



PUHA NEWSLETTER



B



Presidents Report Mike Featherstone

As we start the 2nd quarter of the red urchin fishing season (Nov 1st), the landings are lagging past years. At this point only 17% of the coast wide catch has been landed. In the north, 10% of the total TAC has been landed, in the south the landings

are 40% of the TAC, which is also lower.

The north activity picked up near the end of September, prior to the opening of sea cucumber season, then slowed as boats left to do cucs. Towards the end of October landings started to

pick up again, but weather has slowed fishing. D&D has reported issue with the North fishing protocols and some vessels not hailing in as per licence conditions. Please refer to licence conditions for hails.



PRESIDENTS REPORT



MARKETING REPORT



D&D PACIFIC REPORT



Presidents Report /Mike Featherstone Page 2

PUHA and DFO have agreed to a simplified block system this season, to enable smoother opening of new areas, however the On grounds Coordinator only communicates to D&D what the fleet agrees to. OG Coordinators do not hail in vessels.

The green season had a slow start this season. The landings for Sept were the lowest as compared to the last 6 years. October was better, and November is higher than normal. Overall landings are lower than past seasons. The Japanese market is very slow, and the prices are lower. This is mostly attributable to the low Yen. The Yen has been at near record low levels against the US\$ and the Japanese simply cannot afford the current Canadian pricing. There is still Russian greens coming into the market, which also has reduced the pricing.

With the challenges in the Japanese market, companies have had to lower prices and even dropped prices to the niche Chinese market, which was seeing stronger prices earlier in the year. Recently the flooding of the Chinese market with cheaper Canadian product, has disrupted that market and pricing. Cumulatively, the poor Yen, cheaper product from other countries and internal pressures in Canada have pushed prices lower as we move into November.

In regards to general fishing activities, D&D has expressed growing frustration with fishermen not following the Conditions of Licence and Hail procedures. Some of the same problems have confounded the On grounds Coordinators efforts in the north. Our system is one of the very few fisheries which still maintains some independence and flexibility. However, this is not a guarantee to continue, if DFO continually has reports of non compliance and management issues. All operators and licence holders need to ensure they follow the existing regulations and requirements.

With the price pressures and the market conditions for both red and green sea urchins very tough, fishermen and processors are getting squeezed on all sides. All costs are up, Japanese Yen is weak, Asian importers cannot pay higher prices. It is a perfect storm of trouble. It is ironic, given all the trouble the industry has weathered these past 3 years. Many are wondering if we will ever get a break.

In September, PUHA representatives, attended the Asia Pacific Seafood Show in Singapore. This was the first time this show has been held in Singapore, previously it was in Hong Kong. At the show I was impressed with the number of contacts and the strong interest in our Canadian uni. It seemed very positive. I am hopeful once things turn around with the global economy we will see a strong bounce back in our industry. Please see Geoff's report for all the updates.





Presidents Report /Mike Featherstone Page 3

Please return Dive Loggers

PUHA would like to begin collecting all dive loggers used in the Simon Fraser University study seeking approval of dive computers for commercial use in BC. The study is wrapping up, all loggers must be returned, and all data needs to be analyzed by year end.

Please work with Mike Atkins to return your loggers

E-mail: mike@tridentbc.ca or

Call/text: 250-802-3483



+

INDUSTRY NEWS

NEW SEA URCHIN HARVEST TECHNIQUE

<https://vocm.com/2022/02/28/new-technology-may-help-improve-sea-urchin-harvesting-easier-in-province/>

TECHNIQUES USED FOR KELP MONITORING

https://mappocean.org/wp-content/uploads/2021/07/MaPP_Kelp_Monitoring_Methods_2021.pdf

GEODUCK AND OTHERS

https://mappocean.org/wp-content/uploads/2021/07/MaPP_Kelp_Monitoring_Methods_2021.pdf

MINISTER JOLY WARNS OF BUSINESS IN CHINA

<https://globalnews.ca/news/9264724/china-canada-business-policy-foreign-interference-joly/>

BC DIVER ENCOUNTERS OCTOPUS

<https://globalnews.ca/news/9264724/china-canada-business-policy-foreign-interference-joly/>

CHINA SEAFOOD EXPO CANCELLED

<https://www.seafoodsource.com/news/supply-trade/2022-china-fisheries-expo-in-qingdao-canceled-due-to-local-covid-outbreak>

BC SEAFOOD ALLIANCE MARINE PLANNING TEAM UPDATE

https://mappocean.org/wp-content/uploads/2021/07/MaPP_Kelp_Monitoring_Methods_2021.pdf

OFFSHORE PROTECTED MPA

<https://www.vicnews.com/news/west-coast-first-nations-feds-reach-tentative-understanding-on-vast-offshore-region/>

BC MARINE PROTECTED AREA LACKING DETAILS

<https://vancouverisland.ctvnews.ca/b-c-marine-protection-plan-is-sweeping-but-sparse-on-details-experts-say-1.6145743>





Marketing Report/Geoff Krause Page 4

Lawrence Anderson, John Parkin, John Parkin Jr. and Geoff Krause met Mike Featherstone and Ed and Rhonda Sang in Singapore for the first Seafood Expo Asia to be held since 2018. This show has historically been our flagship since we started exhibiting at it back when it started in 2010 in Hong Kong. It was cancelled in 2019 because of anti-government demonstrations in Hong Kong against the extradition law enacted by the government and then of course we had the emergence of COVID in 2020 and we all know the story that unrolled then. The organizers of the show decided to move it over to Singapore in 2021, in part because Singapore was doing so much better than other locations with the pandemic but it was again cancelled because it just did not make sense to go ahead with it when just about everywhere else was still shut down. This then is the first edition of this show since 2018.



This was the third seafood expo we attended this year after an enforced break since November 2019 because of the global pandemic. The Seafood Expo North America (SENA) in Boston in March and the Seafood Expo Global (SEG) in Barcelona in April were our, and basically everyone else's, introduction back into the world of large-scale expositions and attendance at especially the first two was sparse- lets call it. There were some concerns that this show might be kind of underwhelming as well, in part because the end of the pandemic was still not that far behind us but also because it was the first time it was held in 3 years and it was first time it was located in Singapore. Despite these uncertainties, we decided it was worth a shot and were in fact pleasantly surprised by the show traffic, the quality and enthusiasm of the visitors and the diversity, hospitality and graciousness of Singapore as the host city. All involved from our delegation as well as other folks at the show I spoke with agreed that the show was a resounding success and well worth the effort and expense of attending.



I won't bother getting into too many details at this point, I am still working on the report for it and expect to have that done this week, but as can be seen in the table below, things went well.

We had a total of 101 visitors, which is better than every other show we have done since the SEA in 2016. There was a lot of interest from a lot of markets in our product, and I think most encouragingly from Singapore.



Marketing Report/Geoff Krause Page 5

Just to remind you- the score is what I come up with when I go through our records collected at the show and then check out all the information I can find on them, most particularly their website. It may be a bit arbitrary, but I try to keep it consistent so it gives us a steady index on what we get out of the show. (Note: I expect you'll all look at the 2022 SEG result and question why we would want to go there- but I believe that show is also crucial for the next while for reasons detailed in that trip report which can be found on the website.)

Visitor Totals and Averages		2014	2015	2016	2017	2018	2019	2021	2022
SEA	Number	126	93	105	84	83			101
	Score	5.5	5.38	5.52	5.09	5.35			5.04
	Show score	693	500	580	428	444			509
CFSE	Number	71	102	74	92	62		54	
	Score	4.84	5.2	4.49	4.6	4.53		4.67	
	Show score	344	530	332	423	281		252	
SENA	Number			53	45	64	56		42
	Score			5.89	5.00	4.58	4.69		4.57
	Show score			312	225	293	263		192
SEG	Number				55	38			19
	Score				4.68	4.47			4.7
	Show score				257	170			89

Anyways- this year's event saw a near absence of visitors from Hong Kong and China because of continuing restrictions on international travel, and the same may also have affected travellers from South Korea and Japan though to a lesser degree. Still I believe the results we got were impressive despite this and I expect they will improve further as the pandemic falls further away. Of note- we got a lot of traffic from a variety of South East Asian countries that we have not seen much before. This likely reflects their closer proximity to Singapore, meaning it is easier for them to get there probably because of the new location.

There has been a lot in the news of late about how places like Vietnam, Thailand, Indonesia. The Philippines and Malaysia are seeing economic and trade opportunities with the west, most particularly the US, blossom. This is logically going to translate into potential market opportunities for high quality seafood that we should be exploring. I think the new location of the SEA is going to work out quite nicely that way.

We were also hoping to get to the Restaurant and Bar show Hong Kong in early September - but that just did not work out. China, and now by extension that includes Hong Kong more directly, maintained a strict zero-COVID stance right up until just a couple of weeks ago and even now requires some pretty daunting testing and quarantine protocols for international travellers. As of the end of 2021, Hong Kong was our top market for fresh product and, at about \$4.1 M CAD, is a strong second for all our urchin products after Japan (@ \$ 6.6 M CAD). I believe we are well advised to do what we can to continue supporting them just as they are supporting us.



South Korea came in third behind Hong Kong at about \$2.4 M last year - again- pretty much all processed product- and similarly deserves our attention. We had hoped to do a quick reconnaissance in Seoul on our way home- but the testing, quarantine and risks of getting caught out were just too high so we had to bail. There too I think additional effort is warranted to get a better idea of what is going on in their seafood markets so we might be better able to serve them.



Marketing Report/Geoff Krause Page 6

We knew the China show in November was not going to be practical for a personal visit again this year- but we were making arrangements to have in-country representation again - similar to what we did last year. As Mike mentioned though- that show also was cancelled because of continuing COVID outbreaks. I had to rework/rejig the budget and contribution agreement with the AgriMarketing Program as a result of all these changes, not a real big deal but the project costs for the year declined from about \$143 K to just over \$44 K so I guess it is kinda.

The last trip we have on deck for this fiscal is the Seafood Expo North America in March. Everybody is usually still pretty busy fishing at that time of year (Haida Gwaii anyone) so I have not plugged in big numbers for it but the US too remains a great option going forward.

Once we get past that we will into a new fiscal and a new project proposal. I am still waiting for the call for proposals for the new round of funding but so far I can only say I have been assured it is going to happen. When it does I will be working with Mike and some of the other guys to put together a program that works.

That's about all I have for now. Well- except for all the links below that you may or may not find of interest. I hope some of them are for you.

Good fishing eh.





Marketing Report/Geoff Krause Page 7

Links to Interesting Bits of News

- 2022_07_29- PhysOrg: [Climate change is a key challenge to sustainable fisheries](#)
- 2022_08_02- The Economist: [Vladimir Putin in thrall to a distinctive brand of Russian fascism](#)
- 2022_08_04- NYT: [It's Been a 'Summer of Disasters,' and It's Only Half Over](#)
- 2022_08_04- BBC: [Citizen future: Why we need a new story of self and society](#)
- 2022_08_05- PhysOrg: [Scientists uncover sea urchin's secret to surviving marine heat waves](#)
- 2022_08_07- NYT: [The Medium Really Is the Message](#)
- 2022_08_08- Saanich [News: Asian sea cucumber crime](#)
- 2022_08_09- NYT: [Xi Builds a Security Fortress for China, and Himself](#)
- 2022_08_15- Nikkei Asia: [Japan's tight COVID rules stand out as virus risk ebbs](#)
- 2022_08_17- Nikkei Asia: [Confrontation to conflagration: Asia's six likeliest wars](#)
- 2022_08_21- Nikkei Asia: [Asia's new food frontier: The rise of edible tech](#)
- 2022_08_24- Nikkei Asia: [China to be the biggest casualty as Asia's business model breaks](#)
- 2022_08_25- NYT: [How a Corporate Law Firm Led a Political Revolution](#)
- 2022_08_25- SCMP: [Biggest risk to the global economy? Geopolitics trumping economics](#)
- 2022_08_29- MSN: [China's dim prospects turn disastrous](#)
- 2022_08_30- SCMP: [Could China's 'economic stalling' derail plan to be No 1 economy?](#)
- 2022_09_02- The Economist: [Europe is heading for recession. How bad will it be?](#)
- 2022_09_05- NYT: [As China Imposes More Covid Lockdowns, 'Everyone Is Scared'](#)
- 2022_09_11- CleanTechnica: [Europe's Energy Crisis Will Be Short-Lived & Reap Benefits](#)
- 2022_09_11- Asia Nikkei: [China is not losing its manufacturing nous](#)
- 2022_09_11- The Economist: [Germany faces a looming threat of de-industrialisation](#)
- 2022_09_12- SCMP: [Leaders say China not closing its doors, but actions sow doubt](#)
- 2022_09_12- The Economist: [China's ponzi-like property market is eroding faith in the state](#)
- 2022_09_13- SCMP: [Hong Kong still has one important edge over Singapore](#)
- 2022_09_20- The Guardian: [China's 'hidden epidemics' that could reshape the nation](#)



Marketing Report/Geoff Krause Page 8

2022_09_20- NYT: [To Really Understand the Ocean, We Need to Go Back in Time](#)

2022_09_23- G&M: [HK scraps traveller quarantine, one of world's toughest COVID policies](#)

2022_10_12- G&M: [China's Xi Jinping prepares for a second decade in power](#)

2022_10_14- NYT: ['Uncle Xi' to Exalted Ruler Embodies His Authoritarian Era](#)

2022_10_14- The Economist: [Investment banks are sharpening the axe](#)

2022_10_14- The Economist: [The world enters a new era: Bail-outs for everyone](#)

2022_10_14- The Economist: [An investigation into what has shaped Xi Jinping's thinking](#)

2022_10_15- The Economist: [China's Communist Party congress is not just about Xi Jinping](#)

2022_10_17- WAPO: [Leaders of democracies increasingly echo Putin in authoritarian tilt](#)

2022_10_17- WAPO: [Xi's moment of dominance can't hide his weakness](#)

2022_10_17- NYT: [The Uncomfortable Truths That Could Yet Defeat Fascism](#)

2022_10_20- CleanTechnica: [Zinc ion batteries](#) (NOTE: these do not catch fire so...)

2022_10_26- NYT: [Xi Jinping Has Fallen Into the Dictator Trap](#)

2022_10_26- NYT: [An Era Just Ended in China](#)

2022_10_26- Asia Nikkei: [Robots have made Singapore a modern manufacturing success](#)

2022_10_27- G&M: [Historical sense is what keeps us human](#)

2022_10_28- The Economist: [Singapore- an astonishing record](#)

2022_06_29- The Economist: [The battle between Asia's financial centres is heating up](#)

2020_07_04- The Economist: [Singapore looks to the skies-for fields](#)

2015-07_16- The Economist: [Singapore: Many spokes to its hub](#)

2022_03_05- The Economist: [China-watchers are fleeing the country for other Asian hubs](#)

2022_09_21- Seafood Source: [Sea urchin interview at Seafood Expo Asia 2022](#)

2022_10_29- The Guardian: ['Fishless fish': the next big trend in the seafood industry](#)

2022_10_30- Financial Times: [Japan's empty villages are a warning for China](#)

2022_10_31- G&M: [Uncoordinated, simultaneous rate hikes by central banks around the world](#)



D&D Pacific Report/Darin Macey Page 9

North Coast Fleet

- No landings in August, but September landed over 350k as the fleet geared up
- October landed less than 200k as the dive industry moved to the Sea Cucumber opening
- October 1st
 - Weather also played a role in the lack of harvest
 - Quality is still an issue
 - Undersize noticed this season increasing
- The North coast protocol last season had certain vessels making it difficult to work the program
 - A change of the protocol has been approved by DFO for this season (go to www.ddpacificfisheries.com for the new protocol)
- Revisions approved will see a
 - Central coast block
 - A North Coast block
 - A Haida Gwaii block
 - Only one block at a time
- The north coast fleet struggles to understand the on-ground coordinators role in the day to day fishing;
 - Certain vessels are not hailing properly or not at all
 - The Coordinator (volunteer) moves the fleet through QMA hails to new QMAs
 - When the fleet is in port it is the responsibility of each vessel to hail themselves to a QMA
 - Certain vessels do not follow the Conditions of Licence (30 plus years old the CoL are) and may have not even read them as they pertain to hail requirements and timelines
- Only 10% of the NC TAC has been landed
 -





D&D Pacific Report/Darin Macey Page 10

South Coast Fleet

- Vessels are active since August 1st
- The live market program in Steveston was active until October
- Commercial landings seen almost every QMA as vessels maintain fishing effort
- Over 40% of the SC TAC has been landed



General

- Overall, the RSU fleet has landed 16.1% of the TAC coast wide
- 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
- Hail Notification prior to fishing and prior to landing (24 hrs.) is being breached by many vessels and is increasing. D&D will not be able to accommodate the rise in breaches and the program is destined to fail if industry does not turn it around
 - Reasons why the issue is increasing
 - Buyer notification is last minute due to market and or poor planning
 - Trucking is an issue
 - limited trucking companies
 - breakdowns
 - no drivers
 - BC ferries lack of continuity
 - Vessel Masters and crew not reading the CoL



D&D Pacific Report/Darin Macey Page 11

- Electronic Logbooks coming
 - DFO Ottawa has set a deadline for electronic logbooks for 2024 but minimal details so far.
 - DFO has decided to let industry pay for the entire program and each fishery will have to develop their own app. D&D will keep you updated as soon as DFO provides some intel.

Figure 1 – RSU Landings by Season to Date - 6-Year Trend to November 15th, 2022

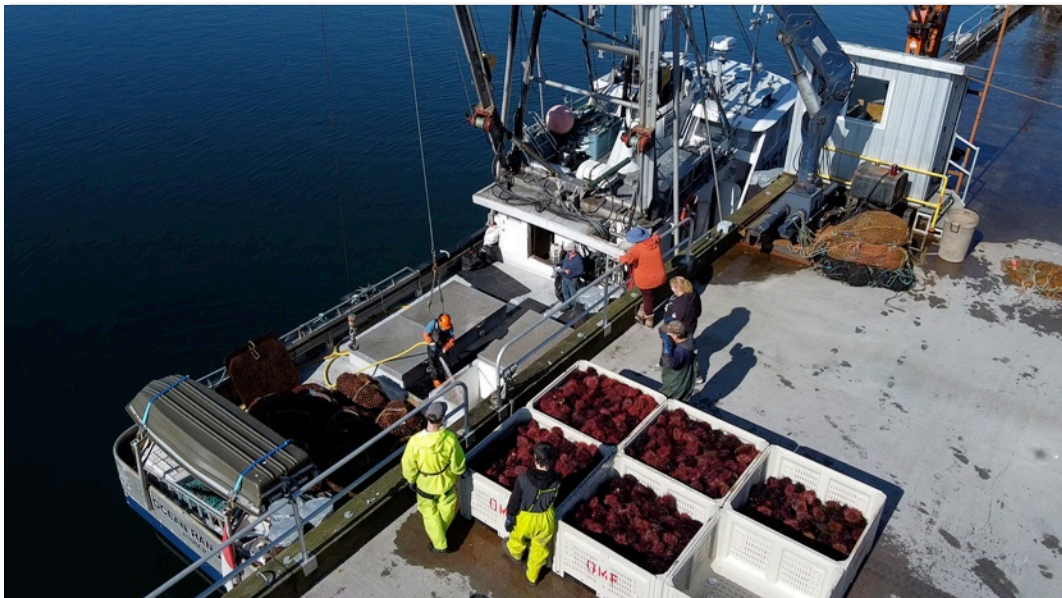
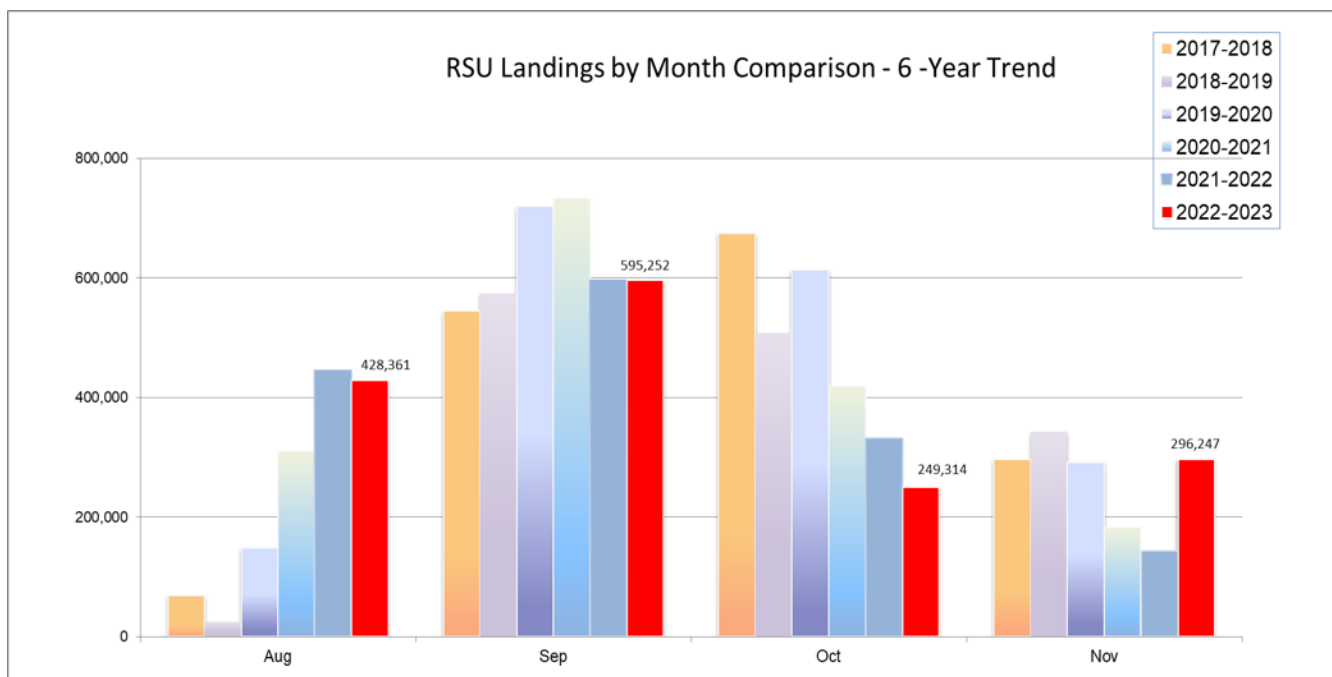
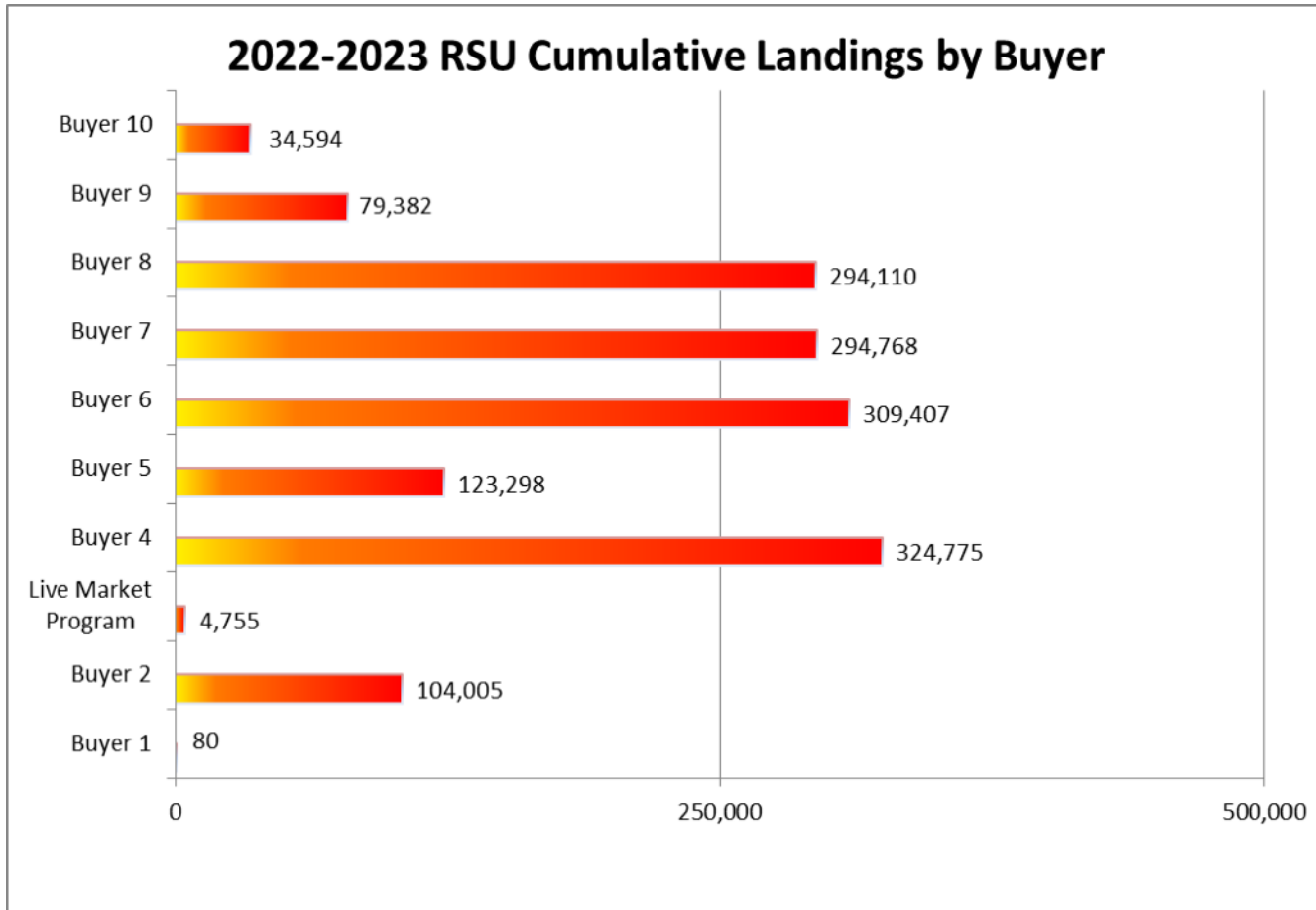




Figure 2 – RSU Cumulative Landings by Buyer to November 15th, 2022



2022-23 GSU FISHERY- to November 15th, 2022

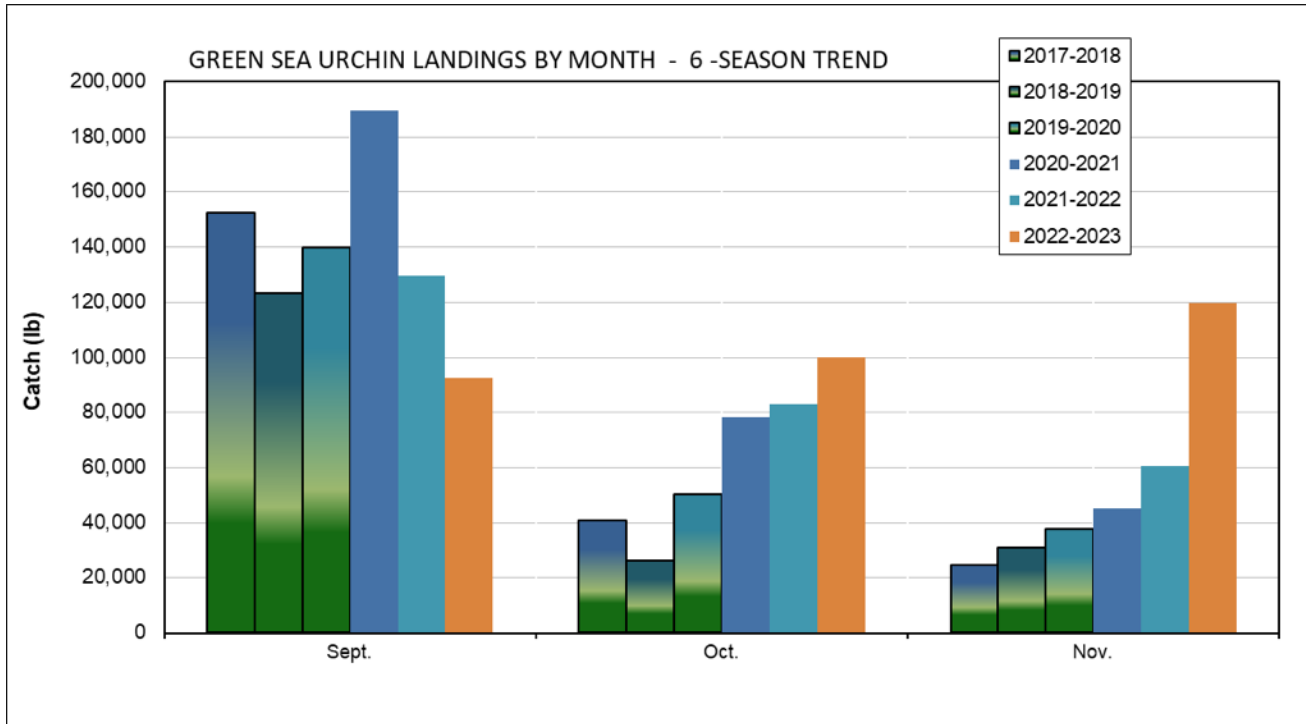
- The 2022-23 GSU season started quiet in September compared to the previous seasons and has struggled to catch up to historical landings in October and November
- 4 QMAs have closed with 2 more on final clean-up
- Market is difficult buyers say as other countries flooding market
- Harvest out of the Victoria QMAs did not happen in September due to quality
- Comox was an exploratory QMA last season and is part of the TAC this season with positive feedback
- Sunshine Coast had one vessel scouting the exploratory QMA 16 at the end of last season with no landings. The QMA has yet to see any interest this season
- Live market program in Steveston saw a few greens sold off this season
- Campbell River and Kelsey Bay commenced harvest and continue slowly at this time
 - Large biomass of GSU in all QMAs noticed
 - Cape Mudge RSU being overrun by GSU
- Adherence to Conditions of Licence overall good
- Large biomass of greens as the otters clean out the rsu population in the Port McNeill region

Figure 3 – GSU Historical Landings by Month 6-SeasonTrend to November 15th



D&D Pacific Report/Darin Macey Page 13

Figure 3 – GSU Historical Landings by Month 6-SeasonTrend to November 15th 2022



- The PUHA fleet harvested 47.2% of the TAC as of the 15th of November

Figure 4 – GSU Landings by Buyer to November 15th 2022

β

