



PUHA NEWSLETTER



Happy Holidays from PUHA



Presidents Report Mike Featherstone

It's hard to believe that 2021 is coming to an end. For some it may seem like a long year, for me I wonder where the time went. With all the vaccinations, and almost 2 years into the Covid

pandemic, I was looking forward to putting all the lockdowns and disruptions behind us, unfortunately, it isn't over yet. The new Fear before Christmas is the Omicron variant, apparently

this new variant is reportedly mild and, in South Africa, where it was first identified, they have had few hospitalizations.



PRESIDENTS REPORT



MARKETING REPORT



D&D PACIFIC REPORT



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The bad news is many countries are not taking any chances and have implemented lockdowns, restaurant limitations, banning of travel and other restrictions. Hopefully these restrictions are short lived.



The green fishery this year has benefited from a strong market and decent product. The new exploratory areas have added more fishing opportunities and overall, the fishing has been steady and the quality good. The exception was the September fishing in Campbell River, which did not live up to past years quality.

This season, the green market benefited from very poor quality coming out of Russia, as well as increased demand, due to China entering the market in a bigger way. Near 80% of the quota has been landed as of mid December and all areas are reporting good populations. Divers should report and record areas of high populations as PUHA is continuing to work with DFO to manage the quotas.

As far as the red fishery, this year has been a real challenge in the north, the south has been good quality and good fishing. The new exploratory south areas have been very successful, again, PUHA encourages all divers to report the areas they observe with strong populations.

The north has finally had some decent weather and decent fishing. In the fall, the fleet had difficulty finding quality. Things improved slightly into October, but at that time, many boats had left the grounds to do cucs. The cuc season was slower than usual due to a shortage of plant workers, this delayed many boats from returning to reds. It was only in mid December when the north landings finally exceeded the south. In the north 1, 053 mil (13%) has been landed and 1,008 mil in the south (47%). Overall, slightly less than 20% of the TAC has been landed.

Our social media platforms have been churning out lots of great media. PUHA encourages all our crews to send photos, stories or video to Ron, or post on your own site and link with puhamedia on Facebook and Instagram. In 2022 we expect to return to in person trade shows although with the ever-changing rules and Covid outbreaks no one can be certain. Nevertheless, Geoff has been preparing for a busy trade show season. Check out Geoff's report for more details.





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On December 2, DFO's RDG sent out a letter advising that the NSB MPA Network process was paused because "it will likely require significant refinement and changes." It has been clear to the Industry Marine Planning Team that since March 2022 the focus of the NSB Partners had changed significantly, and they were not interested in seriously engaging with the industry recommendations. The primary focus now appears to be Reconciliation but using MPA processes to deliver First Nations community priorities is not a well-founded idea. Reconciliation needs to be a national responsibility of all Canadians and there should be a proper strategy which identifies impacts to commercial fisheries, addresses forms and levels of

compensation and the steps necessary to transition the industry through this process. Now that the process is paused it is not clear what DFO's next steps are, but the MPT will continue to engage DFO and the NSB partners. Many thanks to Bruce Turris, Brian Mose, Grant Dovey and Mike Atkins, as well as Christina Burrige from the BC Seafood Alliance, for their hard work representing Industry.



In another related story, the Geoduck Class Action was certified Dec 2nd, 2021. As you know PUHA has also filed a similar Class Action, which is held in abeyance pending the Geoduck Action. The next steps in the Geoduck Class action are as follows:

1. The Crown has 30 days, minus Christmas to appeal. It seems certain the Crown will appeal as the precedent will be costly and troubling for the Gov't.
2. This would then go to the Court of Appeal most likely to be heard in the fall of 2022; there is a reasonable chance the Court of Appeal will uphold the Judges decision.
3. The Judge distinguished that this action is about area, not quota or licences, and licences and quota are a tool to determine loss.
4. Once this follows through the Court of Appeal and, if the case proceeds as we feel it should, the Government would most likely elevate the case to the Supreme Court of Canada, which may or may not decide to hear the case.



This will be a long road as it follows along it's course.



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It has been a busy year for PUHA, and all of us on the Board and in the office and supporting cast wish you a Happy Holiday and Prosperous New Year! Despite all the challenges with Covid, dealing with Government policy and all the other day to day issues, our Industry has proven to be resilient and successful. We will continue to work together to improve our opportunities for all our divers, crews, licence holders and processors.

Best wishes to All!



Japanese Economic Outlook

Japan's economy contracted much faster than expected in the third quarter as global supply disruptions and fresh COVID-19 cases hit business and consumer spending, raising challenges for the new government's growth plans. The economy shrank an annualized 3.0% in July-September after a revised 1.5% gain in the first quarter, preliminary gross domestic product (GDP) data showed on Monday, compared with a median market forecast for a 0.8% contraction. Capital expenditure also decreased 3.8% after rising a revised 2.2% in the previous quarter. Domestic demand shaved off 0.9% point to GDP growth. Exports lost 2.1% in July-September from the previous quarter as trade was hit by the chip shortages and supply-chain constraints. Analysts polled by Reuters expect Japan's economy to expand an annualized 5.1% in the current quarter, as consumer activity and auto output pick up thanks to a drop in COVID-19 cases and easing supply disruptions.

News Items

Seafood market 2021 -2026: https://www.researchandmarkets.com/reports/5332677/seawater-fish-market-forecasts-from-2021-to-2026?utm_source=MC&utm_medium=Email&utm_code=mzrfv47p2&utm_ss=17&utm_campaign=1638848+-+Seawater+Fish+Market+-+Forecasts+from+2021+to+2026&utm_exec=aagr282mtd

6th Mass extinction?: <https://www.timesofisrael.com/headed-for-a-sixth-mass-extinction-mit-geophysicist-warns-oceans-are-on-the-brink/>

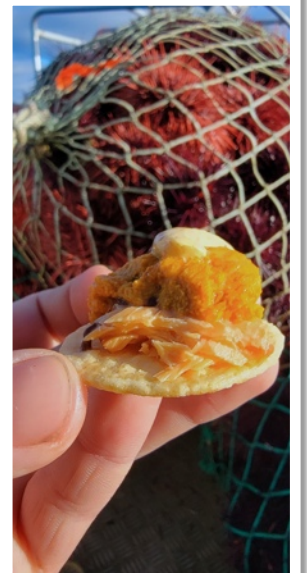
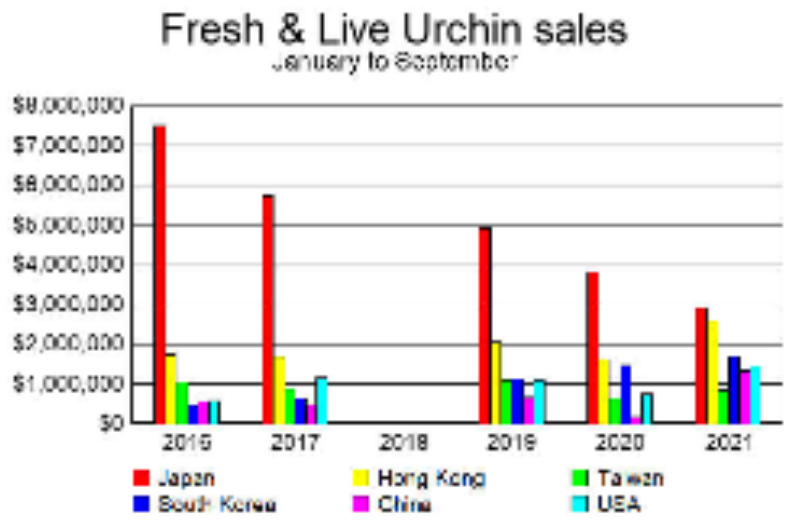
The real way sea otters stay warm: <https://www.sciencealert.com/scientists-found-the-real-way-sea-otters-stay-warm-in-cold-waters-leaky-skeletal-muscle>



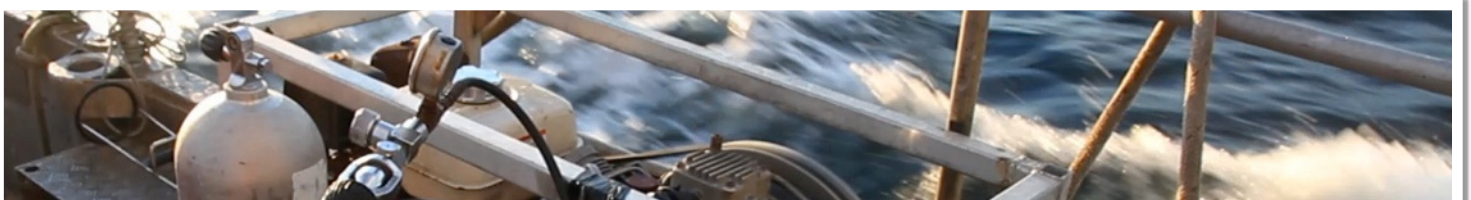
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The world of global trade seems to be getting back on its continuing run as people are looking for a break from all the problems they've/we've been facing for the past couple of years. Things have changed in a whole multitude of ways since our latest pandemic stopped by for a visit in early 2020, and that includes just about everything economic everywhere, including our most important markets in Asia. I just had to lead off with that because COVID remains the largest single underlying driver of change that I am pretty sure I have ever encountered and it's still got a lot of people on edge- let's call it. The emergence of new variants continues to drive angst and discord around the world at all levels- from international relations through national, provincial and regional politics and right down to intra-family relationships. I am not mentioning this to take a position on any side but because its effects have been profound, most especially on food service, travel, tourism and entertainment- all of which are, or were and will (hopefully) again be major drivers for sales of urchin products. And the fact is - sadly- it ain't over yet.

Just to give a quick summary of the market, Japan used to be the dominant market for BC uni, accounting for around 80% of sales of all product formats as recently as 2012, but our efforts to diversify have been having an effect. In fact, Hong Kong is, for the first time, our leading market so far this year for processed uni according to Stats Canada figures. As can be seen in the figure below, sales of processed uni to Hong Kong to the end of September, the last month for which data has been released (note: no data for 2018), were up by over a half million dollars from the same in 2019, itself a record high



and up over a million from the same time last year. Japan regains its post position once live products (GSU) are included but it is gratifying to see Hong Kong keeping the faith with us. Rounding out the top 6 markets for joint live and fresh product sales are South Korea, the US, China and Taiwan. Interestingly, China led in the live sales category with Japan coming in at about \$100 K more than Japan up to September though it is quite likely that Japan will power ahead in the months leading up to Christmas and up through about February.





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Getting back to our marketing program- the pandemic has unsurprisingly affected our international marketing program. We did manage to get a presence at the recent 2021 China Fisheries and Seafood Expo in Qingdao which was a not bad plus for this year. We collaborated with the cukes (PSCHA) and geoducks (UHA) to exhibit through the BC booth and hired some locals to take care of the counter for us. There was no interest in attending in person by any of us because travel restrictions are still pretty fierce. China continues to pursue a “zero COVID tolerance” policy meaning a full 2 week quarantine needing multiple negative tests for release is part of the deal.



We got the 3 associations working together on the show because it just made sense. Traffic was reported as “slow”, which was not real surprising, but we managed to collect a fair number of contacts and put up a fairly good presence at the show for all three associations. The report for that show should be up on the website shortly. China remains a critical market for especially cukes and ducks and an important growing one for the urchins and it just seems to make sense that we have to keep ourselves in front of customers there if we are to keep them on board.



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Other than that, we have seen multiple cancellations of the seafood shows that have been the foundation of our project right from the March 2020 edition of the Seafood Expo North America (SENA). We have applied for space at the BC booth in Boston at the upcoming SENA in March 2022 but again, uncertainties persist because of Covid. We are following through on the initial steps and do what we have to to make sure we have a place at the table if in fact it manages to move forward. We are also hoping the Seafood Expo Global (SEG) in Barcelona in April 2022 will get off the ground - but again-uncertainties are mounting, most recently because of the emerging threats from the omicron variant. We are focusing on maintaining maximum flexibility so we can respond most appropriately to developments as seems to be the order of the day because the same applies for other upcoming shows.

On a more positive note-we have been waiting to hear about what the plan for the Seafood Expo Asia (SEA), the show that got us into Hong Kong. Hong Kong remains a priority for us so we want to get back there to make sure they don't forget about us. The SEA has now been scheduled for Sep 14-16 2022 in Singapore meaning we can now set up a plan for both Hong Kong and Singapore. This has worked in our favour as both are very attractive markets and it would be beneficial to build a presence in Singapore like we have in Hong Kong.

With the SEA- we have a credit for the booth and most of the amenities, so we are set up to go for it. If you recall - the 2019 show in HK was cancelled – most inconveniently maybe a week before we were to leave because of the protests. The AAFC funding was forwarded to us so we just left all the money where it was with the organizers, refrigeration and booth amenity folks. We expected the show would be a go in 2020, but things sort of fell apart shortly thereafter because of the arrival of our friend COVID. We left it as is in 2021 so we still have funding in place @ standard rates for travel to this show in 2022.





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The SEA is happening one week after the Restaurant, Bar and Hotel Show in Hong Kong (RBHK: Sep 6-8, 2022). I was anticipating being able to get to that show should the SEA move to Singapore and wrote it into the 2022 budget just in case. It seems to have worked out and, as reported previously, the 2021-23 program was approved by Agri Marketing- so we are pretty much good to go for that one as well. I have initiated contact with the organizers and hope to get moving on it pretty quick. I think it is important to get back to HK and this looks to be a good fit- especially if we can mix and match a bit so we can economize a bit by combining the trips. We also have a couple of other options to South Korea and Japan that we might also fit in but we are still at an early stage. I'm probably starting to sound like a broken record but I just have to emphasize though that it is not a slam dunk yet as there is a risk that even in September 2022 we might still have problems with our friend COVID.

Moving on to another pressing concern: the North Shelf Bioregion Marine Protected Areas (NSB - MPA) network initiative- the news is hopeful but similarly not yet settled. That process has been carrying on with the planning for the next draft layout of the network since basically last summer. There was some hope, or dread, that things would be breaking out by about now on what was in store. DFO Pacific released a letter from the Regional Director General a couple of weeks ago that kind of quashed that idea because they are having trouble (I think) reconciling the draft plans with existing conservation measures, protocols and arrangements developed in concert with collaborative relationships with everybody involved over the past probably 50 years. I first saw it as a hallelujah moment when I read it- but then on closer, perhaps more reasoned, inspection realised it is probably just going to be a step back so more balanced and fair compromises can be negotiated.



This in itself is still a great thing, but it does mean it is premature to stand down. The California MPA network is undergoing a 10-year assessment next year and there is some scepticism that the rosy reports leading up to the fully objective scientific review coming up to tell the whole story. There has also been a significant retraction of a foundational study on MPA's results (see: [Retraction of flawed study indicates larger problems in MPA science](#)) This study was widely cited by ENGO proponents of MPAs as the solution and the retraction has just got to have taken some wind from their sails. Still, time will tell and I do not expect anyone to simply fold because of adverse publicity. I am quite sure we are going to hear more about this for years and just hope there are not too many set-in-stone preconceptions or inflated expectations around to get in the way of working out a deal that works to everyone's better benefit. I believe science got us to where we are and that it is science and dialogue that are going to provide the only realistic way out.





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With particular reference to urchins, I think the fishery can be and is being seen and accepted more and more as an effective ecosystem management tool for increasing and perhaps even optimizing the biological productivity of the nearshore marine environment. The Murchison Island kelp recovery project is considered a success and I understand similar urchin controls are being tried in other jurisdictions to try and get a handle on limiting the spread urchin barrens. As a bit of an aside, there is also quite a bit of chatter about developing kelp culture industry - just about everywhere - and it may be that some value might be found in joint venture opportunities where "ponded" urchins collected off barrens are fed discarded bits of the harvested kelp. Rather than let others simply run with developing opportunities like this it might make sense for PUHA to ensure the exclusive harvest mandate is maintained for the commercial fishing sector for urchins used.

So I will just finish off with some links that some of you may find interesting. I also have a bunch from Seafood News- but they no longer seem to work in distribution type notes like this newsletter. Hopefully these ones will for you.

2021_10_10- SCMP: [Tidal wave of Chinese debt about to sink Australia's economic recovery](#)

2021_10_21- SCMP: [Container prices tumble after Christmas rush, offering respite](#)

2021_10_21- G&M: [China's economic setbacks cast long shadow for Asia](#)

2021_10_30- The Economist: [Sea urchins v kelp: the fight for California's marine life](#)

2021_10_31- Seattle Times: [Ambitious alliance identifies what's happening to kelp forests](#)

2021_11_03- Financial Times: [Departing US business chiefs warn of expat exodus from China](#)

2021_11_03- BBC: [Border closures threaten Hong Kong's financial hub status](#)

2021_11_03- Seafood Source: [Secrets of subarctic NW Pacific productivity laid bare](#)

2021_11_03- TechExplore: [Why are foreign firms pulling out of China?](#)

2021_11_04- WAPO: [He predicted the dark side of the Internet 30 years ago- no one listened](#)

2021_11_05- Smithsonian: [Coastal Darkening Is Harming Kelp Forests](#)

2021_11_11- PhysOrg: [Complex behaviour in Sea urchins](#)

2021_11_11- NYT: [The awesome importance of imagination](#)

2021_11_16- PhysOrg: [Ocean temperature patterns drive the West's wintertime storm tracks](#)

2021_11_16- SCMP: [Cultural Revolution was a catastrophe, China's Communist Party says](#)

2021_11_16- SCMP: [Over 10 % drop in births underlines China's population crisis](#)



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- 2021_11_17- PhysOrg: [New holographic camera sees the unseen with high precision](#)
- 2021_11_22- Nikkei Asia: [Another strike on China- this time bullying Bhutan](#)
- 2021_11_26- G&M: [Ageing “vortex” could calm inflation excitement](#)
- 2021_11_18- EIU: [China property and real estate indicators for Chinese economic expectations](#)
- 2021_11_19- Nikkei Asia: [New research reveals the myth of Japan’s ‘lost decades’](#)
- 2021_12_03- WAPO: [As world focuses on omicron, delta variant overwhelms parts of U.S.](#)
- 2021_12_04- Nikkei Asia: [Vietnam COVID cases hit record](#)
- 2021_12_06- Seafood Source: [IUU Global Update](#)
- 2021_12_08- U of WA: [Retraction of flawed study indicates larger problems in MPA science](#)
- 2021_12_10- Nikkei Asia: [Will China overtake the West or has it started to decline?](#)
- 2021_12_10- PhysOrg: [Seagrass eating disease](#)- also 2013 initiation

That’s about all I have for now- stay safe. I hope everyone has a great Christmas break and is looking forward to an even better New Year.





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RED SEA URCHIN FISHERY – To December 1st, 2021

North Coast Fleet

- The revised North Coast Protocol approved in August opens a block of QMAs at a time and the fleet(s) will work within the block until they have surveyed/harvest all areas
 - The protocol is working well, but a few revisions to be made should improve it
 - Protocol is online at D&D's website
- Harvest during October and November was well below average
 - Weather played a huge role in the lack of harvest and adding to the issue was packers, and excessive rain shutting highways down
 - The Sea Cucumber fishery usually reduces the RSU harvest effort in October.

South Coast Fleet

- Vessels have been active since August and have not stopped. All QMAs have been hit except for the Barkley Sound QMAs and the Scheduled Port McNeill QMA (Dec10)
- The live market program in Steveston has been plagued with vessel issues and weather. Minimal landings this season so far
- Cape Mudge and the Stuart Island QMAs struggle with quality and have their majority of pounds left
- Kelsey Bay QMAs have had a steady harvest from vessels
- The Sooke QMA had comments from vessels that the purple urchin bio-mass is increasing
- An increase noticed this season of vessels fishing greens at the same time as RSU
- Minimal activity while the Sea Cucumber fishery was active



General

- Breaches to the conditions of licence were minimal to the start of the season
- Hails to harvest and Hails to offload are the primary issues
- Issues around trucking have been an issue coast wide
- Packer issues also an issue
- Harvest charts outstanding – an increase in late charts noticed



Figure 1 – RSU Landings by Season to Date - 5-Year Trend

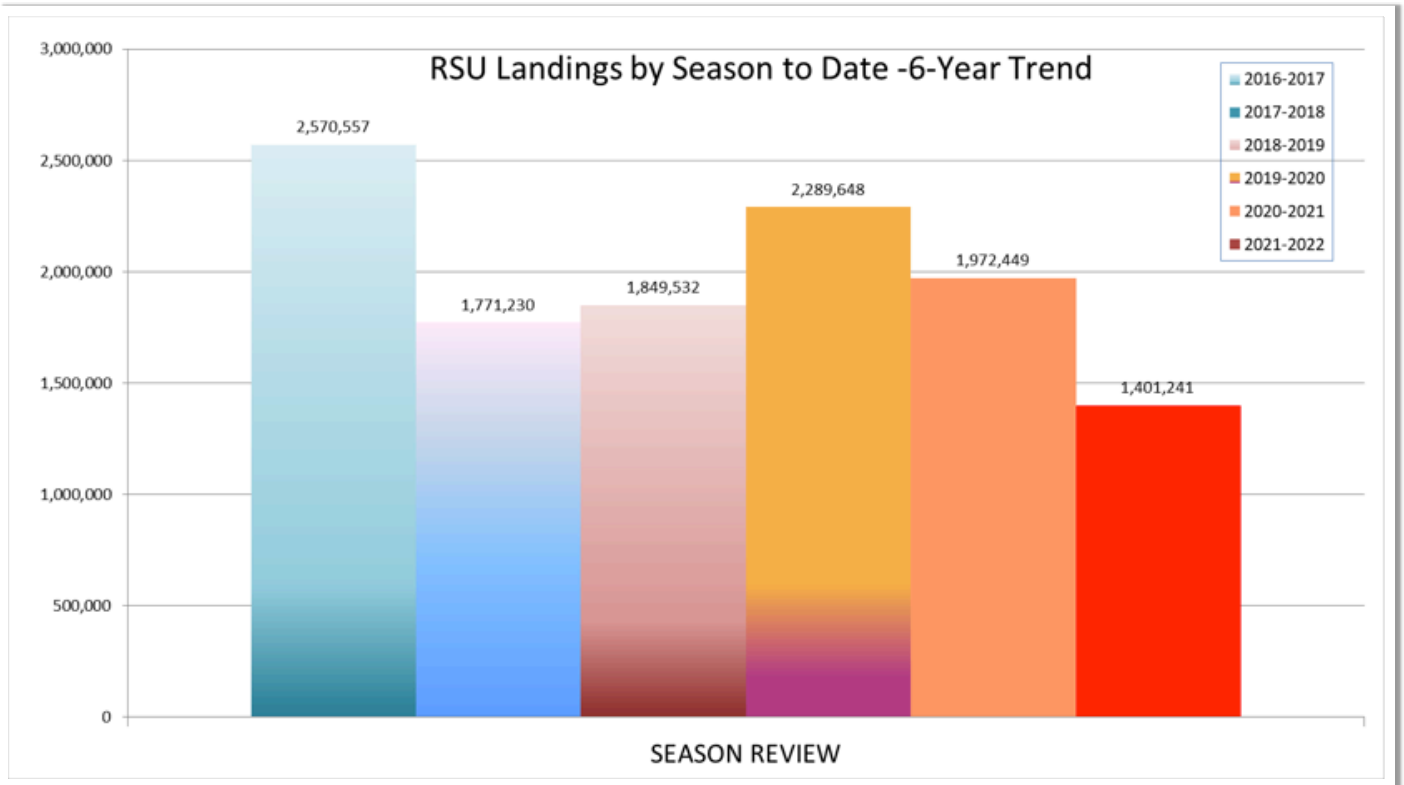
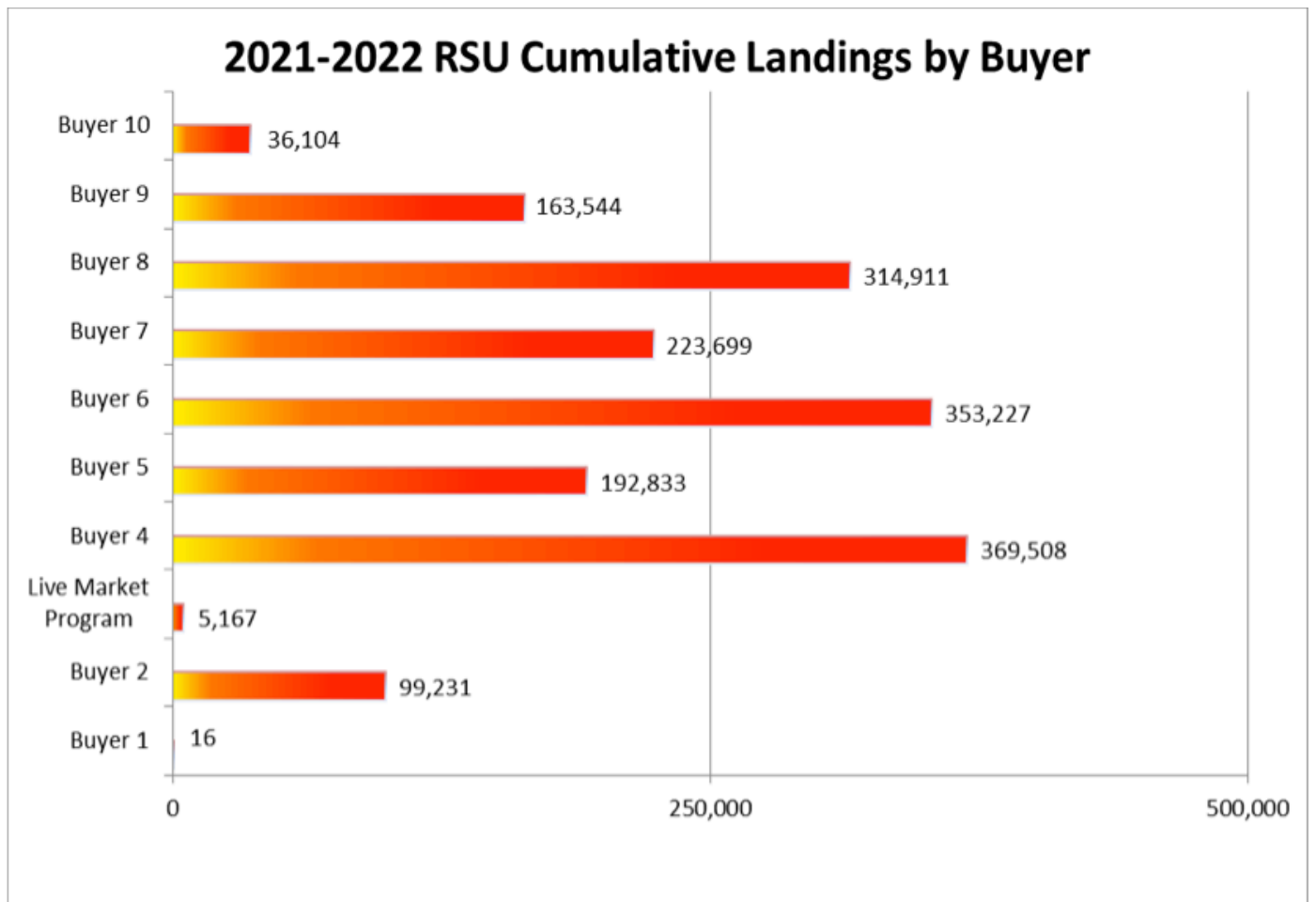


Figure 2 – RSU Cumulative Landings by Buyer





2021-22 GSU FISHERY- To December 1st, 2021

- The 2021-22 GSU season started quiet compared to the past few seasons
 - Harvest out of the Victoria QMAs did not happen in September due to quality
 - Campbell River and Kelsey Bay commenced harvest and continued up to the start of the sea cucumber fishery
 - Harvest continued and picked up steam in November
 - Harvest levels exceed previous seasons
 - Lack of RSU into market may have increased GSU demand
- Adherence to Conditions of Licence overall good
 - New Exploratory QMAs created this season on the Sunshine Coast and Comox
 - Sunshine Coast had a vessel cruise around and landed minimal pounds
 - Comox had vessels harvest this QMA up to 20k and comments were good on product
 - The Sidney and Victoria QMAs have vessels active in November and have a vessel trying to work around weather to finish up the Victoria and Sooke lbs.

Figure 3 – GSU Historical Landings by Month 6-Season Trend to October 1st 2021

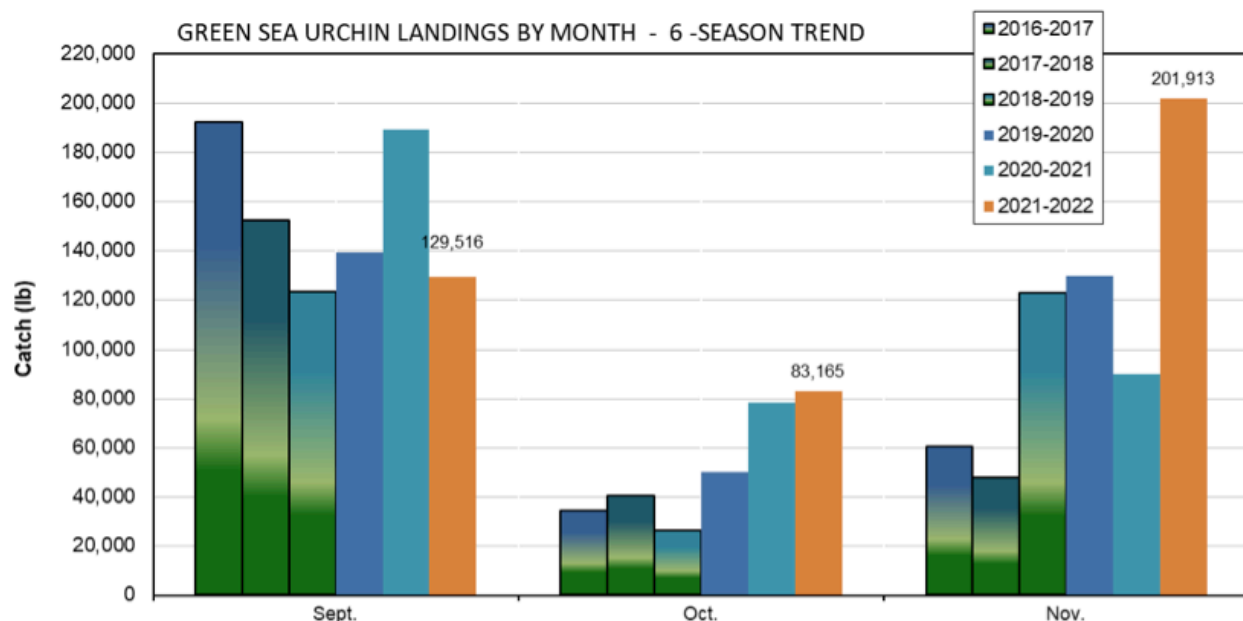




Figure 4 – GSU Landings by Buyer To October 1st 2021

