

To wit: we have visited two trade shows in China this year as the big part of the program. Trip reports for those should be up on the website soon if they are not there now, so I will just provide a quick summary of what we have done. There was an annual meeting for the Program in Ottawa and we have some upcoming things to take care of (eg. coalition details with California RSU fishermen), but these are either a bit tedious or "incomplete at this point" so...

The first show was the Asia Seafood Expo (ASE) held in early September in Hong Kong which was attended by a delegation of 9 representing PUHA, the WCGUA (green urchins) and the Pacific Sea Cucumber Harvesters Association (PSCHA). Mike Featherstone, Ken Ridgway, Paddy Wong, Tim Joys, Gary Grant, Dave McRae, Pat Fantillo, Alfa Wong and yours truly made the trip. Francis Cheung was supposed to join us but the rush of Fraser sockeye this year forced him to bail. The PSCHA decided it should apply for funding through the AMP just as PUHA and WCGUA has for the past 6-7 years but their bid this year was derailed by a change in the way things were being processed by the Program. However, they committed to and followed through on attending the ASE and sharing booth costs with us.

It turned out to be a pretty good thing. Sea cucumbers are already a popular item in Chinese cuisine, whereas sea urchin is not so well known and kind of new to many, and quite a few visitors came by the booth to discuss the cukes and ended up being interested in the sea urchin as well. We had a good location at the show with a corner booth showing off a number of posters and pictures from both fisheries as well as a couple of roll-ups we borrowed from and kind of displayed for the Province. The booth was also equipped with TV and DVD for showing the PUHA videos and a display freezer for the frozen sea cucumber skins and meats. We also used it for chilled sea urchin trays but had to fool around a bit to make sure the uni did not freeze as that causes it to brown (it would be interesting to know exactly why that happens as the mechanism might also be involved in discolouration by other exposures, say fresh or less briny water).

We got quite a few visitors at the booth and registered a good number of interested contacts, just over 70 for the urchins and about 60 for the cukes, and trade leads. The show was targeting mainly people in the food service sector so the quality of the visitors was very good. With the urchins there was lots of interest in live product, a major and preferred product form in China and Hong Kong, as well as in fresh trays. Interestingly, on a tour of a couple of high-end supermarkets, we noticed that trays of uni from Japan, US, Russia and reportedly Canada (once the season gets rolling) form a substantial section in the fresh seafood section of the store. Some of it was obviously Red sea urchin, probably from California at that time of year (early September), but overall the quality, selection and prices looked good. Even these stores though are interested in live product as well. All we have to do is figure out how to do it so the pricing can be realistic. This will likely be part of the work we are planning to undertake as part of collaborative agreement we have with the California guys on quality and handling issues and guidelines, etc but we still have to work out details on that. In short, in this case we've got the agreement but we're not sure what we're doing with it yet.

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PUHA provided 400 pieces of fresh sea urchin in water pack (thank you to the Westport I) which was served by guest chef Dory Ford from California. At the Congress we were able to discuss and highlight the opportunities to use sea urchin as a new, healthy and sustainable menu item. Over 400 chef's from across Canada attended the Congress. Chef Dory prepared Sea urchin shabu shabu, a lightly cooked sea urchin in fragrant mushroom broth served over a buckwheat soba noodle with seaweed salad.

The 16th China Fisheries and Seafood Exposition took place in early November in Dalian, China. This is the largest international seafood show in Asia with over 750 exhibitors from 35 countries. PUHA shared a booth in the Canadian Pavilion with the Sea Cucumber Association. BC Government also had a booth in the Canadian Pavilion and their chef prepared and served sea urchin daily. Participation in the event was funded by Agri-Food Canada. Over 50 contacts were registered in the PUHA trade data base for this show with the list forwarded to the sea urchin processors.

In January 2011, PUHA delegates will attend a special event in Guangzhou organized by the Guangzhou Fisheries Association. The event will have Government and China Fisheries delegates as well as over 100 invited restaurant owners and chefs. Paddy Wong has created a number of sea urchin dishes especially for the Chinese palate which will be featured at the event.

PUHA signed a Memorandum of Understanding (MOU) with the California Sea Urchin Commission on October 5th, 2010. The agreement recognizes the shared interests of the 2 Associations with respect to Red Sea Urchins. Over 75% of the global supply of red sea urchins is harvested by members of these two Associations. The objective of the agreement is to promote a fraternal sharing of information and ideas mutually beneficial to both Associations and their members. The next step is to identify areas of common concern and cooperation and develop an action plan. Stay tuned for more news as the MOU develops.

As all vessel operators are aware Transport Canada now requires a certificate to operate any vessel. There is currently a program to grandfather long time experienced operators certifications. Compile your sea time and take the documents to the DOT office to receive your ticket. PUHA recommends that operators take advantage of this program as soon as possible, the time for the opportunity will be limited, after which a course and exam will be required.

On the research topic, PUHA, in cooperation with DFO and D&D is conducting water loss experiments to determine a conversion factor for live fresh sea urchins held live in water before delivery. Later in November a research meeting will be held to discuss priorities for next season and review recent activities.



2010/11 – Red Sea Urchin Fishery Update – November

Fishing commenced in early August in the South Coast quota areas, with landings each month. The North Coast started fishing in October during the Sea Cucumber fishery on the top of Banks Island. Both the North and South Coast Regions are active at this time.

Fishing Activity by Region (to November 21st)

North Coast:

- 621,674 lb harvested = 7.4% of the TAC,
- All fishing activity north of Campania Island,

Two separate fleets now active. Only one fleet was active through October.

South Coast:

- 226,066 lb harvested = 14.1%
- All fishing activity is south of Nanaimo and north of Pt. McNeill.

No fishing activity on the west coast of Vancouver Island.

Licence and Vessel Activity (to November 21st)

North Coast:

- 58 licenses, 145,052 lb./lic.
- 13 licenses fished, zero achieved at this time.

12 vessels active.

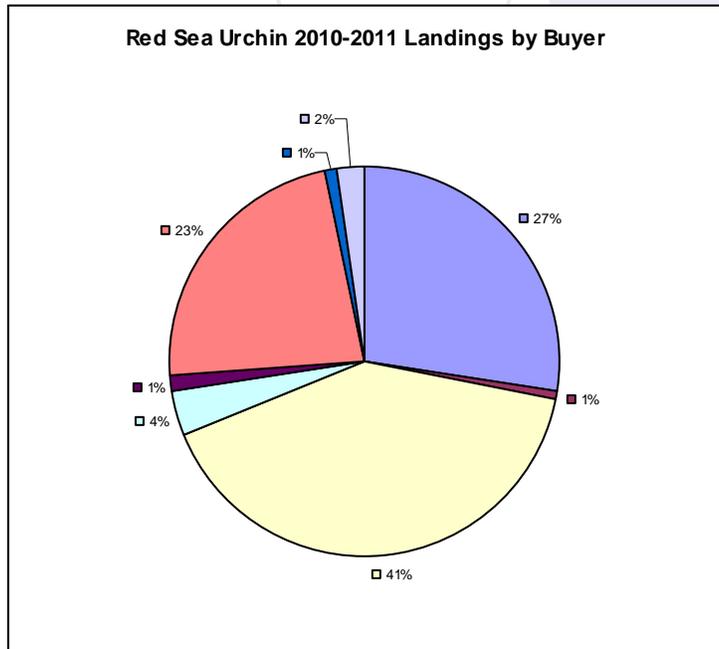
South Coast:

- 52 licenses, 30,769 lb./lic.
- 11 licenses fished, five achieved within 2,000 lb.

7 vessels active.



Buyer Activity (to November 21st)



Compliance

Twenty-eight (28) incident reports have been issued for the Two-hundred and Thirteen (213) landings. This is an increase of approximately 12% from last season so far. Incident reports are categorized into three categories: high, medium, and low. Of the 28 incident reports, all of them are medium in nature. Poor compliance with hails and missing information is the majority.

Communication

For the north coast, industry has developed a protocol designed to improve communication between the fishing fleet and the monitoring company. This communication is critical for day-to-day management of area quotas and fleet movement. To facilitate this industry has designated fishers that act as On-Ground Coordinators (OGC's); whereas, they contact D&D twice a day to relay vessel and catch activity information. Communication has been good until this past week, with no contact updating D&D, offloaders, truckers and buyers. The lack of communication will hinder logistics and will effect product quality if industry is not notified properly.

Landings by Month (to Apr.30th)

	2010/11		
	South	North	Total
Aug.	14,611	-	14,611
Sep.	129,765	-	129,765
Oct	27,066	311,380	338,446
Nov	54,624	310,294	364,918
Dec	-	-	-
Jan	-	-	-
Feb	-	-	-
Mar	-	-	-
Apr	-	-	-
	226,066	621,674	847,740

Marketing—CONTINUED

Another opportunity surfaced in Hong Kong as well. A contact of Paddy, Ms. Joanna Fang, is head of an association in GuangZhou called the Guangdong Fisheries Association and they offered to host a showcase premiere event in GuangZhou featuring BC sea urchin. The pieces have been falling into place since we agreed that it was an opportunity too good to pass up and it looks like the event is going to take place on January 6-7, 2011 in GuangZhou, a small town of about 5 million people about 200 km north of Hong Kong on the Pearl River which also happens to be one of the richest cities in China.

The second show we attended was the 15th Annual China Fisheries and Seafood Exposition in Dalian China. The delegation in this case included Mike, Tim and his wife Ruth Ellen, Ken, Pat and Geoff. Paddy, Francis and Spencer also put in quick appearances but had to depart after a day or two to attend other business in Hong Kong. Still it was good to see everybody there working together to increase our profile in China. This show was open more to the general public so the number of contacts and leads acquired was less than at the Hong Kong show, numbering just under 60 for urchins and cukes together, but the traffic and interest expressed at the show were still very encouraging.

This was our third visit to the show, the two prior years being in Qingdao. This was also the first year we had product, courtesy of Spencer and Francis at Grand Hale, to give out for samples. The PSCHA was also along with a number of visual additions, including brochures and posters, although this time we did not manage to get any sea cucumber to display. We were set up in our own booth, again with a display freezer and TV/DVD combo, as part of the Canadian Pavilion and I thought the show provided a very good showcase for our products, BC fishery products and Canadian geniality/hospitality in general. The Canadian Sablefish and Underwater Harvesters Associations and the BC government also had booths and there seemed to be more interaction between folks from the whole country this year so it was good. We were trading ingredients and combining our products to produce savoury and very tasty items that drew good crowds whenever they came up.

So where are we at now. I am putting together another project proposal for the AgriMarketing Program but this time we are going to be including the PSCHA as part of the group so we can leverage more money from the program. I expect we will be following the same basic program as this past year although there are also a couple of new elements to fund Small and Medium Enterprise (SME) and new innovative products (like “live”) that I am also going to try out. We are just in the early stages of getting the proposal together but I’m thinking it should include another shot at the Hong Kong show in September, the November show in Qingdao, China, another trip to GuangZhou - assuming this first year’s effort comes off well, perhaps a short visit to some customers in Japan (depending in part on advice provided by our processors), as well as updates to the association websites, brochures, video productions etc, so they include more specifically “China- targeted” content (such as recipes).

I also would like to include more research and perhaps a side-trip to investigate interior Chinese cities as these are projected to be the major centres of growth in China over the next 30 years and starting to get in soon would be getting in early and provide major advantages as things get rolling in some of these towns with populations up to 12- 20 million over the next 5-10 years, and according to some, even sooner. Even now the interior of China is growing economically and population-wise at a faster pace than the coastal cities so it makes some sense to prepare etc.