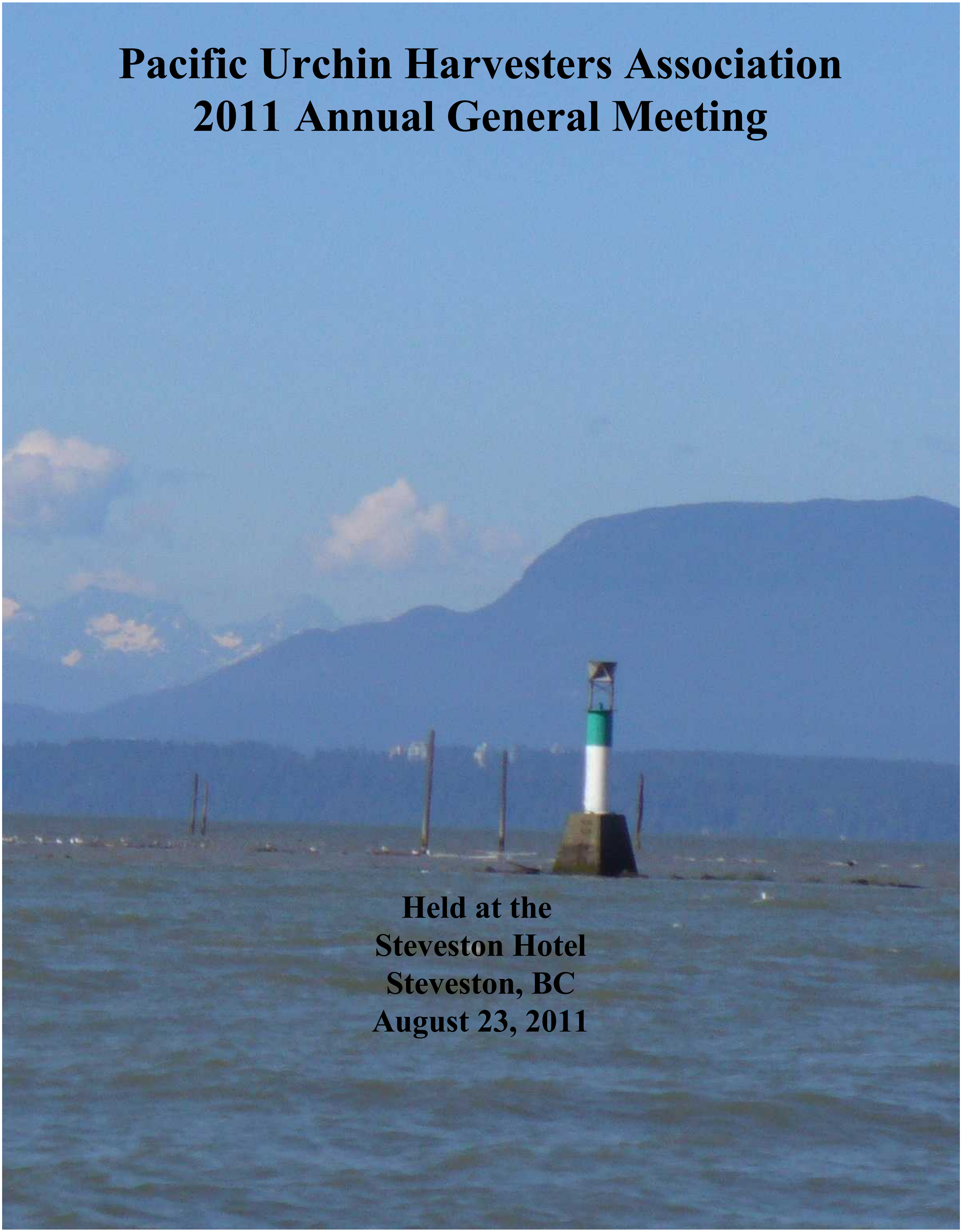
Pacific Urchin Harvesters Association
2011 Annual General Meeting



Held at the
Steveston Hotel
Steveston, BC
August 23, 2011

Pacific Urchin Harvesters Association
2010 Annual General Meeting

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In Attendance:

Mike Featherstone	PUHA President	David McRae	PUHA Director
Ken Ridgway	PUHA Director	Tony Mulhall	Diver
Bob Hegedus	PUHA Director	Zenon Szlachetka	Transport Canada
Ross Morris	PUHA Treasurer	Don Christian	D. & D. Pacific
Kevin Heard	fisherman	Geoff Krause	Explorations Unltd.
George Dennis	fisherman	John Parkin	fisherman
Dan Leus	DFO	Alfa Wong	Paladin Int'l Food
Francis Cheung	Grand Hale Marine	Chris Machat	fisherman

There were 30 voting licences plus 26 proxies for a total of 56 licences at the AGM out of a total of 97 allowable licences. Only 69 licences were activated this season (2010/11). The total number of red sea urchin licenses is 110 including 13 licences removed by the DFO via the Buy-Back program.

1. Motion to Adopt 2010 AGM minutes. 1°: Bob Hegedus. 2°: David McRae. Motion carried.

2. President's report

Basically there has been a steady increase in landings over the past 4-5 years. Stats are interesting because a lot of the increase has been going to China while Japanese market has remained fairly steady. We have therefore seen increased activity in the Central Coast and even more interest in the Charlottes. More could have likely been done but the earthquake and tsunami in Japan caused a lot of uncertainty.

As far as this year goes, some fishing has commenced already. One change is that at least one vessel in each fleet must now be equipped with a Vessel Monitoring System (VMS) so about 10 vessels are planning to put them on- mainly on OGC boats but also on some other boats. A company out of Edmonton has been recommended as the service provider. We don't know yet how DFO is going to use the info or if there will be enforcement coming out of it but it's likely they don't know either. There is also some uncertainty on when it will be turned on and off and there are lots of things to work out yet. There are safety advantages as well, possibly an integrated electronic fishing log incorporated and cheap data transmission (emails etc) included.

Many fleets are moving this way so that the crab fleet is expecting in excess of 100 boats to be similarly equipped next year. PUHA is giving vessels so equipped a break of about $100 on validation fees for the year.

As far as marketing goes, last year we made 3 trips to China and this year we are planning to follow up with 2 more, one to the Asia Seafood Expo (ASE) in Hong Kong and another in November to the CFSE. We plugged in a third trip to Guangzhou last January to establish a relationship with the Guangdong Fisheries Administration and the Guangzhou Fisheries Coop. Paddy set it up and we figured it was a very worthwhile effort. Guangzhou is a critical area of growth for us because it is one of the most dynamic economic areas in the world. This trip was considered one of the better showcases for BC seafood and this area is one of the most critical for us to expand in.

Live market: the live, fresh sales program on the Steveston dock has continued to grow but we found through tagging onto the prawn festival in False Creek that the profitability is not there yet. We have not been getting the live market growing there yet but some live sales have started in Chinatown in Vancouver so some growth is evident. Similarly, live sales to Hong Kong have also started and although they are still some growing pains, it looks like the prices might be heading in the right direction (up). Consistency with taste, freshness and recovery is still a bit of an issue as well. We have worked out a new live validation procedure with DFO that can be used but we are still waiting for the CFIA to voice their full opinion. The consensus is that no live product should be sold after 4 days based on good chilling in an insulated tote. Part of the problem is when the buyer takes them home or to their place of business and holds them in a cooler there. No companies are using aquaria as yet

Geoff and Mike attended the California Sea Urchin Commission meetings in March 2011. BC and California together produce about 75% of the world's RSU and there are many areas where we have shared concerns (eg. Sea otters, Marine Protected Areas, other fishing encroachments, recruitment of new fishermen, government relations, cost effective management and fisheries research, etc). The biggest thing is the similarity of the issues being faced by the fisheries in the two jurisdictions. We invited a couple of their members up here for a reciprocal visit but so far it has not worked out.

Transport Canada has a new requirement for an Small Vessel Operators Proficiency (SVOP) certification to operate a fishing vessel. It seems a bit strange for the urchin fleet in part because the size of our vessels limits grandfathering etc despite the extra time we spend on the water in comparison to other fleets. We will get more information on that shortly.

Surveys: we have been doing a lot of surveys in the past few years, in part because the Larocque funding is apparently coming to an end and there is a lot of uncertainty as to how things will proceed even next year. Rumour has it that the program will be extended by one year but it is only rumour to this point. Right now we are pretty much tapped out as far as surveys go. The new Oceans Act may be introduced which will allow these sorts of activities to be funded one way or another but again, nothing is certain.

Motion to adopt 2011 President's Report. 1°: David McRae, 2°: Tony Mulhall. Motion carried.

3. Financial report.

Dave Van Gruen provided a synopsis of PUHA finances for the year. In general, things are looking pretty good in comparison to other years. For the year ended June 30, 2011 the association had revenues of $358,484 and expenditures of $390,111 for an operating deficit of $31,627, an improvement from the $36,909 deficit last year. The deficit was funded by a $121,531 surplus carried forward from previous years. The final surplus is $91,584.

Revenue increased by $24,000, with the main changes being income from members validating licences decreased by $42,000 while grants from CAFI dereased by $19,000. Expenses increased by $17,000, mainly due to increases in marketing (from $62,731 to $97,213) countered by a decline in R&D funding from $77,790 to $36,755.

Motion to adopt 2011 PUHA Financial Report. 1°:David McRae. 2°: Bob Hegedus. Motion Carried.

4. D&D Report

The scheduled opening for the fishery has remained the same on August 1 for the last number of years and there was no extension to last year's fishery. The first landing occurred on August 6, 2010 and was in support of the live sales in Steveston. The first landing on the North Coast was October 3, 2010. Market improved and vessels got more active by around mid-September. Early activity on the North Coast often sees a few urchin boats hanging out closely with the cucumber fleet so they can share packers at lower marginal cost.

This past year saw about 53% of the TAC taken, a slight improvement over the past few years but still in the same ~ 50% range seen since 2006/07. Last season there were 1,317 landings totalling 5,286,677 lbs. Broken out by region, the North Coast saw 4,356,639 lbs or 51.8% of the TAC landed, There were 2 fleets working in the North because of buyer conflicts and continuing inability to work together including on packers, logistics and unloading. Most of the fishing occurred between Aristizabal and Dundas Islands with an exception being a small amount of fishing in the Central Coast in the Millbanks Sound area as the fleet worked it's way homeward. Everyone is pretty familiar with the fishing procedure in the North.

In the South Coast, 930,040 lbs, or about 58.1% of the TAC, were fished with peak landings in December and January. The South coast has a much different fishing regime than the North Coast as fishermen can harvest in any area not reserved for the peak season in January and December they choose. Roe quality and exposure to weather are generally the primary considerations.

Expansion into new markets was a notable feature this year as more test loads, (landings that are substantially lower than typical) being recorded.

In the North there were 58 licences designated with 35 fished on 21 vessels while the South Coast had 52 licences designated with 34 fished on 13 vessels. Quotas for north and south were 145,052 and 30,769 lbs per licence respectively. Licence stacking was again the norm with only

9 vessels fishing a single licence. 12 vessels fished 2 licences while all the rest save one fished between 3-5 licences. One vessel fished 12 licences. There were 10 re-designations, where a portion of a licence or a whole fished out licence is removed to another vessel, this past year.

40 of the 76 northern quota areas were fished, with 25 achieving 90% or more while 20 of the 26 southern quota area were fished with 8 achieving 90% or better. This past year was the first in a few that the West Coast of Vancouver Island (WCVI) has been fished. Two vessels fished in the Ucluelet/ Barclay Sound area are reported healthy concentrations and acceptable quality. Logistics are complex because only two vessels were involved and the effort was therefore limited.

The were 12 buyers active this past year and included 4 new buyers moving smaller quantities into new market development efforts. They represented only about 0.3% of the sales while the top 3 accounted for approximately 95% of sales. Public sales accounted for 1.5% and increased by 68% from last year to 81,143 lbs. That's a considerable rise and a good indication that things are ticking along.

87 situation reports were generated this year, up 7 from last year, but still an improvement given the greater number of landings. There were 4 high priority reports, primarily hail infractions while the rest were medium, mainly logbook or chart problems.

Problems and concerns from last year: communication. On the North Coast, the On Grounds Coordinator (OGC) is appointed for each fleet so it is not necessary for individual boats to call in and voice their opinion if the OGC is on the grounds. Some fishers were not keeping in touch with their OGC and kept on moving independently, including some vessels fishing areas they were not hailed into. This contributed to DFO's decision to pilot an Electronic Vessel Monitoring (EVM) system this year. The vessels are pretty widely known and seem determined to continue with their independent streaks despite repeated requests and cautions from all sorts of sources. There was some discussion that the boat(s) involved should be required to carry an EVM system.

Motion: PUHA recommendation on VMS and repeat infractions: PUHA recommends to DFO managers that vessels with a history of repeated serious infractions meriting their use, and including infractions such as hail notification violations, conflicting log data and/or high level fishing violations (eg. fishing outside of boundaries and/or being caught with prohibited species (eg. abalone)) be required to install an electronic VMS and have it activated while fishing. 1°: B. Hegedus; 2° J. Parkin. Motion carried.

On the South Coast the seemingly perennial issue of why some areas are reserved for the peak season in December and January again came up. It has been discussed internally by PUHA as there are a couple that still believe they should be able to access them. The consensus at this point is that the status quo will prevail and the areas will continue to be reserved for the simple reason that losing the peak market may well be catastrophic for the fisheries remaining pricing power, and this applies throughout the year.

Moving on to this year's fishery, 2011/12, not many changes are in the works. The same general licence allocation applies, 58 for the North and 52 for the South, although the South is seeing a small quota increase of 58 lbs/licence. There are currently 3 vessels working the south, including a couple working the Deserter Group around Port Hardy since August which have seen considerable sign of otter predation but have still achieved about 50% of the area quota. One boat has been working around Sidney to service the Steveston market and has achieved about 25% of that area quota. Total landings are about 94,000 lbs for the season since August 1, the best result ever.

VMS: DFO has stated in writing that VMS will not be required in any Central Coast area south of Hakai Pass. In areas north, at least one vessel will have to be so equipped.

Minor changes to North Coast quota allocations will see some areas grouped together so they share quotas. There are 3 instances of this: Rennison Islands and Upper West Aristazabal, Upper Laredo and Lower Laredo and Hankin Rock and Beaver Pass. It was first tried last year in the Banks Island area and seemed to work nicely, giving the fishermen some extra flexibility on where they could fish and get decent product. There is a trend towards giving fishermen more control over where they should be going but this is apparently running a bit out of bounds now and there must be a way found to get things back under control lest DFO resurrect the more stringent control. Again, there are apparently only a few boats pushing the envelope but they are raising problems.

The scouting trips do not aggregate and pass along quality or abundance findings which will make long-term tracking impossible. This might also apply to otter predation information. It could be critical information when the quota This sort of function should be integratable into the e-log system being tried out

Motion: Accept D&D report. 1°- J. Parkin. 2° M. Featherstone. Motion carried.

5. South Coast Report.

Ken reported that each year the request comes in to open up the reserve areas so they can be creamed prior to the peak season. The processors each year agree that it is a good idea to keep the areas reserved and so far it has proven valuable. Changing this would be bad for the industry as a whole even though it might help one or two boats.

We moved into a discussion about sea otters. Sea otters have been moving down from on the “Species at Risk” rankings as their numbers increase from Baja, through California, BC Alaska and Hokkaido. Behaviourally they don’t like to move away from the rocks so much, probably to avoid predation so there should be good patches of urchins left in the areas they avoid. The problem then would be to identify these spots before the otters move back and eventually get to them. Sea otters are the big issue in California because of the impact on the fisheries and the active interference by environmental groups. Otters go very deep in California, below 90 feet, and there seems to be residual populations of large urchins below these critical depths.

In California they have also been collecting the settlement patterns for the larvae for about 20 years. PUHA is working with the California Association and want to be sharing as much science insight as we can.

Motion to Adopt SC report. 1°: J. Parkin 2°: M. Featherstone. Motion carried.

6. North Coast Report: D. McRae and B. Hegedus

The North Coast started nicely with about a half-dozen boats working mainly Larson Harbour and Upper Banks and then moved along the coast pretty much like normal. The schedule started as something like a week of work with about 5 days off which allowed everyone a bit of time to to build up some enthusiasm at the start of the year.

Bob felt too that it was a pretty good, save for the infractions and including the abalone that showed up at the end of the year. All agreed that working in the small fleets works well and is preferable. It allows everyone to work areas more slowly and more completely. There was discussion of the various characteristics found in area, including observations that some of the urchins up in Principe are soft shelled, something from around Deer Point being a good delineation line around Gung Ho to allow better access to some spots. Some areas where the fleets joined up went down quickly which raised flags with management as they looked only at the times and not the volumes. There was some talk of getting the packers equipped with refrigeration so the quality is better preserved.

Francis mentioned that the market tops out at around 30,000 lbs/day. Japan buys only 5 days per week (Wednesday and Sunday shutdown) so production should be managed around this. 1 day loads are good but 2 day loads are OK. 2 day old product is not the end of the world but 3 day old product is often pretty bad. More recognition of the effect(s) of temperature was discussed, and especially as season extends more into shoulders.

Consistent supply is important and most processors like to have some product on hand to keep their crews steady without too many ups and downs. The weather was kind of cool last year but the winds were reasonable so while there were quite a few days off last year because of wind etc. and/or processor limits, at least it was not for long stretches.

There was some discussion on the complications of moving into new areas where the quota calculations have not kept up with the effort wanting to move in especially when the two fleets are working in the same general areas. Best to hail in the night before so clean ups can be arranged and allocated.

Motion to adopt the NC report. 1°: F. Cheung; 2°: D. McRae. Motion carried

7. Proposed Budget for 2012

Mike presented his budget proposal for 2011/12. It was put together assuming we will see an increase in landings this year. Revenues from the fishery are projected at $190 K for the North and $105 K for the south for a total of $295 K. We may also get another $ 16 K if we get 6 half licences activated.

We don't know what might come in from DFO for research and surveys so it was left as a question mark as the Larocque funding may be expiring at the end of fiscal 2011 (Mar. 31 2012). That said, we kind of knew this was coming so we hit lots of surveys pretty hard over the past few years and since we are fishing only half the quota and the strong and sustainable management and fishing practices should mean there will not be too much pressure to conduct a lot of surveys this coming year.

We should also have about $43 K coming back from the AgriMarketing Program (AMP) so that leaves with total revenue of about $356 K.

D&D operating costs are likely to be a bit more than last year, estimated at $220 K. General and operating costs are expected to stay the same and are budgeted at about $30 K even though they generally come in a bit lower. PUHA ran a bit of a deficit last year in no small part because of the January trip to Guangzhou which held some extra surprises for us. Mike's honorarium and a travel expense budget for Directors is in there and all in all the $20 K deficit for last year was a surprise.

The AMP program costs a total of about $ 90K with 50% back from the Program. Directors generally absorb one half of their travel costs while PUHA gets the credits so being that those are the majority of the budget, the program does not cost as much as might be expected. Geoff's fees and costs are similarly covered at 50% by the Program.

We are still a member of the BC Seafood Alliance, money considered well spent because it provides common forum for dealing jointly with issues affecting the whole fishing sector, and Mike also put in a $100 as a bit of an incentive for each licence validations for VMS participants (based on an official list provided by the service provider and reimbursement; to be reviewed at the end of this year; not sure how DFO will use the data; Mike will send Pauline a letter on this subject and copy all the PUHA Directors) and another $8 K for various projects and costs. Mike feels if things work out the way they should PUHA should get it's contingency fund back up to where it was prior to this year in short order.

There was some discussion of the 14 licences being held by DFO for treaty negotiations. These are not being fished but are still used for making the quota calculations even though the government is not paying any of the costs associated with the licences. One emerging issue is a lack of availability of licences for leasing is restricting increasing amounts of effort. Mike is looking for letters from guys who have been running into this, or perhaps another related, problem so they can be included in his submission to DFO.

This whole issue was discussed with DFO but they focussed on the fact that only about 50% of the TAC is being taken and have thus far proven unwilling to consider the impact of them on our finances. When the geoducks was going through their transfer the issue was again brought up in that regard and a meeting was supposed to be arranged so it appears they are dodging the issue(s) and just sitting on the licences. The RSU fishery is currently the best value of any licence in any of Canada's fisheries. PUHA has recommended that those licences simply be cancelled. Licences that have their DFO registration fees paid up are tracked by DFO and this information is available through the web. There seem to be two sets of rules for native and normal fishermen and this hardly seems fair.

There are also some websites that show licence sales and costs through DFO for any number of fisheries and this information is also available.

There was also some question on the number of licences needed for a quorum. Ross is going to check in to the number of licences that must be represented at these meetings for a quorum to be declared. This is likely a proportion of the total number of licences and so will be affected by the number(s) held by DFO.

There was then a discussion on the fairness of the current process for native fisheries, the way geoduck licences are being split out, how various licences are distributed to First Nations' interests, the rules guiding the various commercial and Food and Ceremonial fisheries, etc.

Motion to adopt budget. 1°: J. Parkin. 2°: B. Hegedus. Motion carried.

8. Election of Officers

Marek Ulanovski is the only member of the Board wanting to stand down because he is no longer fishing. All others are willing to continue on in their current capacities. John Parkin agreed to stand as a Director in place of Marek. Other members are Mike Featherstone as President, Ross Morris as Secretary Treasurer, and Gary Grant, Ken Ridgway, Bob Hegedus, Tim Joys, and Dave McRae as Directors

Motion: accept John Parkin as a Director. 1°: D. McRae; 2° B. Hegedus. Motion carried.

Motion: adopt this slate 1°: F. Cheung. 2°: M. Featherstone. Motion Carried.

9. Transport Canada

We had a presentation from Zenon Szlachetka of Transport Canada to outline new certification requirements for fishing vessel personnel. This included discussion of MED, radio operator (marine), Vessel Master (13 m. LOA cutoff for the real serious stuff = Master and Mate tickets needed, SVOP otherwise sufficient). A full review of requirements on Transport Canada website is recommended if there are any questions.

10. WCB FishSafe Presentation (Gina Johanson)

Gina ran through a number of the very good safety programs being developed by the FishSafe Program. It is the third year of the program and FishSafe personnel will come to visit fishing vessels, at no charge, so vessels and fishermen can set up safe procedures on their vessel.

Fish Safe BC has a safety procedures checklist on a DVD called Safest Catch and which is also available at no charge through Worksafe BC. The disc also has a "Safe at Sea Procedures" section which provides a more detailed review of specific safety practices as shared by fishermen.

11. VMS

Wayne Jamieson from ROM Communications presented a summary of the VMS system to be deployed on the urchin and other fleets this year. The product uses the iridium satellite constellation which should be good for at least 10 years. The company is working with Carmen McConnel out of Nanaimo to bring the system to West Coast fisheries. Essentially the company (ROM Communications) tracks the boat for DFO or whomever else wants/needs to track the vessel(s). This is a pilot program but the program fulfills a number of roles. Including hourly or daily catch updates. There is some software available from DFO which allows email to anyone, there is a cost at certain undefined level. The unit is based on a data-only modem so transmits in short bursts.

The company is looking to make it as easy, dependable, failsafe and cheap as possible. They designed and built it themselves with these in mind. The units are well made and installation is easy, 2 holes only required. Bob Hegedus pretty much installed his own unit. Hook the unit up as per directions and it should be pretty much plug and play. All the outside components are contained within a single small unit and the evolution of installation has changed over the past few years to become much simpler, especially as the antennas used to cause problems. Reporting periods vary by menu from every 5 minutes to a couple times a day. The cost is not insubstantial but not too bad at only around $ 85 - 100 base rate per month. Pricing is an "electronic log" price based on one transmission per hour at $85 to about $140 for one transmit every 15 minutes. Email and other add-ons will be extra (@ possibly ~ $0.35 per message). Eventually they envision their system working on a tablet as a back up nav system as well. Initial estimates from DFO were around $30/month but these are a bit unrealistic.

The units can shut down between trips but there is shut down- start up fee for each so deactivation for intervals of less than a month are not worth it. If power is cut to the machine over a period it does not incur a restart charge as the fee sounds more administrative although the monthly fee is still charged. DFO will decide what system specs and criteria are going to be, including transferability and vessel registration etc. Access to information can be authorized by password so chosen few can watch the progress. Power draw is about 100 mA on standby up to about 1.5 amps on transmit. There is little-to-no latency on messages- they arrive within 8 seconds of being sent. So far failures because of weather have not been much of an issue, due thus far to corrosion when the unit is turned off and the electronics get moist from condensation as they cool. When left turned on all the time, the electronics keep themselves dry. The equipment is warrantied for one year. The system will be delivered within a few days of being ordered. System is easily activated through company and can be confirmed right away with company once it happens but can take a few days to move request through the iridium administration system. Further steps may also be required to satisfy DFO registration, tracking and reporting requirements. The company and office can be contacted toll free 877-860-3762.

PUHA will link to their website and about 10 vessels are projected to install and activate this year, probably by October 1 (in time for the cuke fishery). It will probably be fairly entertaining around DFO when things first get going.

12. Science Report (Dan Leus)

The first project this year was the live sea urchin validation to get an truer estimate of the standardized weight of the animals so processors and fishermen are not sacrificing too much for water loss. That data has been analysed and came out to about 16 lbs of submerged sea urchin per cubic foot of volume. There was a pretty wide range so the recommendation is going to be based on the mean and limit the amounts to be used this way to 25% of an area quota until better limits are developed. The urchins were weighed as soon as the water drained off and then every hour for the next 16 hours. If each totes had been assessed on the basis of the 16 lb'ft ^{3} each tote would have been about 5 pounds heavier than if weighed at the 5 hour mark (the standard). If the tote is not full the volume can still be calculated and the weight calculated.

Variation assumed to be due to variations in size of urchin and length of spines. (Larger urchins generally pack less densely than smaller urchins.

If program takes off and more than 25% is required, the research can be extended to establish tighter limits. This is a reasonable and cost effective compromise at this point to get the program started.

This program will be used only for the RSU- adoption for GSU will require a separate data collection/ analysis program.

Motion: restrict submerged live urchin validation to 25% of any Red Sea Urchin area's quota as precautionary measure to get program started. 1° K. Ridgway; 2° M. Featherstone. Motion carried.

Surveys completed this year included Kelsey Bay, Tofino (still no urchins and basically at ~ 0.1% of what they were 7 years ago), Campbell River East (delayed- should be done by end of Mar 2012 to stay within DFO fiscal rules for spending); on Vector in Skincuttle (cancelled by DFO exec; will re-apply for time next round); QCI survey was also cut short because of issue with boat (Haida team continued and got some good base data; decision needed on whether to continue research at site). Research paper concluded that juveniles benefit from cover (predation protection?) by adults to a certain density but this changes once densities increase too much and juveniles get less food). Plan this year is to catch up and get reports out for all the surveys done over the past few years. PSARC looking for a full methodology paper on quota derivation, survey methods, etc.

Price Island has not been surveyed for a few years.

Habitat modelling project: using helicopter data plus other shorezone /water quality parameters collected by the Province coupled with urchin occurrence data to develop some habitat estimates including some areas which were not included in any reports from fishermen. Areas should be checked out and verified to make sure designations are not imaginary/illusory. There is a fellow at Canadian Hydrographic Service (CHS) at the Institute of Ocean Sciences in Pat Bay who has a detailed current model for the coast who is also working on the program and this kind of information might be useful for tracking urchin larvae but there is still a lot of uncertainty in these sorts of studies.

The Oceans Act sounds like it is being delayed again so there may be emergency extension of Larocque funding. Dan is going to continue as per normal and hope things work out.

Dan is thinking of doing a 4 year PhD on urchins.

Motion to adopt the science report. 1° B. Hegedus; 2° M. Featherstone. Motion carried.

13. International Market Report.

One of the highlights of our program last year was an extra trip to Guangzhou to establish better relations with the Guangzhou Fisheries Association and introduce RSU uni to one of the most dynamic and fastest growing markets in the world at a showcase event co-sponsored by them, the Province of BC and the Canadian Consulate in Guangzhou. The event was arranged through Paddy and was considered successful by all who attended. It was not however included in our AMP program last year so attendance did not include financial assistance.

We again applied for funding this year from Agriculture and AgriFood Canada. We applied for about $46.8 K based on pursuing a program similar to last year's. Our marketing program per se is focused on existing customers in Japan but we are also looking for new opportunities in Hong Kong and China. An important new focus for us is differentiating the RSU from the commodities market for uni. We signed off on the Memorandum Of Understanding (MOU) with California producers last year and are working together to establish a presence on world seafood markets for Red Sea Urchin as a signature West Coast of North America product. Part of the exercise is to work with other producers so we are all working to the same standards.

The Brand Canada folks are putting quite a bit of effort into their Japan initiative this year and are arranging a number of events based on a budget of about $ 2.5 M CAD. This will include fairly detailed marketing channel research, a Quick Response (QR) code design for Canadian products for use in advertising and promotions, a more visible online presence in Japanese and featuring Canadian products, media tours, cooking school partnerships and retail and restaurant promotions, etc. There is a whole raft of things going on and they are interested in involvement from companies and Associations so it would seem to be something worth checking into a bit. Please feel free to contact me and I will pass along contact information and any program updates I get.

Back to the grant: at the end of the day we were awarded about $ 46.5 K for our association initiative for "generic" unbranded product. Some further Small and Medium Enterprise (SME) funding for branded product has also been, or is in the process of being, approved , so the total approved funding for the year is expected to come in around $60,000.

The basics of the plan this year have us attending the 2011 Asian Seafood Expo in Hong Kong in September and the 2011 China Fisheries and Seafood Expo in Qingdao in November. We are also carrying on to Guangzhou after the China show as a followup to our trip earlier this year. The Province is signing an MOU with the Guangdong Fisheries Administration and is sponsoring a seafood showcase in Guangzhou so we are going to attend that, although this trip will be included in our AMP program. Fiona McRaild, the Fisheries Development Officer coordinating the Provincial participation is also looking for ideas and stories which demonstrate the value of the Provincial effort at both the show and the showcase event in Guangzhou.

China of course is expected to remain one of the main drivers of international economic growth in the foreseeable future and Guangdong and Hong Kong remain one of the most dynamic economic regions in the world in part because it is such an important link between the Chinese market and the rest of the world. There is considerable interest in BC seafood suppliers throughout the region and the potential rewards of developing appropriate business relations as sustainable suppliers of high quality seafood are multifaceted and substantial. After all, stable, if not increasing, revenues are needed to support the characterization (i.e. exemplary sustainability and transparency, high value, high quality) we are pursuing for BC's Urchin fisheries.

We shared a booth with the Pacific Sea Cucumber Harvesters Association and the Underwater Harvesters Association at the Asian Seafood Expo in Hong Kong and displayed live product in an aquarium as well as chilled product in a display freezer. The GSU we displayed looked pretty good but the RSU were definitely a bit distressed. Just demonstrating that we can supply live product to Hong Kong may have significant benefits and any advice or insight from those with such experience will of course be welcome. This was our second year at this show and we are hoping that we will continue seeing increasing interest in Hong Kong.

The China show in November will be our fourth. We are again going to be part of a Canadian Pavilion with companies and seafood associations from all over Canada and the BC Government this year is increasing it's presence. We are sharing a booth with the PSCHA right next to the UHA and right across the aisle from the 6X- sized BC booth. We are going to be coordinating with them and other groups more closely this year, including supporting chef activities and samples, display materials and whatever else we might provide to make sure the BC contingent is ready to shine.

All in all, despite the wild bounces these days, it seems reasonable to hope that things are lining up for a pretty good year this year. We will have to wait to see about many things, including wind, weather and world events. Russian IUU fishing is continuing, albeit a bit slower than in 2006-08, and Japan still suffers misfortune from that massive earthquake and tsunami on March 11 but at least currencies seem to be cooperating: the Japanese yen and Canadian dollar are stabilizing around a balance relative to each other that was last seen in 2004 and the Chinese RMB is getting stronger. Also, according to the data I have been collecting from Japan Customs for the past few years, imports of Canadian RSU last year into Japan increased from about $C 8.5 M in 2009 to about $C 14 M in 2010. That seems like good news and the first few months of 2011 even saw improvements over the same in 2010 at least in terms of yen and it looks like we'll finish out 2011 with another slight improvement even in Canadian Dollar terms.

Motion to adopt the Int'l Marketing Report. 1°: F. Cheung. 2°: D. McRae. Motion Carried.

14. Other Matters

Francis reported that Chinese consumers are crazy about Japanese food and it is a quickly growing opportunity. Everyone is in agreement that the Japanese market is shrinking and that new markets are required. Francis is confident that the Japanese market is going to be quite good this year as they are spending to recover from the tsunami. Europe is doing quite nicely and GHMP feels it will be starting up earlier this year. China is also growing nicely but is starting at a low level and they apparently seem to like the #3 grade so much that they are paying more for it than the Japanese are willing to pay for#1. This is partly a result of the grading: Chinese like bigger pieces whereas Japanese look as these as lower grade. They are also buying year round. Paddy makes frozen sea urchin which are now sold primarily to Japan for use in the jars. Japan is taking whatever amounts it can get for that use.

Fishermen are trying to produce and sell high quality products and some of the Canadian product being sold on Tsukiji is nothing short of embarrassing. There are some days when product does not even draw a bid and these are further hurting Canada's reputation, which it should be mentioned is not exactly stellar because this has been an ongoing issue ever since we first attended Tsukiji in 2003. It's the same story, just different faces.

Francis also mentioned problems that GHMP and Paladin are having with new processors coming in and poaching totes. Francis suggested that PUHA might start a common pool of totes that some of the new guys coming in are using custom processing through other plants to take care of their needs and therefore do not even have to take care of their processing staff or facilities as the established processors who subsequently have some issues with this especially as it is this product that is most often being sold on consignment in Japan at reduced prices. (Hiroshi was mentioned as one who was really taking advantage of this strategy and not doing a very good job of it.)

Motion: Accept Francis's report. 1°: D. McRae; 2°: B. Hegedus. Motion carried.

Francis mentioned that they would be more than pleased to pay $1.50 per pound as this would indicate that the market could support that price structure. Unfortunately, this does to appear likely at this time.

The meeting adjourned at 1535 hours.

Appendices

Russian urchin imports (from Japan customs website)

Total Russian Urchin imports (all ports)

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	606,316	477,310	395,495	1,245,766	1,281,508	1,433,693	10,939,520
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	904,466	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	878,427	860,992		8,453,099

Russian Urchins through Hanasaki

Quantity (kg)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2000	112,675	163,580	258,881	287,208	445,293	250,493	11,151	0	12,807	438,490	666,513	637,494	3,284,585
2001	297,368	379,099	246,169	731,741	869,115	398,692	163,952	0	168,009	774,832	1,176,537	1,086,316	6,291,830
2002	433,297	892,644	1,230,158	983,004	1,005,763	500,042	139,722	0	158,252	953,706	1,013,216	1,255,882	8,565,686
2003	327,004	823,473	457,798	1,153,280	1,153,733	978,157	86,429	35,282	147,323	1,171,788	1,220,821	1,294,281	8,849,369
2004	220,935	508,611	1,017,164	1,088,327	988,050	7,682	9,068	12,597	114,274	1,115,524	1,561,623	1,446,994	8,090,849
2005	1,132,616	1,040,998	1,091,899	1,286,519	1,038,319	549,994	218,510	87,776	229,474	770,598	1,462,582	1,422,941	10,332,226
2006	1,051,475	1,456,381	1,038,505	1,162,321	1,041,269	839,248	323,733	173,218	141,661	993,868	1,154,119	1,797,794	11,173,592
2007	1,303,254	731,439	1,404,136	913,289	1,048,176	734,140	262,860	48,973	52,229	778,186	990,995	1,566,803	9,834,480
2008	482,018	328,306	1,119,276	1,276,113	797,432	546,209	236,292	8,057	15,202	496,570	936,664	1,325,764	7,567,903
2009	331,526	671,277	900,342	1,008,695	882,814	577,080	98,049	0	0	529,619	699,174	560,409	6,258,965
2010	587,505	830,420	721,646	720,401	611,750	647,157	128,390	0	0	567,089	847,424	991,586	6,653,368
2011	865,027	539,242	781,542	777,883	970,922	665,714	215,256	0	0	720,248	735,948		6,271,782

Unit Value (Yen/kg)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Averages
2000	¥479.8	¥518.3	¥561.1	¥664.3	¥504.4	¥506.1	¥346.1		¥685.2	¥526.6	¥456.7	¥545.5	¥524.3
2001	¥714.3	¥756.7	¥873.8	¥644.0	¥555.4	¥499.0	¥575.9		¥550.0	¥459.9	¥474.6	¥524.0	¥562.3
2002	¥673.9	¥524.5	¥510.6	¥601.9	¥498.4	¥594.4	¥419.5		¥655.7	¥529.7	¥520.6	¥520.9	¥540.3
2003	¥661.3	¥600.6	¥705.0	¥504.2	¥439.7	¥496.2	¥493.8	¥409.3	¥549.4	¥359.3	¥397.8	¥525.0	¥489.5
2004	¥840.6	¥579.2	¥466.0	¥424.1	¥424.8	¥69.8	¥66.7	¥356.4	¥388.3	¥401.8	¥399.0	¥511.0	¥456.8
2005	¥532.6	¥395.6	¥436.7	¥438.5	¥402.4	¥377.2	¥400.2	¥313.9	¥287.2	¥406.6	¥415.0	¥522.6	¥438.1
2006	¥558.8	¥417.6	¥513.1	¥543.6	¥439.9	¥436.2	¥358.5	¥356.7	¥378.6	¥400.5	¥469.2	¥428.0	¥458.7
2007	¥478.9	¥556.6	¥595.5	¥407.8	¥477.6	¥372.6	¥385.0	¥380.0	¥462.6	¥507.8	¥568.5	¥511.6	¥500.1
2008	¥673.8	¥1,194.3	¥564.6	¥519.8	¥478.1	¥516.3	¥385.0	¥380.0	¥485.4	¥515.2	¥466.1	¥511.6	¥562.7
2009	¥979.6	¥584.1	¥701.9	¥657.6	¥431.9	¥488.7	¥1,217.9			¥483.1	¥624.5	¥511.6	¥578.8
2010	¥737.1	¥579.5	¥622.3	¥571.1	¥566.6	¥512.5	¥486.5			¥571.1	¥508.9	¥616.4	¥583.4
2011	¥549.1	¥586.4	¥559.0	¥509.3	¥512.3	¥492.6	¥532.8			¥575.0	¥521.7		

Canadian RSU imports (from Japan customs website)

RSU from Canada Narita Code 430

Quantity (kg)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2000	57,488	41,989	53,266	43,782	14,848	922	601	2,368	22,294	54,807	69,148	100,381	461,894
2001	58,943	43,010	52,295	25,834	2,754			708	15,363	51,435	59,677	101,617	411,636
2002	58,378	45,134	44,037	13,546	763			388	21,412	57,416	52,462	99,983	393,519
2003	69,532	38,244	33,851	23,944	2,186	156		72	12,598	36,468	57,042	93,637	367,730
2004	59,391	50,210	50,762	23,635	3,597	60	122	1,031	9,370	34,545	44,706	95,635	373,064
2005	51,042	41,164	38,271	33,649	3,046			1,023	13,764	28,148	41,755	87,794	339,656
2006	37,832	39,997	39,865	28,075	453		623	1,171	7,587	16,673	37,766	59,821	269,863
2007	40,658	22,980	36,029	24,403	1,884			1,926	3,732	8,342	16,655	43,861	200,470
2008	33,604	24,587	21,310	21,371	1,998			1,330	3,358	5,079	11,363	41,493	165,493
2009	28,494	22,579	24,427	20,989	5,372	0		601	1,957	7,551	11,720	36,641	160,331
2010	24,158	21,504	23,230	38,378	20,805	0	0	956	11,055	26,319	26,908	50,902	244,215
2011	36,220	24,846	21,745	48,345	14,567	47	0	2,492	21,859	35,343	26,484		231,948

Value ('000 yen)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2000	249,111	211,510	222,942	190,242	66,249	3,516	2,626	11,239	100,964	246,568	312,564	499,297	2,116,828
2001	305,739	217,867	252,999	131,257	13,672			3,911	79,066	244,733	284,602	521,061	2,054,907
2002	306,306	244,727	212,423	61,704	4,677			2,243	101,953	274,251	237,247	494,206	1,939,737
2003	346,814	176,178	159,160	103,625	9,642	553		426	62,900	166,512	256,353	447,816	1,729,979
2004	295,755	228,691	229,484	106,626	15,978	236	593	5,973	46,458	166,663	210,633	463,132	1,770,222
2005	242,556	189,534	178,676	156,383	13,149			6,093	68,982	144,809	209,576	480,309	1,690,067
2006	192,912	204,575	202,409	139,992	2,464		3,125	7,407	29,443	88,043	199,693	339,465	1,409,528
2007	226,184	119,523	196,559	127,142	11,901			11,821	22,322	49,168	98,284	251,018	1,113,922
2008	186,022	118,565	108,705	102,745	9,450			8,404	18,123	27,440	51,974	189,766	821,194
2009	123,428	91,901	105,746	95,417	6,780	0		3,089	9,453	31,379	50,436	165,493	683,122
2010	108,111	96,770	107,781	178,720	101,357	0	0	3,623	62,202	135,323	134,093	264,467	1,192,447
2011	181,897	114,232	102,450	213,122	69,490	201	0	11,967	124,898	175,726	121,752		1,115,735
				xx									

Unit Value (yen/kg)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2000	¥4,333	¥5,037	¥4,185	¥4,345	¥4,462	¥3,813	¥4,369	¥4,746	¥4,529	¥4,499	¥4,520	¥4,974	¥4,583
2001	¥5,187	¥5,065	¥4,838	¥5,081	¥4,964			¥5,524	¥5,147	¥4,758	¥4,769	¥5,128	¥4,992
2002	¥5,247	¥5,422	¥4,824	¥4,555	¥6,130			¥5,781	¥4,761	¥4,777	¥4,522	¥4,943	¥4,929
2003	¥4,988	¥4,607	¥4,702	¥4,328	¥4,411	¥3,545		¥5,917	¥4,993	¥4,566	¥4,494	¥4,782	¥4,704
2004	¥4,980	¥4,555	¥4,521	¥4,511	¥4,442	¥3,933	¥4,861	¥5,793	¥4,958	¥4,825	¥4,712	¥4,843	¥4,745
2005	¥4,752	¥4,604	¥4,669	¥4,647	¥4,317			¥5,956	¥5,012	¥5,145	¥5,019	¥5,471	¥4,976
2006	¥5,099	¥5,115	¥5,077	¥4,986	¥5,439		¥5,016	¥6,325	¥3,881	¥5,281	¥5,288	¥5,675	¥5,223
2007	¥5,563	¥5,201	¥5,456	¥5,210	¥6,317			¥6,138	¥5,981	¥5,894	¥5,901	¥5,723	¥5,557
2008	¥5,536	¥4,822	¥5,101	¥4,808	¥4,730			¥6,319	¥5,397	¥5,403	¥4,574	¥4,573	¥4,962
2009	¥4,332	¥4,070	¥4,329	¥4,546	¥1,262			¥5,140	¥4,830	¥4,156	¥4,303	¥4,517	¥4,261
2010	¥4,475	¥4,500	¥4,640	¥4,657	¥4,872			¥3,790	¥5,627	¥5,142	¥4,983	¥5,196	¥4,883
2011	¥5,022	¥4,598	¥4,711	¥4,408	¥4,770	¥4,277		¥4,802	¥5,714	¥4,972	¥4,597		¥4,810

US RSU imports (from Japan customs website)

RSU from USA Narita Code 430

Quantity (kg)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2000	204,453	165,336	190,362	110,778	60,330	50,402	56,406	78,097	124,741	215,128	209,277	239,234	1,704,544
2001	171,050	148,477	143,517	86,484	43,997	45,872	47,525	59,229	74,775	173,367	176,765	235,726	1,406,784
2002	148,636	115,976	112,909	54,352	39,877	30,127	38,844	46,809	85,193	156,504	139,527	161,385	1,130,139
2003	112,165	96,589	95,256	53,141	27,738	17,414	19,127	35,242	72,288	131,101	127,497	124,553	912,111
2004	103,655	101,815	108,504	64,204	24,642	17,732	20,145	37,714	61,148	122,023	98,905	133,415	893,902
2005	68,937	68,005	61,038	30,819	28,201	11,923	14,737	25,438	48,709	100,254	108,258	126,844	693,163
2006	72,407	57,824	71,780	49,173	29,796	9,763	13,072	18,429	38,333	109,674	97,740	114,904	682,895
2007	61,366	44,492	65,997	33,177	31,377	7,460	6,760	15,376	47,636	94,863	90,241	89,936	588,681
2008	71,922	61,144	71,598	50,568	14,983	3,804	6,049	12,329	29,433	82,619	69,619	74,939	549,007
2009	80,182	56,332	64,366	39,334	27,702	12,855	13,658	20,398	50,020	71,110	69,299	93,057	598,313
2010	60,194	44,649	46,407	20,404	6,781	2,452	5,033	15,922	25,926	59,341	48,622	74,499	410,230
2011	41,883	33,040	32,699	20,218	14,807	3,572	7,274	12,393	27,661	40,084	48,354		281,985

Value ('000 yen)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2000	1,240,812	967,183	1,012,508	597,092	313,585	263,614	259,335	418,012	698,721	1,325,601	1,136,820	1,557,164	9,790,447
2001	1,112,851	917,383	906,798	478,859	234,194	215,002	224,948	319,261	476,269	1,054,316	1,002,805	1,529,152	8,471,838
2002	927,896	636,102	591,627	331,571	226,730	164,876	194,241	276,107	519,253	920,355	769,880	1,058,955	6,617,593
2003	686,280	564,725	625,573	291,099	146,094	87,482	107,729	178,917	412,965	754,501	667,452	837,961	5,360,778
2004	589,720	510,818	533,496	297,997	128,928	82,283	87,138	167,645	315,034	669,177	521,746	839,579	4,743,561
2005	378,755	318,023	328,683	163,875	137,388	62,696	68,971	116,570	285,355	626,302	589,531	837,625	3,913,774
2006	432,235	313,302	365,966	257,467	140,821	43,433	53,537	79,611	197,404	600,164	582,367	698,688	3,764,995
2007	357,965	253,232	435,316	170,071	156,691	38,259	30,797	79,022	291,680	593,066	474,540	558,886	3,439,525
2008	438,115	392,751	393,402	258,777	71,102	18,277	26,358	51,964	161,477	503,972	353,400	462,704	3,132,299
2009	391,817	212,634	280,963	162,749	97,008	37,270	56,633	87,580	264,100	369,978	350,190	552,863	2,863,785
2010	349,765	217,116	233,232	105,281	25,297	9,350	21,293	64,414	136,674	306,074	225,901	481,193	2,175,590
2011	205,823	150,784	163,853	84,585	55,133	14,940	30,331	50,816	144,067	194,243	224,330		1,318,905

Unit Value (yen/kg)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2000	¥6,069	¥5,850	¥5,319	¥5,390	¥5,198	¥5,230	¥4,598	¥5,352	¥5,601	¥6,162	¥5,432	¥6,509	¥5,744
2001	¥6,506	¥6,179	¥6,318	¥5,537	¥5,323	¥4,687	¥4,733	¥5,390	¥6,369	¥6,081	¥5,673	¥6,487	¥6,022
2002	¥6,243	¥5,485	¥5,240	¥6,100	¥5,686	¥5,473	¥5,001	¥5,899	¥6,095	¥5,881	¥5,518	¥6,562	¥5,856
2003	¥6,118	¥5,847	¥6,567	¥5,478	¥5,267	¥5,024	¥5,632	¥5,077	¥5,713	¥5,755	¥5,235	¥6,728	¥5,877
2004	¥5,689	¥5,017	¥4,917	¥4,641	¥5,232	¥4,640	¥4,326	¥4,445	¥5,152	¥5,484	¥5,275	¥6,293	¥5,307
2005	¥5,494	¥4,676	¥5,385	¥5,317	¥4,872	¥5,258	¥4,680	¥4,583	¥5,858	¥6,247	¥5,446	¥6,604	¥5,646
2006	¥5,970	¥5,418	¥5,098	¥5,236	¥4,726	¥4,449	¥4,096	¥4,320	¥5,150	¥5,472	¥5,958	¥6,081	¥5,513
2007	¥5,833	¥5,692	¥6,596	¥5,126	¥4,994	¥5,129	¥4,556	¥5,139	¥6,123	¥6,252	¥5,259	¥6,214	¥5,843
2008	¥6,092	¥6,423	¥5,495	¥5,117	¥4,746	¥4,805	¥4,357	¥4,215	¥5,486	¥6,100	¥5,076	¥6,174	¥5,705
2009	¥4,887	¥3,775	¥4,365	¥4,138	¥3,502	¥2,899	¥4,147	¥4,294	¥5,280	¥5,203	¥5,053	¥7,378	¥4,786
2010	¥5,811	¥4,863	¥5,026	¥5,160	¥3,731	¥3,813	¥4,231	¥4,046	¥5,272	¥5,158	¥4,646	¥5,171	¥5,303
2011	¥4,914	¥4,564	¥5,011	¥4,184	¥3,723	¥4,183	¥4,170	¥4,100	¥5,208	¥4,846	¥4,639		¥4,677