



# PUHA NEWSLETTER



## Presidents Report Mike Featherstone

To say the first months of 2022 has been poor is an understatement, since Christmas the red urchin fishery could be classed as a disaster. The quality has been very difficult to find, the weather has been terrible and there has been low interest from the fishers. Without having exact

numbers, I would have to guess this the worst 3 months we have experienced in years. To compound these challenges fuel prices have almost doubled and food prices have also increased dramatically. It is no wonder that interest in fishing is low. The only bright spot is the that the market

is good (when there is no product it always is high demand). There have been reports of prices in Washington as high as \$5usd/lb and averaging around \$4usd – at the dock to fishermen. 12-20% A grade! And little or no B or C.



PRESIDENTS REPORT



MARKETING REPORT



D&D PACIFIC REPORT



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Further, this product is all destined for the domestic US market which pays the highest prices. Nevertheless, it is a good indicator of what the price of A grade could be in Canada, if the recovery is high and it can be moved to the US market. Our prices have moved up this season, despite general lower recoveries and quality. Nevertheless, we need to work with our processors and fishermen to improve prices further and develop more innovative approaches to our harvesting and markets.

The Haida Gwaii fishery opens April 1<sup>st</sup> and the Kelp Restoration project starts on March 27<sup>th</sup>. This is the last year of the planned Restoration work, going forward PUHA is hoping the area will be open to be fished as part of the regular fishery.

The area selection process is complete for the 2023 season. After the second (final) round, a total of 53 licences are currently designated to the south coast licence area. 57 licence tabs are designated to the north coast licence area. With this licence distribution the south coast individual quota will equal approximately 40,868 lb. The north coast individual quota will equal approximately 146,333 lb. The Total Allowable Catch and Area Quotas are not yet finalized.



The annual sectoral meeting will be held in mid April. PUHA has requested that the block system in the North be simplified so that there are 3 major areas – Central, North and Haida Gwaii. The purpose is to simplify the opening process. There are no other major changes for the north fishery. In south reds, PUHA is proposing combining Ukie and Bamfield into 1 quota area, we are also investigating the possibility of openings in closed research areas which are no longer current. In greens PUHA is continuing to work with DFO to increase quotas according to the science and industry knowledge.

With Covid receding, trade shows are restarting and PUHA has a number of initiatives planned. PUHA recently attended the Boston Seafood show and representatives are planning to travel to Barcelona at the end of April for the EU Seafood Show. You can find all the trade show and market updates in Geoff's reports following.

We are all hoping ocean and weather conditions improve to allow a strong finish to this season.

<https://www.westerlynews.ca/news/tofino-crab-fishery-rocked-by-rights-transfer-pleading-for-federal-help/>

<https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/ministries/land-water-and-resource-stewardship>

<https://www.canada.ca/en/fisheries-oceans/news/2022/02/government-of-canada-invests-in-indigenous-fisheries-opportunities-across-bc.html>

[Seafood Execs On Return to Boston, Face-to-Face Meetings](#)



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The link below will take you to the website created by the BC Crab Fishermen's Association and will allow you to easily send a letter off to various federal and provincial politicians (by simply entering your name, email address and postal code). The letter expresses concerns regarding DFO's recent decision to provide uncompensated reallocation of commercial crab access to Vancouver Island based First Nations. The letter is well written, supports reconciliation, and clearly explains why we should all be concerned that the costs of First Nations reconciliation initiatives are being unfairly borne by commercial fishing families when it is the responsibility of all Canadians. Please take a few minutes to read the letter and, if you concur, fill out the boxes and hit submit to show your support.

## INDUSTRY NEWS

<https://act.newmode.net/action/bc-crab-fishermens-association/your-urgentsupport-needed-now>

[Indigenous communities managed B.C. sea otter populations for millennia, study finds | CTV News](#)

[Crustaceans, livestreaming key drivers of growth in Chinese seafood sales | SeafoodSource](#)

[Survey of 20,000 Hong Kong food outlets finds lack of sustainable seafood sourcing | SeafoodSource](#)





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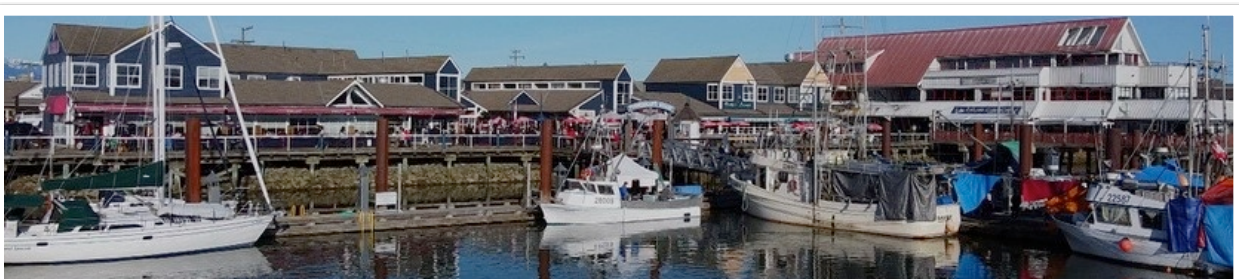
I was just looking back at the last newsletter we did back in December last year and couldn't help but notice that things were starting to brighten up a bit as the pandemic was even then fading. Things have obviously taken a bit of a turn since then, thanks to Russia's invasion of Ukraine at the end of February, and the effects of that, some very bad but also some possibly working to our advantage, are likely to be with us for a while.

First and foremost - there is the fact that Russia has dropped any pretense to abiding by and following Rules that kind of define modern civilized living, Rules that the rest of us possibly too often take for granted but which are missed most when they no longer apply. The tragedy of an advanced society, one comprising the 11<sup>th</sup> largest national economy in the modern world, deploying a modern armed forces on an non-threatening peaceful neighbour, just because they can, is jarring and has changed the calculus of international relations and interactions around the world. For many us, it is probably just a distraction, a serious distraction for sure but not something affecting our day-to-day lives so profoundly that we have to change our daily routine to accommodate extreme violence or even streams of refugee arrivals. It is however affecting the geopolitical, economic and financial environment we are all going to have to deal with. I won't get into the geopolitical aspects, most particularly involving the evolving contest between the West and China, because it is above my pay grade, but suffice it to say that lessons learned from this episode are likely to affect national and international politics around the world for decades.

On the more strictly economic side, Russia ranks #1, 2 and 3 respectively among global exporters of natural gas, oil and coal. It also supplies 20% of the world's nickel, 10% of the aluminum and copper and is a crucial supplier of grains and fertilizers. So far the effects of sanctions on its commodity exports are minor, but they are mounting, and the country's businesses have lost access to the finances needed to allow for operations, maintenance, operations and even sales. The war has also eliminated exports from Ukraine, another of the worlds major suppliers of grains, metals and other such commodities.

In short, we are likely to see a fairly significant recession emerge globally- soon. Even only having food and fuel prices increase as they have over the past few months has been a strong signal that a recession is imminent at least 90% of the time (see the Rosenberg link in the G&M Mar 23, 2022). We are apparently still at the beginning of a cycle of price increases which will get more noticeable and more widespread over the next few months even if things do not go further sideways in Europe. We were already looking at a cycle of interest rate increases to tame rising inflation before the Putin thing happened, but now that the price pressures from assorted embargoes and sanctions on Russia are emerging, the pressure to do something has increased. It may however be short lived because, as the old truism states, the best remedy for high prices is high prices and the coming economic slowdown from all these higher prices on their own is likely to slow economic activity and thereby reduce inflationary pressure. However - on that we shall have to wait and see what happens.

The west's sanctions and embargoes on Russian exports should open some opportunities for Canadian suppliers and that includes of seafood. Japan has cut off Russian access to its seafood markets and revoked its Most Favoured nation status- meaning that whatever imports do make it in will be heavily taxed. Seafood imported from Russia last year accounted for 8.6% of all of Japan's seafood imports last year, including 47% of the imported uni (see link to Washington Post [here](#) ). Russia exported some 8,627 MT of urchins to Japan last year (2021), pretty much the same level it has been at since 2012 (Table 1). Shipments through Hansaki are similarly stabilized at around 6,000 MT/yr so the recent embargo is likely to leave the Japanese market short by about 2,370 MT of urchins though to June from Hanasaki alone. Using a 5% recovery, this translates to a shortfall of 118 MT of uni, a volume that is just a bit lower than Canada's entire export volume of 139 MT of processed RSU uni in 2021. It is worth noting that the embargoes and sanctions are likely to persist beyond June as it may take some time for Russia to be accepted back into the family of "civilized" nations.





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Table 1: Total Russian imports of urchin products from all ports into Japan.

Quantity (kg)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2000	258,685	217,348	462,376	488,698	827,765	798,017	527,706	276,277	84,116	575,496	869,057	800,847	6,186,388
2001	356,420	386,411	287,913	962,737	1,378,412	919,232	800,908	230,420	256,725	966,887	1,308,598	1,221,156	9,075,819
2002	473,112	892,644	1,263,160	1,167,944	1,233,979	1,017,025	519,258	267,832	249,387	1,027,874	1,047,340	1,365,338	10,524,893
2003	337,043	823,473	480,915	1,221,285	1,428,003	1,208,713	806,316	477,310	395,495	1,245,766	1,281,508	1,433,693	10,939,620
2004	265,797	555,220	1,085,132	1,330,316	1,307,924	1,381,788	870,614	683,124	431,688	1,198,418	1,602,789	1,559,353	12,272,163
2005	1,230,530	1,059,195	1,132,995	1,568,869	1,496,405	1,062,342	952,031	773,132	578,971	881,068	1,598,998	1,491,052	13,825,588
2006	1,078,969	1,466,283	1,151,825	1,340,391	1,506,838	1,683,648	967,601	770,683	327,615	1,273,880	1,517,464	1,939,728	15,024,925
2007	1,348,866	740,679	1,608,850	1,384,635	1,573,253	1,392,252	739,074	532,650	301,347	1,303,546	1,221,816	1,903,874	14,050,842
2008	559,539	548,747	1,380,292	1,513,499	1,265,459	1,215,532	714,715	346,732	246,187	987,510	1,283,072	1,694,945	11,756,229
2009	540,739	818,386	1,068,235	1,233,831	1,137,564	980,676	591,938	326,169	232,800	817,774	904,486	1,017,400	9,669,978
2010	659,849	921,872	904,119	1,112,974	789,163	1,090,149	526,091	305,824	264,363	869,015	945,999	1,165,636	9,555,054
2011	937,509	680,276	851,555	1,039,953	1,109,907	889,306	565,182	497,977	142,015	876,427	860,992	1,070,851	9,523,950
2012	793,241	742,141	880,764	985,640	1,070,964	708,346	522,952	342,002	147,294	959,533	996,569	855,205	9,004,651
2013	866,178	774,389	848,302	1,195,054	1,062,347	878,199	551,522	306,295	143,288	835,432	783,461	809,542	9,054,009
2014	855,675	627,714	598,429	605,737	860,927	863,859	524,719	270,868	136,695	933,043	753,229	799,114	7,830,009
2015	790,121	591,499	743,383	869,696	793,601	624,415	456,269	305,538	145,344	781,541	1,002,072	874,551	7,978,030
2016	770,332	688,919	840,270	907,415	643,570	765,299	471,912	355,180	134,916	852,799	875,953	771,443	7,978,008
2017	558,144	654,417	845,690	901,402	782,921	446,487	425,054	363,722	183,698	1,035,017	848,171	971,576	8,016,299
2018	883,335	910,338	834,200	984,292	733,006	617,746	399,878	366,691	199,447	1,164,274	698,616	337,004	8,128,827
2019	795,409	780,111	830,531	1,096,548	645,079	406,657	457,849	339,325	208,928	1,042,403	687,408	924,710	8,210,958
2020	945,999	808,949	691,505	603,969	725,030	680,260	469,938	368,653	146,760	1,052,641	891,715	961,432	8,346,851
2021	639,063	702,461	877,700	1,003,928	700,634	699,049	555,773	243,137	350,205	1,006,465	931,686	916,500	8,626,593

Moving on to Canadian sales: data from Stats Canada register an increase in total annual sales of all product formats running from January through the end of December from about \$14.62 M in 2020 to \$ 18.44 M in 2021. This is not prepared or presented on the same “seasonal” basis as the harvest data prepared by D&D, so it might look like a misfit of some sort as the harvest data on that basis has shown a steady decline from the 2018-19 season through the 2020-21 season. The annual graph seen in Figure 1 includes production from August through December 2021 which is not included on the by-season breakout but it is just another way of looking at production.

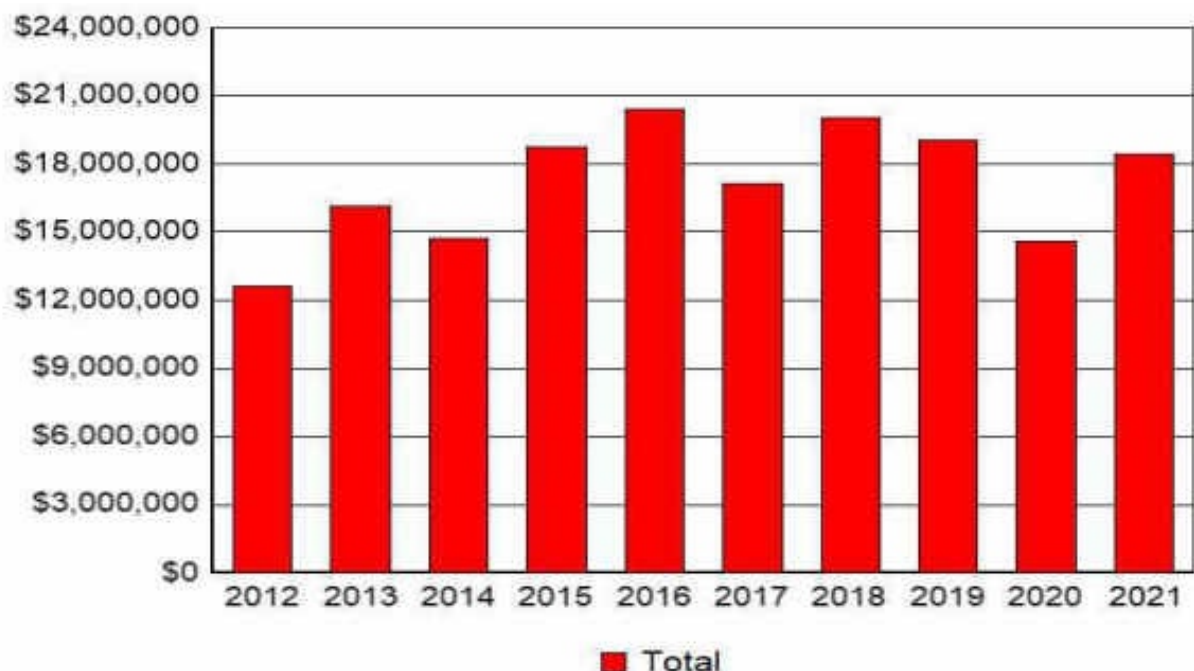
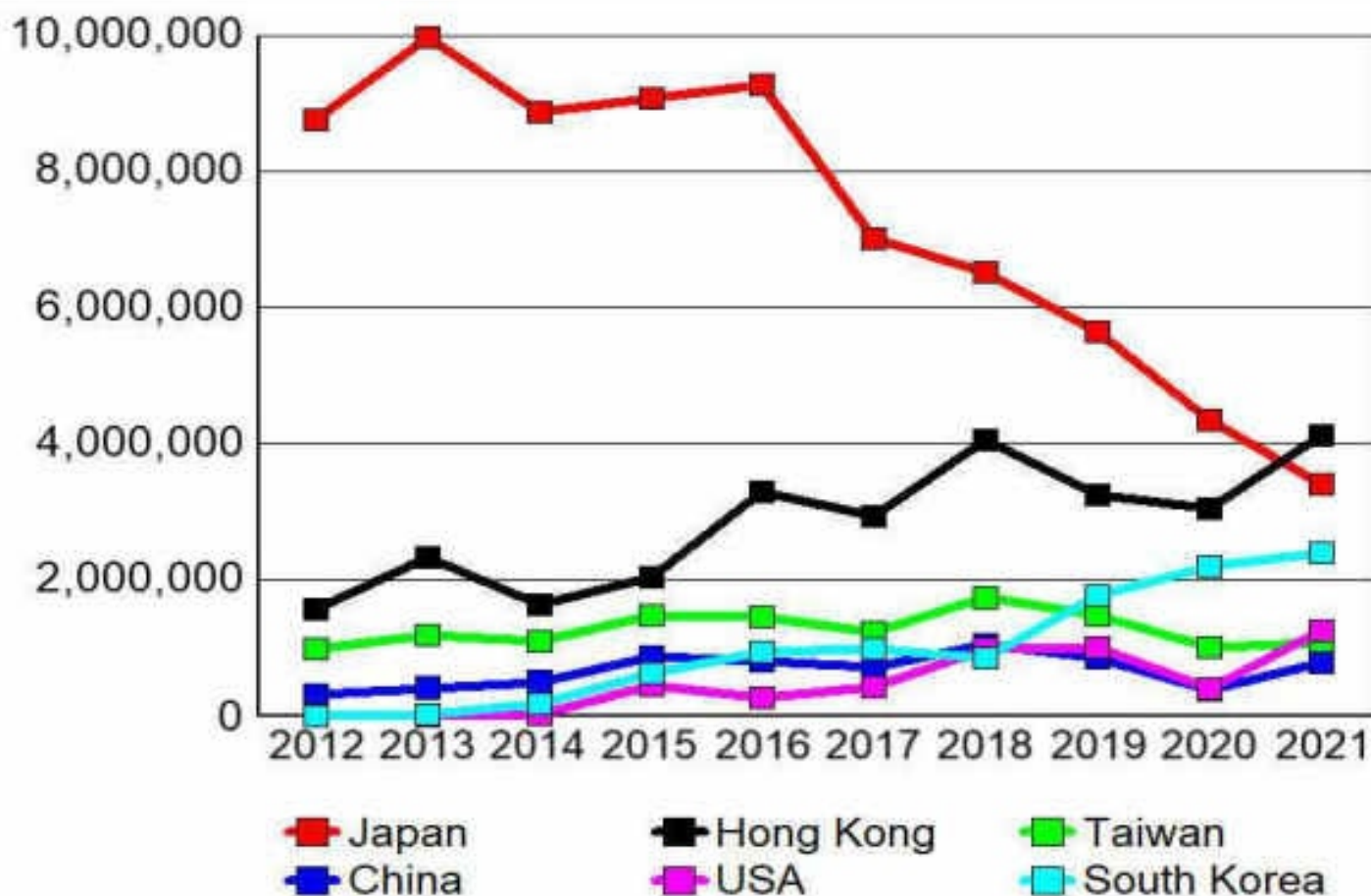


Figure 1: total export sales of fresh, frozen and live sea urchin products from Canada



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Looking at the destinations, Hong Kong was our top market for processed uni for 2021, beating out Japan by about 20% @ \$4.1 M vs \$3.4M (Figure 2). Volumes shipped to and prices in Hong Kong were both about 11% higher than in Japan. The initial results for January 2021 show Japan again taking the lead in terms of value (\$434 K vs \$239 K), though once the volumes (10.97 MT vs 3.84 MT) are included in the calculation, the prices in Japan dropped from \$53.45/kg in January 2021 to \$38.65 in Japan while they stayed relatively steady around \$65 in Hong Kong.



South Korea finished the year in number 3 spot (@ \$2.4 M for 37.8 MT at an average price of \$63.47) with the US, Taiwan and China rounding the top 6 (@ \$1.24 M/7.2 MT/\$172.67 kg<sup>-1</sup>; \$1.07M/16.1MT/\$66.60 kg<sup>-1</sup>; and \$0.79M/13.3MT/\$58.99 kg<sup>-1</sup> respectively). Note the price paid by the US is more than double what anyone else offers- I have checked this over multiple years and it remains more or less consistent, something which strongly supports the strength and attractiveness of the US market for our processed products.

The prices seen for live product purchases do not reflect the same trend, Japan is the largest market for live product, primarily greens for which they paid \$2.2 M for 144 MT @ a price of \$15.48 kg<sup>-1</sup> while the US trade comprised \$434 K for 64.5 MT of Reds at an average price of \$6.74 kg<sup>-1</sup>. China and Taiwan round out the top 4 for live sales with total sales \$150 K and \$14 K respectively.



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So where are we on our “project” this year. Fraser Rieche and Geoff Krause attended the 2022 Seafood Expo North America (SENA) in Boston at the Boston Trade and Convention Centre in mid March. There are usually have more than just a couple of representatives attending this show on our behalf but circumstances meant everyone else was busy. Lawrence Anderson was planning on joining us but was diving geoduck up in Haida Gwaii and unfortunately could not get off the boat. Fraser and I did manage to put forth a credible presence at the information counter and meet with what turned out to be a good variety of people.

This was of course the first seafood expo/show of any stature held in the past 2 years (the last scheduled SENA 2020 was cancelled) because of the COVID pandemic. In the runup to this year’s show the organizers focussed very much on the safety precautions, most especially on mask and vaccine mandates that would be in place, to reassure everyone that it would be safe to attend. However by the time everything rolled out these had been cancelled. It seemed strange after the past couple of years, but also kind of liberating, that these were dropped just prior to the start of the show but rumour has it that they wanted to get more people to come in to visit and contribute to the show’s success. Some exhibitors did not feel comfortable with that and pulled out even though the rental spaces was paid for and non-refundable. The BC booth itself was incorporated right into the Canadian Pavilion and shared space that has previously been all taken up by the “Maritimes”. They too had limited uptake for the show and it just made sense to consolidate the space to save a few bucks. The location of the booth can be seen in Figure 3 just to the left of “Quebec” sign.



Figure 3: overhead shot of the Canadian Pavilion with a view of the BC booth



Figure 4: 2019 counter spacing

The booth in previous years included a cooking station for Nathan Fong, a celebrity chef from Vancouver who prepared samples of the seafood fare on offer from BC companies attending the show. It also comprised upwards of 12 information tables situated around the margins of the 50' x 20' space with about 0.5 m spacing (Fig. 4), a display cooler and probably 15 or so meeting tables set up in the central area so attending companies could hold meetings with buyers and potential customers. This year - not so much. The dimensions of the booth were actually pretty much unchanged, but the number of information counters was reduced to 6 so the space between them was increased from about 0.5 m to something closer to 2 m.



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**Figure 5:** 2021 SENA showing extended information counter spacing in BC Booth.



**Figure 6:** overhead view of show floor

The same sort of dispersion was seen throughout the show as it seemed everything was spaced out and less crowded. On top of that here were many spaces apparently intended for booths that were not present and there were lots of large resting and sitting areas scattered throughout the show. It was all actually quite comfortable and uncrowded, which was reassuring given that the pandemic is not yet really over, but it also subtly camouflaged the lower numbers in attendance.



My impression about the show was that there were quite a few people wanting to get out and about to actually talk face-to-face with others- I was one of them. I am still working up the contact information and the report but as a quick summary we collected about 2/3 the number of contacts from the previous show (40 vs 61 in 2019) and there was a not-bad mix of people expressing interest learn more about BC dive fisheries. I expect if prepared samples were available, we would have had higher numbers but it is hard to know how much real difference it would make on serious prospects. Usually we have a couple of delegates who are actually active in either the fishery or the trade and who bring an extra element of novelty or authenticity – but I think we did OK.



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All in all- the show was (I'd have to say probably) better than I really expected it would be. I think quite a few people were concerned about the pandemic and reluctant to step out too much but that is to be expected after what's been happening for the past couple of years. It was really nice getting out and doing something different and I think we all contributed to making a positive impression on people who visited the show. More of course would be better, I expect we will get some extra guys coming along next year especially if the pandemic and those other things in Europe and Asia settle down but also if the latter do not because that would well suggest other market options might be shrinking. I think it is important to keep a presence at this show and feel this year it provided an awesome opportunity to test the waters (so to speak). As I mentioned to Marilyn, the BC government representative who puts it all together each year, we do hope to return next year.

One other point worth making about the show this year, I stayed at a hotel within walking distance- the Hampton Inn Boston Seaport to be exact, and it was awesome. Just being able to wander over without having to time everything out for traffic, and buses and all was very convenient and highly recommended.

We are also looking to set up for the upcoming Seafood Expo Global in Barcelona Spain in late April. The on-going drama in Europe is a worry, as are surging numbers on the latest COVID wave, but it is sounding like there will be good interest in it so we will be gearing up next week to make the necessary arrangements.

That is about it for now.

**Good fishing eh- and as always- stay safe.**

## Things in the News

2021\_12\_14- Nikkei Asia: [ADB slashes Malaysia and Vietnam annual growth forecasts](#)

2021\_12\_21- Nikkei Asia: [Vietnam reins in fisheries as EU 'yellow card' threatens sector](#)

2021\_12\_23- Nikkei Asia: [Analysis: When China's leading paper ignores Xi, all bets are off](#)

2021\_12\_23- Nikkei Asia: [Asia's 2021 bull market in emperor-has-no-clothes moments](#)

2021\_12\_28- Nikkei Asia: [Cathay warns of dramatic supply chain disruptions](#)

2021\_12\_30- SCMP: [Cathay suspends long-haul cargo flights after crew quarantine ramped up](#)

2022\_01\_02- Techexplore: [Foreign businesses worry as China food import law kicks in](#)

2022\_01\_02- SCMP: [Singapore's economy on course for fastest growth in more than decade](#)

2022\_01\_04- Nikkei Asia: [China's economic growth model is close to its limits](#)

2022\_01\_04- The Economist: [How Japan sees China](#)

2022\_01\_06- Nikkei Asia: [World needs a long-term plan to avoid repeat energy crises](#)

2022\_01\_08- Australian [News: Evergrande in China](#)

2022\_01\_08- Nikkei Asia: [Another year of historic uncertainty beckons](#)

2022\_01\_09- G&M: [Our imaginations will save us](#)



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- 2022\_01\_13- G&M: [Canadian airlines seize new opportunity amid global supply chain delays](#)
- 2022\_01\_16- SCMP: [Is China tripping over its pursuit for 'common prosperity'?](#)
- 2022\_01\_16- Nikkei Asia: [Retirement of China's chief provocateur signals course correction](#)
- 2022\_01\_18- G&M: [Security flaw found in smartphone app for Olympians in Beijing](#)
- 2022\_01\_18- G&M: [Shopify partners with JD.com in China](#)
- 2022\_01\_27- The Bulletin: [What's climate change really doing to the ocean? Ask the robots](#)
- 2022\_01\_28- SCMP: [China's widening crackdown has the ring of a bygone era](#)
- 2022\_01\_31- G&M: [The domestic fault lines of China's transformation](#)
- 2022\_02\_01- Nikkei Asia: [Omicron variant 'threatens to be Xi Jinping's undoing](#)
- 2022\_02\_05- YouTube: [Sea Urchin video from California](#)
- 2022\_02\_12- SCMP: [1,000's of Hong Kong restaurants close amid harsh rules](#)
- 2022\_02\_12- Big Think: [Rule-of-threes: why we will enter an era of mass flourishing](#)
- 2022\_02\_14- WAPO: [Avoiding costly isolation period if you get coronavirus while abroad](#)
- 2022\_02\_16- Nikkei Asia: [A turn? Bank of Japan finally gets some inflation, and headaches too](#)
- 2022\_02\_22- Nikkei Asia: [Hong Kong bans flights from 150 nations after COVID outbreak](#)
- 2022\_03\_01- Seafood Source: [Ukraine invasion rippling through global seafood industry](#)
- 2022\_03\_02- Nikkei Asia: [Ukraine crisis throws China's top 7 leaders into disarray](#)
- 2022\_03\_05- The Conversation: [Wind turbines can breathe new life into our warming seas](#)
- 2022\_03\_18- WAPO: [Japan's sushi makers are feeling the bite of Russia's war](#)
- 2022\_03\_22- Nikkei Asia: [Worries about China's economic power are overdone](#)
- 2022\_03\_22- G&M: [Steep oil and sunken yields flash more weakness for Japan's yen](#)



# D&D Pacific Report/Darin Macey Page 11

RED SEA URCHIN FISHERY – To March 1<sup>st</sup>, 2022

## North Coast Fleet

- Harvest levels are well below average into March. Only 23% of the NC TAC landed
  - Weather playing a huge role in the lack of harvest
  - Quality is lower than average, producing lower recoveries in all QMA's
- The protocol is not working as anticipated
  - The fleet still struggling with boundary QMA's of multiple blocks
  - Revisions recommended will see a Central coast block, a North Coast block and a Haida Gwaii block
  - Only one block at a time. This should resolve the remaining issues
  - The suggested Protocol will be reviewed by DFO in April and will be posted online at D&D's website once approved.
- The Kelp Restoration Project is set to start on the 27<sup>th</sup> of March with Parks Canada, the Haida Nation, and PUHA
- The regular Haida Gwaii fishery will commence after the Kelp Project

## South Coast Fleet

- Vessels have been active steadily into January and minimally into February and almost nil into March
- Over 80% of the SC TAC has been landed
- The live market program in Steveston has seen landings in the last 2 month
- Stuart Island QMA included subareas of Area 15 and reports are positive of the inclusion. 99% of the 13G quota was achieved
- Campbell River South (Cape Mudge) urchins are being landed very close to the minimum size
  - GSU is taking over a lot of ground as commented by vessel crew
  - Comments show the RSU biomass is all close to 100mm
  - Vessels have been warned to watch the size from this area
- Kelsey Bay QMA's had a steady harvest from vessels throughout the openings
- The Sooke QMA had comments from vessels that the purple urchin bio-mass is increasing



## General

- Undersize is noticed more coast wide
  - Bent rakes and new divers the main issue, but
  - Harvest bags are no longer dumped and sorted on deck of the dive vessels. They are being used directly for transport bags to the dock
  - Rocks and undersize is not being returned to the ocean floor. Buyer and processor complaints on the rise
- Harvest charts outstanding – an increase in late charts noticed

Figure 1 – RSU Landings by Season to Date - 6-Year Trend to March 1<sup>st</sup>

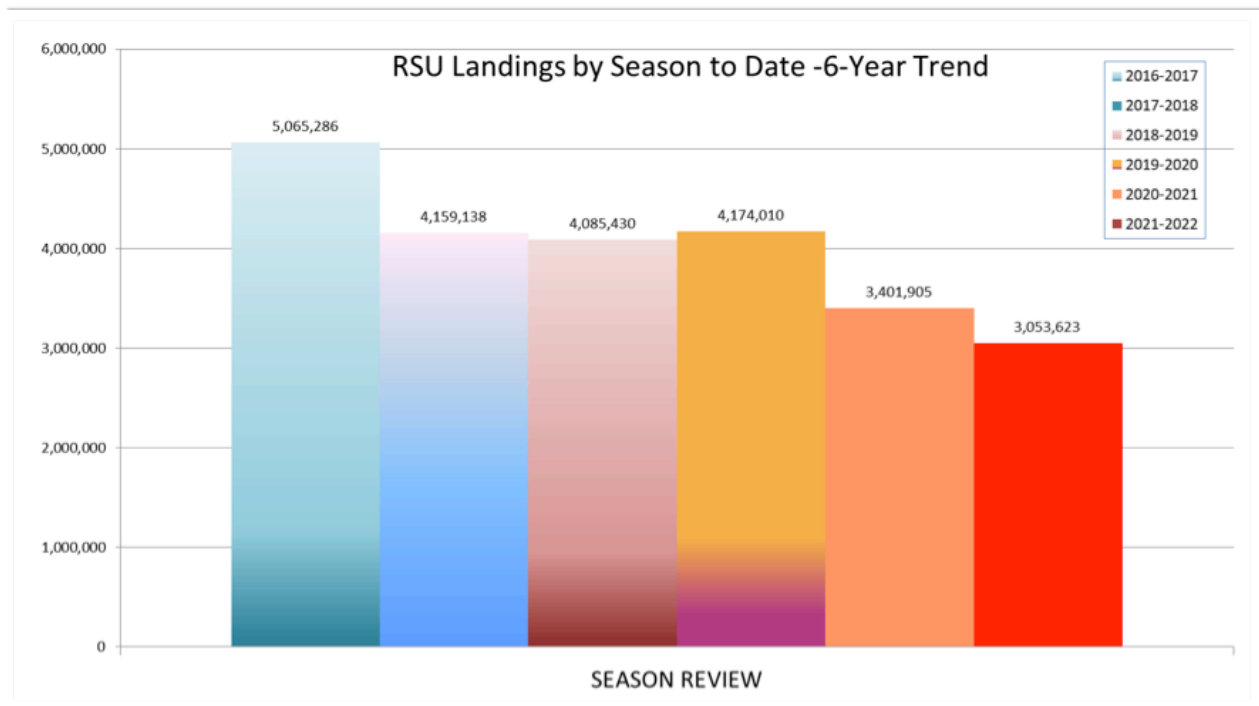
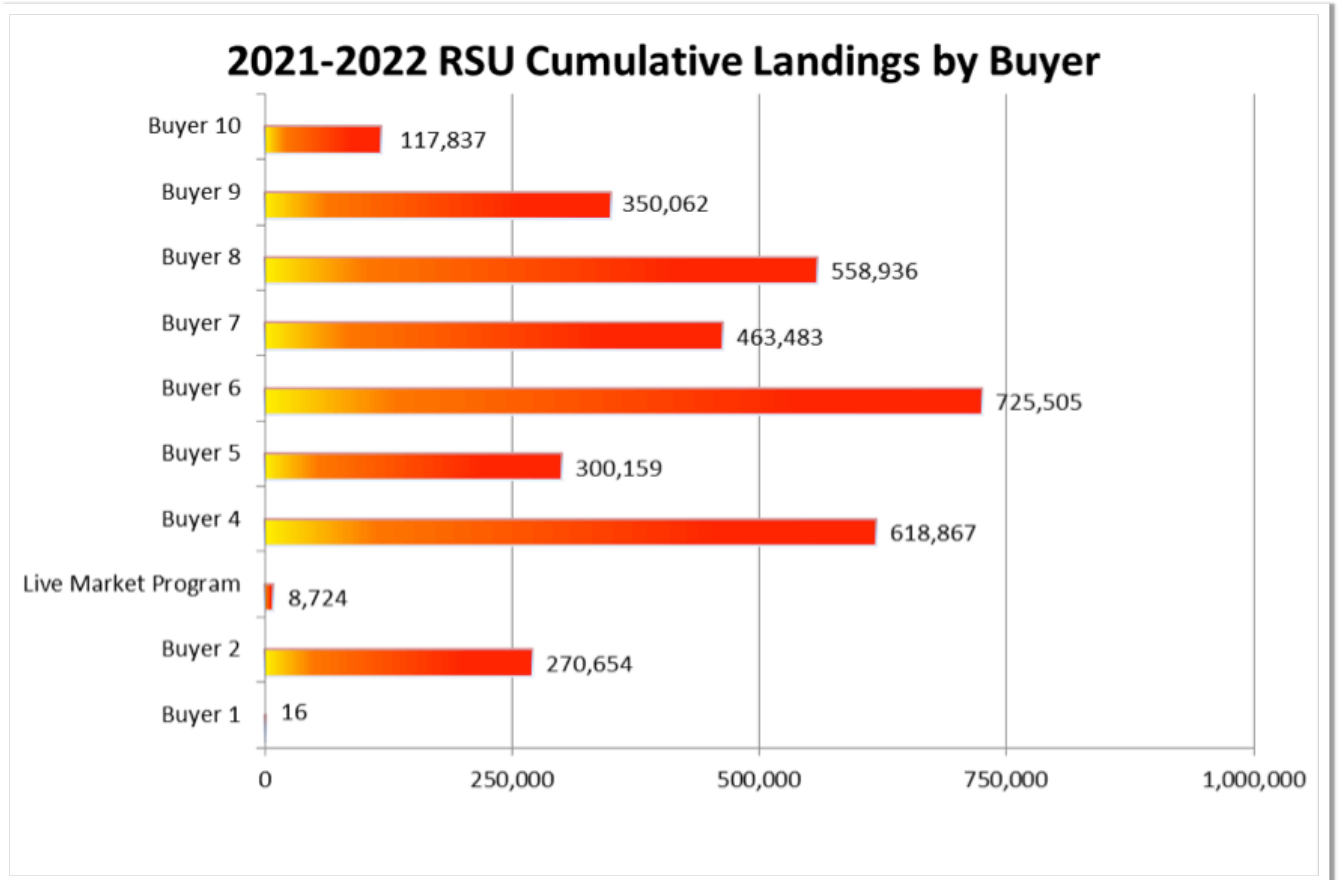




Figure 2 – RSU Cumulative Landings by Buyer



## 2021-22 GSU FISHERY- to March 1<sup>st</sup> 2022

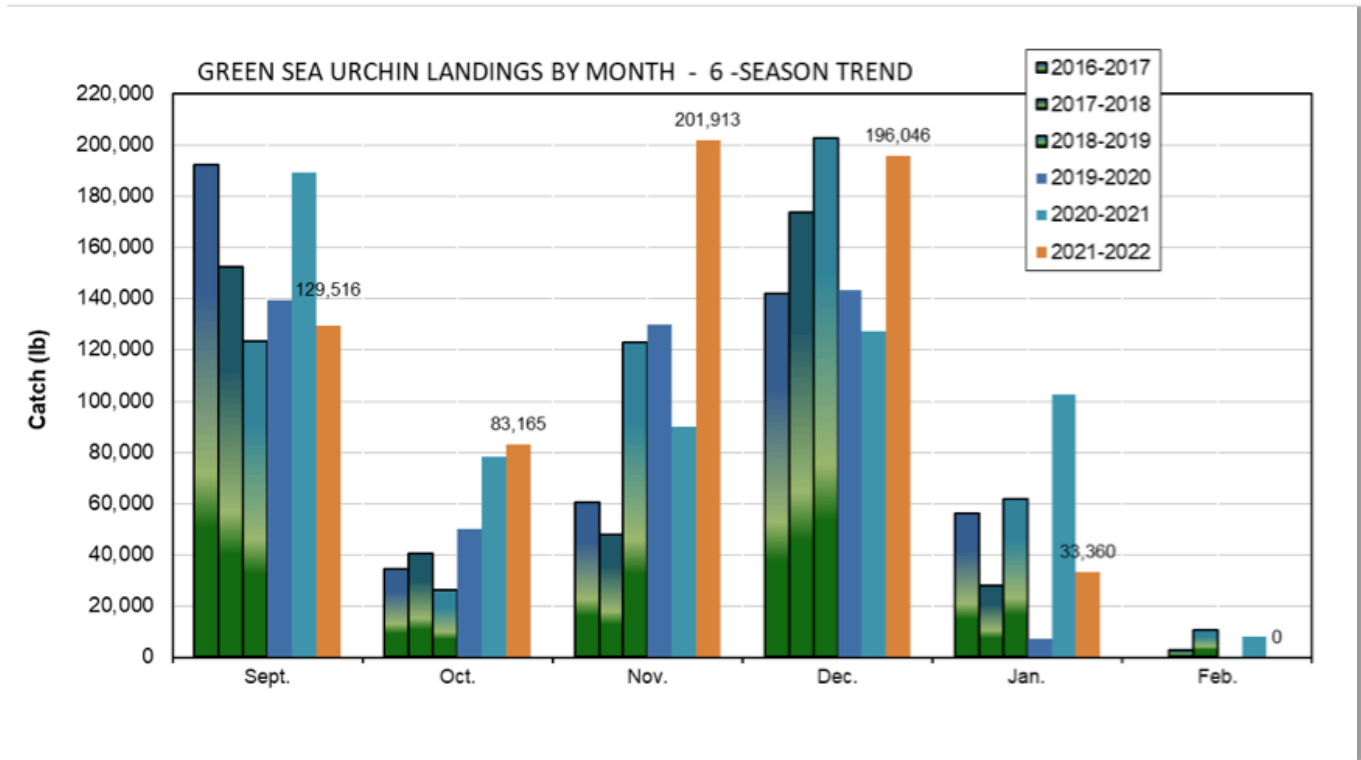
- The 2021-22 GSU season started quiet in September compared to the past few seasons
- Harvest out of the Victoria QMAs did not happen in September due to quality
  - The final pounds of the fishery are in the Victoria / Sooke QMAs
- Comox was an exploratory QMA and showed promise of increasing the TAC
- Sunshine Coast had one vessel scouting the exploratory QMA 16
  - A small landing occurred and more surveying is required
- Campbell River and Kelsey Bay commenced harvest and continued until the quota was achieved
  - Large biomass of GSU in all QMAs noticed
  - Cape Mudge RSU being overrun by GSU
- Adherence to Conditions of Licence overall good
- The break-up of QMA 12 into 12a – West and 12b – East seems to be working as expected
  - Large biomass of greens as the otters clean out the rsu population in the Port McNeill region



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- Harvest continued and picked up steam in November and into December
  - Dropping sharply by the end of January
- Harvest levels exceed previous seasons

Figure 3 – GSU Historical Landings by Month 6-SeasonTrend to March 1<sup>st</sup> 2022



By the end of January the PUHA fleet harvested 99.6% of the TAC

Figure 4 – GSU Landings by Buyer to March 1<sup>st</sup> 2022

