

Pacific Urchin Harvesters Association

AGM 2021 - by ZOOM

July 27, 2021

Attendance

Members:

Mike Featherstone, Al Shanks, David McRae, Scott Castle, Ryan and Dustin (Shoreside), John Lindsay, Cory Jackson, George (Dennis?), Mike Steinman, Kyle Davies, Tim Joys, Goono Sung, Alfa Wong, Mike Boyd

Others:

Karolyn McLeod, Geoff Krause, Darin Macy, Christa Rusel, Lynn Lee, Christina Burridge, Janet Lohead, Erin Wylie, Pauline Ridings, Lyanne Curtis, Sarah Ferguson, Ron Ross

Quorum declared, meeting called to Order

Motion to adopt to adopt Minutes from 2019 AGM. 1^o: J. Lindsay; 2^o T. Joys. AIF Carried

President's Report- Mike

OPENING REMARKS: Since early 2020 we have been working under various lockdowns and restrictions due to the outbreak of the Covid 19 virus. Our last AGM was August 19, 2019, almost 2 years ago. At that time no one could have imagined or have thought to prepare for how different the world is today. These have been very challenging times and I am glad that we are all managing as best as possible and happy to welcome everyone to our first Zoom meeting.

MARKETING: Covid struck in early 2020 shortly after PUHA representatives returned from our last marketing mission in China and Singapore in Dec 2019. Since that time all trade missions have been postponed or cancelled and Geoff has worked on various planning scenarios, optimistic that the world would reopen. Unfortunately, we are still facing uncertainty. Just recently we received approval for marketing funding based on a forecast of the return to normal. Geoff wil provide details in his marketing report later this afternoon. Over the course of the past 2 years we were able to redirect some of the trade mission funds to our social media and other marketing tools. Ron Ross has upped the game with our Facebook and Instagram accounts. If you haven't joined these PUHA sites I strongly recommend you check them out, lots of good stuff posted every week

MARKETS: The global Covid outbreaks and Government responses (lockdowns, restricted travel) have impacted our sea urchin markets to varying degrees. These effects have been somewhat buffered by the market diversification efforts PUHA started almost 10 years ago, in response to the collapse of our single main market at that time, Japan, due to the Russian IUU fishery. Thanks to those efforts our markets now include Hong Kong, Korea, Taiwan, China, USA and the EU. Throughout the past 2 years we have still maintained our fishery albeit at lower levels. This contrasts with other fisheries which saw complete shutdowns and drastic reductions in prices. Despite the diversification, Japan is our largest market and the lockdown in Tokyo this

past year did have the greatest impacts comparatively. In reds the Japanese market is key to moving the lower C and D grades, while in the green fishery Japan is the biggest market. When Japan stumbles sales are much more challenging. The limited number of flights and the cancellations of flights also created logistical nightmares for the processors.

THE FISHERY: Landings in 2019/20 were down slightly from the previous years and the from the high in 20... In 2020/21 overall landings slumped further. Darin will provide more details in his D&D report so I will not go into the details in my report. On the bright side, the prices overall have remained strong and steady and have generally increased. As we know prices are based on a number of factors – quality and roe recovery being the key component. Given the less-than-optimal ocean conditions, the fleet has managed reasonably well throughout the warm ocean temperatures and the seemingly never-ending winter storms. It has taken extraordinary efforts to find acceptable quality and I commend our fishermen for their hard work. Logistic costs also play a role. Over the past 2 seasons there has been good cooperation between all the buyers to combine efforts on packing, trucking and offloading. This has certainly helped to lower the cost base and get more money back to the fishermen. Other innovations such as refrigerated packers also contributed to better quality. Everything comes out of the urchin bag and working together to lower costs and improve quality benefits the whole industry. I should note that the fishery has not been shut down due to any Covid outbreaks in the fishing fleet and our fishermen have stayed healthy! Another pat on the back to all the crews for their efforts.

SCIENCE and RESEARCH: Covid protocols resulted in the postponement and cancellation of most surveys and projects. The kelp restoration project had a successful first year in the spring of 2020 but was cancelled in 2021. Lynn Lee will give us an overview and update just after lunch; we look forward to resuming that important work once we can resume safely. DFO is moving to undertaking multi species surveys and this has lessened the direct participation of PUHA vessels. Still there are some select community surveys planned in cooperation with local First Nations. PUHA will be undertaking some new green surveys to support the expansion of the fishery, although the quotas are based on index sites, not biomass surveys as in the red fishery.

BUDGET AND FINANCIALS: The PUHA Budget and the Association's Financial position have remained stable and healthy. We have sufficient money set aside for a rainy day or special project if required and we have continued to post small surpluses each year. Karolyn, our Secretary/Treasurer, will review the Financial Statements after my report and I will present the Budget later this morning. There are no changes to the fees in 2021/22. It should be noted that the Federal Government provided support to companies and individuals through the Small Business Loan Program, the Canadian Emergency Response Benefit Program (CERB), the Fish Harvester and Benefit Program. The Small Business loan Program provided up to \$60,000 for businesses with interest free loan until ... as well as \$20,000 forgivable if the loan is paid in full by that date. As for the Fish Harvester Benefit Program it is very important to remind any fishermen who received funding that they must apply again this year to keep their account active and current. (See: <https://www.dfo-mpo.gc.ca/fisheries-peches/initiatives/fhgbp-ppsp/index-eng.html>) . Otherwise, any money owing becomes due and payable!

DFO: It has been very challenging for our DFO Managers and Scientists, what with adjusting to working from home, endless Zoom meetings and phone calls. Nevertheless, we were able to conduct productive quota planning meetings and our sectoral meeting, as well as implement most

of the recommendations and changes. Our thanks go out to Pauline, Erin, Janet and Lyanne Curtis (our new urchin biologist) for their efforts and consultations

Motion to accept the President's report 1: T. Joys. 2: J. Lindsay. AIF Carried

Financial Report

Karolyn ran through and took questions on the PUHA financial statements for 2019/20 and 2020/21. Copies are available to members by request.

Motion to approve the 2019/20 Financial Report: 1: J. Lindsay. 2: A. Wong. AIF. Carried

Motion to approve the 2020/21 Financial Report: 1: A. Shanks. 2: J. Lindsay. AIF. Carried

D&D Report- Darin Macy

Darin ran through the annual reports for both the Red and Green Sea urchin fishery seasons. Highlights included:

- the RSU quality was poor in Haida Gwaii and so things went quickly up there;
 - excess numbers of RSU and GSU in Discovery Pass off Campbell River have badly impacted quality as well in that area;
 - John Lindsay asked about disease in RSU. DFO surveys noted lesions on urchins in Laredo, Haida Gwaii, Trutch and Lower Banks,
 - warm temperatures were noted this year
 - conditional breaches of conditions were looking much worse this year, including both new and old salts. This included missing hail ins and hail outs and guys hailing but then changing their minds and not letting anyone else know about it. This raises costs to D&D and subsequently to fishermen. C&P has picked up on it and is going to become more demanding on visits as well.
 - It seems Prince Rupert is again earning its hard partying reputation
 - VMS Program is changing. New VMS tech is coming - but DFO is not ready yet and it is premature to go out and buy units.
 - It is worth noting that if fishermen decide to move to full coverage there will be a big increase in costs and responsibilities.
 - Some fishermen want to fish coast-wide at their own discretion - it cannot be emphasized too much that "This is Not Going To Happen"
 - the North Coast On Grounds Coordinators provided awesome assistance to D&D this year and Darin personally thanked all of them.

Motion to accept D&D report. 1: M. Steinman, 2: John Lindsay. AIF Carried.

GSU Report- John Lindsay

- the Japan market was a bit slow for GSU this past year

- Kelsey Bay was a bit of a late bloomer this year so there were some market timing issues.
- prices were OK- they softened a bit but not a big deal.
- GSU numbers seem to be way up, in part because of the starfish wasting impacts
- Al Shanks mentioned that there are reports of GSU coming right up on to shore just around Union Bay in the South while Mike Steinmann reports same for North.
- John Lindsay mentioned that he had seen some newspaper articles to that effect for the South Coast.

Motion to accept GSU Report 1^o: Mike Boyd; 2^o: Alfa Wong. AIF Carried

South Coast Report- David McRae

- Port McNeill opening date change
- Wells Pass is apparently coming back
- mentioned a look at differences between easy picking during good weather while missing peak prices might be worthwhile. He suggests increasing effort to target best prices as opposed to simply fishing harder for more volume when weather is better makes sense from a business perspective.
- sea otters are targeting bigger RSU , so there seems to be more undersized around.
- otters have not been sighted (by him?) around Victoria
- GSU are now also targets for otters even though they tend to stay deeper as defence
- prices used to peak around Christmas, that does not seem to be the case as much anymore
- GSU seasonality - quality peaks around Christmas

Motion to accept South Coast Report 1^o: Scott Castle 2^o: Mike Boyd. AIF. Carried.

North Coast Report - Mike Steinman

- kelp was around but not down in September. There was a record low pressure system came through in January that beat the kelp up pretty good and moved lots of debris inshore and/or deep
- Lots of moving this year as guys focussed on quality but it seemed it kind of backfired as numbers were depleted pretty quickly
- most boats had quality focus though as always there were a couple that just went for volume
- in June - 30 - 50' depth interval was pretty good quality, especially where good debris had accumulated.
- Smith Inlet- got deep but need good visibility. Same for Fitzhugh- lots of smalls

Motion to accept North Coast Report 1^o: John Lindsay 2^o: Dave McRae. AIF Carried

Processors Report- Alfa Wong

- the impact of the pandemic has been serious in a number of ways. For instance plant workers have been staying home but are now getting back to it with rising vaccination rates.
- in the international market, Japan was locked down from January through February
- vaccination rates - Japan now about 24%, Hong Kong 29%, Taiwan 3% and China 50%- all are still in pandemic mode
- Russian Kuriles opened in December affecting Japan's market
- China is liking GSU so that fishery should be good (this coming year?)
- realized recoveries from RSU on North Coast were about 5%, South Coast 7%
- kelp was not consistent but at least there were some reports of improvements on both the north and South coasts
- flights were down about 50% so shipping costs were significantly higher
- restrictions on custom will be hopefully easing through this year
- with regard to the California market, Mexican supplies start in the Fall

Motion to accept Processors Report 1^o: John Lindsay 2^o: Scott Castle. AIF Carried

Budget 2021/22- Mike Featherstone

- Mike presented roughly balanced budgets for both the Red and Green sea urchin fisheries for 2021/22 season.
- There was some discussion about how there are a couple of boats jeopardizing the operating freedoms of the RSU fishery in particular and this is something the industry must deal with.

Motion to accept budget. 1^o: Tim Joys. 2^o: David McRae. AIF Carried

Election of Directors

- the current Board comprises Mike Featherstone, Tim Joys, David McRae, Mike Boyd, Ken Ridgeway Jr., Alfa Wong, John Lindsay, Al Shanks and John Parkin.
- Al Shanks and John Parkin are stepping down so there are two positions open. After a call for nominations, John Lindsay nominated Cory Jackson and Mike Boyd nominated Kyle Davies. Both Cory and Kyle accepted.
- the New Board was accepted by acclamation

Legal Update - Mike Featherstone

Miek provided a quick update on the legal manoeuvres to establish government liability for loss of access to fishing resources in Gwaii Haanas. The UHA is spearheading the effort and has gone through the preliminary court hearing and is waiting to hear back on the whether it can move

forward. PUHA has registered its intent to follow suit if the UHA is successful and it likewise awaiting the outcome. The cost to PUHA thus far is about \$8 - 9 and is looking at another \$12-13 draw down on the contingency fund as a contribution to the UHA effort.

Kelp Restoration Project- Lynn Lee

Lynn provided a review of the Gwaii Haanas and Haida project Nurturing Seafood for All and including the impact over the 18 months post-treatment on the Murchison Island restoration work (aka. urchin removal project). This is a big collaboration including many elements and players, including PUHA.

She included a review of the Gwaii Haanas management and governance structure and the ecosystem elements and trophic cascades they are following. The one of most interest is of course the sea otter feeding on urchins and the impact of eliminating them on kelp and the development of urchin barrens. The Murchison project of course removed urchins in spring 2018 to test the hypothesis that the kelp would regenerate and increase its contribution of ecosystem services, something that is increasingly important in the these days of global climate change.

Lynn is looking for assistance from PUHA on site maintenance continuing into the future to preserve the reduced urchin numbers and higher kelp densities observed thus far. Observations to date suggest RSU are coming in from the deep and re-occupying the inshore areas so repeating maintenance is going to be required. The effect of the initial removal were quite dramatic but this migration and other perturbations are reversing the positive effects. They are also seeing quite a few more GSU as well in the area.

They are also looking at the metabolisms, growth and product quality indices for urchins taken from various locations within the study site (shallow, mid, deep, along feedline and in barrens area). This work is ongoing but the results to date are suggesting changing diets and growth acceleration as urchins grow through a certain size and move from the diatoms and other phytoplankton as feed and start feeding on larger macroalgae. The recoveries seen in the product quality are as predicted. In short, the trajectory on the kelp recruitment and growth in the treatment area did not extend for as long as hoped so ongoing work is anticipated to further qualify and quantify needed treatment(s) for effective maintenance and hopefully identify other factors affecting the system dynamics - in particular kelp recruitment and growth, and ecosystem implications.

Mike Steinmann reported seeing more pycnopodia - some up to perhaps a 12" diameter- mainly in the inlets. Mike Featherstone and John Lindsay reported there are lots of Pisaster and Leather stars showing up. Steinmann and Lindsay also queried an apparent earlier spawn of urchins that they are seeing in Haida Gwaii and Gwaii Haanas as well as on other parts of the coast. Recall Mike Steinmann's comment re: the record low last January which kind of beat up a lot of the inshore kelp beds which changed the timing of the kelp debris falling as feed for the urchins (did not happen in the spring as usual because it was already broken up and dispersed).

North Shelf BioRegion Update - Christina Burrridge

The second draft of the NSB plan will have devastating effects on the BC coast, not just on commercial fisheries but also all the communities depending on fishing as it will be decimated. Even some FN fishermen are sounding off about the likely consequences. At least there seem to be some senior DFO managers who are also coming around.

She put together a presentation of what the BC Seafood Alliance (BCSA) sees as the likely outcome of the imposition of the Draft 2- it is available by request to anyone who would like to see it. The goal now is to simplify the message and get it out to the public and the BCSA is seeking advice on the best ways to move forward with media coverage.

DFO Science- Erin Wylie and Lyanne Curtis

The GSU urchin TAC has increased from about 578 MT to 680 MT. The IFMP is 1 year only so as to allow as much flexibility as possible. There are exploratory protocols for new areas in place but they will not affect the TAC this year.

There was also a slight increase in the RSU TAC. DFO is consulting on “block opening” options to limit open/close requests and thereby make things simpler for everyone.

Lyanne assured that with the GSU surveys things are looking good.

She also provided a quick update of the Tofino RSU Research Area. In simple terms, the research comprised 3 treatments: no harvest (control), harvest urchins with Test Diameter above 85 mm and harvest those > 100 mm TD. Urchin numbers were steady with a couple of little blips from the start in 1995 under the various harvest strategies until 2005. Sea otters were established in 2004 and the numbers of RSU were falling to near 0 by 2006 and the same for all urchin species (RSU, GSU and PSU) by 2009.

There is a multi species survey coming up this fall and they are going to include a couple of the established transects in the Tofino site.

Mike mentioned that the repeated increased reports of increased GSU numbers basically covering the whole coast.

Christa Rusel asked that divers take a look at some possibly grazed kelp - it sounds like the consensus is that it could also be cut up sugar kelp from propeller action or perhaps just being harvested for garden composting. There was some mention that the recent heat dome might have cooked the kelp and caused mortality that led to additional non-typical grazing.

Study of the use of Dive Computers- Sherry Ferguson

Sherry is studying at SFU at the Environmental Physiology Lab that is used to for a full range of hypo and hyperbaric physiological research for divers and aeronautics etc. It is the only such lab in Canada. She is looking to validate the use of dive computers in the seafood harvesting

industry. The problem is that the assumed dive profile does not usually fully reflect the real dive profile.

The basis of the study will involve the transformation of anonymized dive profile data to it DCIEM equivalent. This will allow a comparison of the presumed DCIEM protocol profile to the real profile so the variances between the two methods can be compared. The results will be correlated to dive accident reports on file with Worksafe BC to see if there are any actionable conclusions. She is looking for diver input so she can get the required permissions especially as buy-in from divers will be critical to getting the study underway. It might also be possible to get depth, temperature and salinity data as well that might be used for product quality correlations as well. These loggers could not identify area but they are time stamped so it may be possible to pool data to draw out more information. There may be some ethics issues that come up with the review.

Sherry is wanting to get data downloaded from divers every couple of months and is hoping to identify a contact who can take care of that and relay the info to her - D&D comes to mind as a good option for the urchin and cuke fisheries. Mike Featherstone will be the first point of contact as things get started.

One other complication that was mentioned is that some guys may well be using nitrox to extend safe diving limits- so this will have to be identified.

International Marketing Program- Geoff Krause

The big news is that we have been approved for AgriMarketing Program (AMP) funding for another couple of years. The total budget comes in at about \$210 K over 2 years with the AMP providing half (\$~ 105 K). If everything works as planned (hoped) PUHA would be on the hook for just under \$80 K for the 2 years with members and processors in for about \$25 K between them- those are generally 50% of their travelling costs.

There's not much planned for this year other than some continuing market research as well as updates to the video on the fishery, social media and website- We might be able to slide in a new model in this section as well – maybe a GSU. That part of the budget was increased because the approval included about \$17K (~\$8.5 K at 50% dollars which is what AMP provides) for a trip to China in November to the CFSE. That not being a particularly attractive prospect at this point, I thought it best to reallocate those funds so we could use them. They seem to be focussing a bit more on translations of stuff we do into French, and since we are looking at Eastern Canada including Montreal, I was thinking getting a few more pieces translated might be a not bad idea.

We are still looking to get to Boston in March 2022 (this fiscal) that is expected (hopefully) to be our first trip in the past couple of years. The second year of the plan starts in April 2022- and is a different story: Seafood Expo Global in Barcelona in April, the BC show (Courtney) in June or so, the Bar and Restaurant show in Hong Kong in September, China show in October-November, Seafood Expo Asia in Singapore in November with side-trips to South Korea, Japan and Vietnam slipped in somewhere before we hit Boston again in March 2023. The plan actually came in at Plan C (third iteration) and I am for some fellow travellers: 3 members +/- processors to Boston 2022, 2 for South Korea, Singapore, Vietnam and Barcelona, 3 to HK and

China and 4 to Japan). It is fairly ambitious – but doable at least as long as some of the stuff stirring everything up these days settles down. That sadly is not something we can take for granted yet but hopefully it will work out.

The lesser news for this file is that we received all the funds we claimed from the government to support our program for the past year. Spending last year was approved to about \$154 K but was limited to \$32.5 K because all the travel parts were eliminated. We did manage to get a website and video refresh and an enhanced social media campaign included which brought things up to about \$46 K, but it was still a lot lower than our plan A.

Social Media and Website review- Ron Ross

Ron ran through the back end of the PUHA site to see who is looking at it from where. The 3 highest users are US, Canada and China. Thursday is always a big day for viewers- not sure why. He also discussed a shortened version of the website and translations options for it and various video bits.

Other Business

There were some packer problems this past year- crushed urchins, over loads (greater than one trailer) - some discussion is likely warranted.