



PUHA NEWSLETTER



Presidents Report Mike Featherstone

Up until Christmas the 2019/2020 season was progressing quite well. Landings were mostly steady; the market was solid, prices were reasonable. In late December the green demand dropped suddenly. In January, the

weather brought red landings to a virtual halt and February has not been much better. So far, as we head into March, the market is still looking for product however as we have seen globally, the effects of the Covid-19 virus can be sudden

and drastic. In late January, the China market stopped for many seafood imports. This had some effect on demand but the markets in Korea, Japan, Taiwan, the US and Hong Kong (although already slow due to protests), took up any shortfall.



PRESIDENTS REPORT



MARKETING REPORT



D&D PACIFIC REPORT



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Recently landings have remained low due to weather, so it is hard to gauge what will happen once landings increase, if the virus spreads to the other countries, it may decrease demand. This is impossible to predict, only time will tell.

The effects of the virus may well be disruptive to the world economy and our industry, but this disruption is expected to be relatively short lived. Other influences related to Government policy will have long term effects. The recent and ongoing conservation initiatives certainly fall into this category.

Over the past 4 months the commercial industry Marine Planning Team (Brian Mose, Grant Dovey, Mike Atkins and Bruce Turris) has worked tirelessly to develop a comprehensive coordinated and integrated response to the Partners Northern Bio shelf MPA Network proposal. There have been 36 meetings involving nearly 800 commercial fishermen (including 150 First Nations commercial fishers) from 27 fisheries and 11 gear types.

On February 4th the MPT provided a detailed description of the commercial industry process and the steps undertaken to develop a single map. The MPT process is a complimentary process

to the NSB Partners process. In the development of the single map the commercial industry has undertaken equitable compromises and trade offs to a achieve the identified ecological and cultural targets. The most recent report can be found on the PUHA website. Thanks to all the urchin fishermen who attended the meetings and provided input. It is expected that the process will continue through 2020.



Last year, the Gwaii Haanas National Marine Conservation area was implemented. The industry response to this proposal was developed in an identical process to the NSB MPA proposal. The original proposal would have resulted in a 30% loss to urchin fishing areas, after the consultations and the MPT recommendations, all the original ecological and cultural goals were reached with a reduction 10% of the urchin fishing grounds lost. This March will be the first opportunity for urchin fishermen to fish in the new boundaries and judge the effects firsthand. D and D is preparing new fishing area maps, all fishers should ensure they are aware of the new restrictions and closures.

In a relation to the closures PUHA has been working with the Archipelago Marine Board (which manages the Conservation Area), Parks Canada, Haida Fisheries Program and DFO to provide advice, coordination, vessels and harvesters for the Haida Gwaii Park Urchin Cull.

[*Read about the Gwaii Haanas Marine Conservation Reserve*](#)

[*\(click link below\)*](#)

<https://www.pc.gc.ca/en/pn-np/bc/gwaiihaanas/nature/conservation/restauration-restoration/nurture-nourrir-1>



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The cull is being undertaken to promote kelp growth and a healthy ecosystem in an area which has been closed to urchin fishing and has become an urchin barrens. The study will provide strong scientific information on the benefits of urchin fisheries. This year, 6 vessels will fish for 4 days within the study site and adjacent area.

Hear what Divers are saying about the Haida Gwaii Kelp Restoration Project

(click link below)

<https://www.youtube.com/watch?v=E-df50FnmQc&t=17s>



The regular commercial fishery in Haida Gwaii is scheduled to start later in March, tentatively, around March 22nd depending on weather and market. The processors recommended the later start due to the market and the immaturity of the roe in the past years in early March. Stay tuned with your buyers and D and D for the official date.

The Urchin Sectoral meeting is in the planning stages for late March or early April.

In February green sea urchin fishermen met with DFO Science and Managers to discuss the green urchin fishery and quotas. The 2020 season is the final year of the current 3-year IFMP program. Although no changes will take place in 2020 PUHA is proactively starting consultations and work to develop recommendations for the new IFMP. As we know, there has been a large increase in the green sea urchin biomass. The goal is to prepare a measured response to the increased biomass, consistent with the current science and the fishermen's local knowledge, which will provide increased fishing opportunities.

With respect to the Red Sea Urchin fishing, PUHA is requesting fishermen provide any input on quotas, area boundaries and any other fishery related information to D and D or the on grounds coordinators, which can be presented at the Sectoral. This is the final year for the last red sea urchin area selection and there will be a reselection for areas prior to the 2020/2021 season.

PUHA is an Association of highly skilled Professionals "We are the Best" works well!

(click link below)

https://www.youtube.com/watch?v=t_5ADIXjD5Q



On the marketing side, Ron Ross has been busy working on new video media. Ron was in McNeill prior to Christmas and will be in the plants doing some shooting in March. The new media is focusing on the fishermen and the fishery. "We are the Best" Look for highlights and updates on the PUHA Facebook page and on our new website. Remember that and pictures, stories or videos of your fishing are encouraged and welcomed by Ron for posting.



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Geoff has provided his update on the Trade show plans. Unfortunately, Hong Kong protests and now the Covid-19 virus have caused cancelations of some of the planned activities. Geoff is working with Agri-Food to redirect any funding not used to apply to other activities.

In closing, please pay close attention to the comments in the D & D report regarding the failure of some vessel masters to not provide proper communication to D&D, as per the conditions of licence. This is particularly concerning as these fishing infractions are causing additional costs to the program and as well reflect poorly on our industry.

“GET ONBOARD WITH PUHA”

(click link below)

<https://www.youtube.com/watch?v=kj6XFje-BFM>



NEWS LINKS

<https://www.seafoodnews.com/Story/1165348/Seafood-Expo-North-America-Exhibitors-Pulling-Out-Due-to-Coronavirus-Fears>

<https://www.seafoodnews.com/Story/1165066/When-Will-Lobster-Flights-Resume-to-China-It-Depends-Who-You-Ask>

<https://www.seafoodnews.com/Story/1164278/The-Winding-Glass-How-the-Coronavirus-Shockwave-May-Impact-the-US-and-Canadian-Seafood-Industry>

<https://www.seafoodnews.com/Story/1164613/Feared-Return-of-The-Blob-Fizzles-as-Storms-Churn-Chill-Pacific-Ocean>

<https://soranews24.com/2020/02/22/we-try-a-rotating-sushi-chains-super-high-quality-3-layer-caviar-sea-urchin-fatty-tuna-sushi/>

<https://www.elementascience.org/articles/10.1525/elementa.346/>

<https://www.maritime-executive.com/editorials/study-around-the-world-sustainable-fisheries-management-is-working>

[https://www.fishsafebc.com/blog/2020/2/4/fishing-incidents?](https://www.fishsafebc.com/blog/2020/2/4/fishing-incidents?utm_source=Cyberimpact&utm_medium=email&utm_campaign=Fishing-Incidents)

[utm_source=Cyberimpact&utm_medium=email&utm_campaign=Fishing-Incidents](https://www.fishsafebc.com/blog/2020/2/4/fishing-incidents?utm_source=Cyberimpact&utm_medium=email&utm_campaign=Fishing-Incidents)



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There has been a lot going on of late, and not a lot of it much good as far as seafood markets go. I hate to be a bearer of bad news but in this case I am going to start with the recommendation that while there is still room to hope for the best, cautious planning and restraint make sense right now in case things take a turn for the worse. There are still markets and decent prices available right now but it looks like there is a storm coming so it would be a good idea to keep the pace up as much as possible for now because there is no telling how long it will last. Keeping some dry powder around is also a good idea as opportunities are part and parcel of chaos and although the timing remains kind of nebulous, that is what looks to be on the horizon.

Probably the biggest single factor affecting markets these days is the newly emergent coronavirus, Covid-19, currently classed as an epidemic but increasingly looking like it will become a pandemic (i.e. spreading out of control on more than a single continent). I think it is fair to look at this as a Black Swan event, unforeseen but presenting great challenges to the current order. Covid-19 first appeared in Wuhan China around January 11 when 41 cases were reported, or probably more accurately -were acknowledged. The number of cases rapidly grew to 7,700 by the end of January and to 77,000 worldwide as of today, the 21 of February. Public confidence and comments have thus far been cautiously positive and have played down the potential economic effects.

Honestly though - claims from the US that no material effects are expected might include a bit of unwarranted optimism. US and Canadian markets remain strong at this point but they are pretty much the only ones and it is hard to see how that can continue in the face of growing impacts around the world. The spread of Covid-19 is still apparently exponential and the World Health Organization is giving the world a shrinking window of opportunity to get it under control before it becomes a new fact of life. It is looking more and more like the best hope is that it will just disappear with warmer weather, however Singapore, situated about 2 degrees north of the equator, is also one of the outbreak hotspots so that sounds like a bit of a longshot. However, even if it does fade away we can expect to visit us repeatedly in coming years, just like the flu or the common cold. That may help to normalize it for everyone but there is that extra threat of apparent mortality rates of between about 1-2% , as opposed to the 0.05-0.1% seen with the flu. As mentioned above, markets so far are taking the position that the economic damage will be limited and many have predicted a swift rebound that would return China and the global economy to their pre-crisis trends by midyear. These forecasts are based in large part on the SARS outbreak in 2003 when the Chinese economy recovered quickly after that fatal flu-like infection emptied offices and factories. There is however no guarantee that COVID-19 will trace a similar path. For one thing, while it is less deadly than SARS was (@ ~15%), it spreads much more easily. Health authorities are still trying to figure out what the incubation period is before a person becomes infective and if asymptomatic spreading is possible. There are still a lot of unknowns with the disease and how far it has actually spread to date that need to be worked out.

Another factor is that China's \$14 trillion economy is four times as large as it was 17 years ago. International trade has grown in importance, a rough measure being that the number of shipping containers moving among the world's ports has almost tripled since 2003 and China 's manufacturing capacity is deeply embedded in the global supply chains that build just about everything for all of us. The majority of trade these days comprises intermediate products that are part of and are built into goods manufactured in other parts of the world. This means for example that an interruption in Guangzhou can and will stop production in South Korea, Japan, the US and/or the EU etc. This is already happening. I was just reading a report the other day about how Chinese manufacturers are close to panic because they are short about 200- 300 million migrant workers needed to ramp up their manufacturing again after the spring break because they are all basically quarantined in their home villages in the countryside or in their apartments in their home cities. This is not a big surprise as Chinese citizens generally need a local registration, known as hukou, to access medical services wherever they are meaning many of the migrant workers they are trying to get back to work cannot access health care in the cities where they work. On a brighter note, coincidentally as part of the latter stay at home isolation, some enterprises thriving in this event: Alibaba and JD.com home food delivery services being the real stand outs in China.



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More direct impacts on western businesses are also apparent. Considering just the travel industry as an example: about 150 million Chinese business executives and tourists took an international flight in 2018, the most recent data available, and reducing travel by them suggests the economic hit from declining tourism is going to be significant. Already airlines around the world have been limiting flights into and out of China to try and limit the spread of the virus, coincidentally impacting tourist meccas including Thailand, Vietnam, Macau, Europe, the UK, US, Canada etc. Estimates of revenue losses for airlines range up to \$28B while travel within China and from China to especially tropical destinations is down by as much as 70%. These declines have knock on effects throughout the economies involved, impacting revenues of hotels, restaurants, resorts, taxis, tour companies, travel agencies, shops etc around the world. These are in turn also impacting the many enterprises supplying them- including seafood harvesters. Already the BC and Alaska geoduck fisheries have been shut down because of the quarantines - and to my knowledge it is an indefinite shut down- and if things go on for too long demand is not likely to bounce back as soon as the all clear signal is sounded if only because so many of the small businesses serving the foods are already going bankrupt and shutting down.

I hate to keep going with this but, just so you are aware of it, there's also been lots of reporting on mounting risks to the global economy from other sources, especially over the past year. These include excessive and still growing private, corporate and public debt in most major economies and the financial risks with unaccounted-for derivatives to the tune of \$600 Tr that could collapse if some sort of trigger sets off a cascade culminating in an unprecedented financial calamity . Low interest rates deprive central banks of the usual and traditional measures they can use to counter a market downturn and there is not a lot of confidence in possible replacements they might substitute. This Covid-19 outbreak could be that trigger but if that is not enough to do it, there are accumulating pressures from the ongoing trade war between the US and China- possibly extending soon to the EU if the US imposes more tariffs on EU goods as threatened on top of a deepening recession in the EU. Even the ongoing and apparently deepening US budget deficit (currently in excess of \$1 Tr), the upcoming US election and Brexit and who knows what other possible bombs could be waiting in the wings. In short- we are in uncharted territory here and it does not look like the pressure is going to ease anytime soon.

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2019-20 RSU FISHERY – to FEB 1st 2020



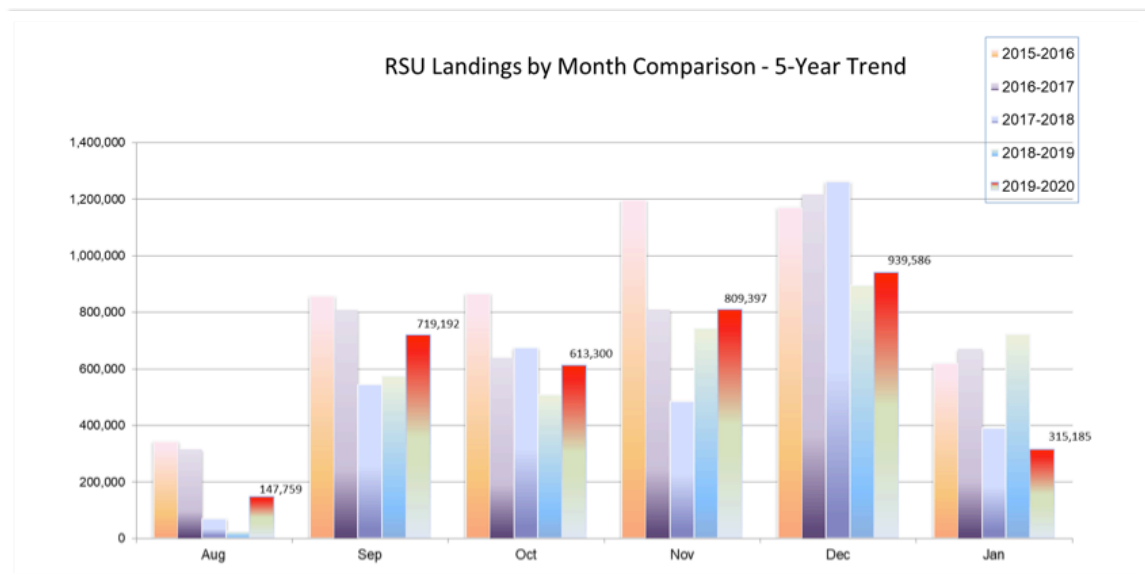
North Coast Fleet

- Weather an issue most of the season to date
- Harvest strong until the second week in December
- Weather ceased harvest activities into late January
- Fleets are active now on a more consistent basis
- Offloads in Prince Rupert and Port Edward are in the normal business hours of operation for dock plants. Seems to be working out with trucking and delivery in Vancouver. Dock crews are showing up consistently.

South Coast Fleet

- South coast fleet worked through the Port McNeill QMA opening a week early in December and worked around the weather
- **Quality is an issue**, and vessels moved around daily for quality and weather
- A packer was utilized on the QMAs east & north of Quadra Island so vessels could harvest in more areas within the QMAs
- **Certain Vessel Masters are not communicating** to D&D as per the conditions of licence, and this is causing additional costs. Some of the infractions that occur
 - Failure to hail 24 hours to a QMA prior to harvest activities
 - Failure to hail prior to offload/landing
 - Failure to notify cancelation of harvest activities
 - **Failure to notify cancelation of an offload/landing**
 - Failure to hail out of a QMA within 24 hours of cessation of harvest activities

Figure 1 – RSU Comparison by Month to Date - 5-Year Trend

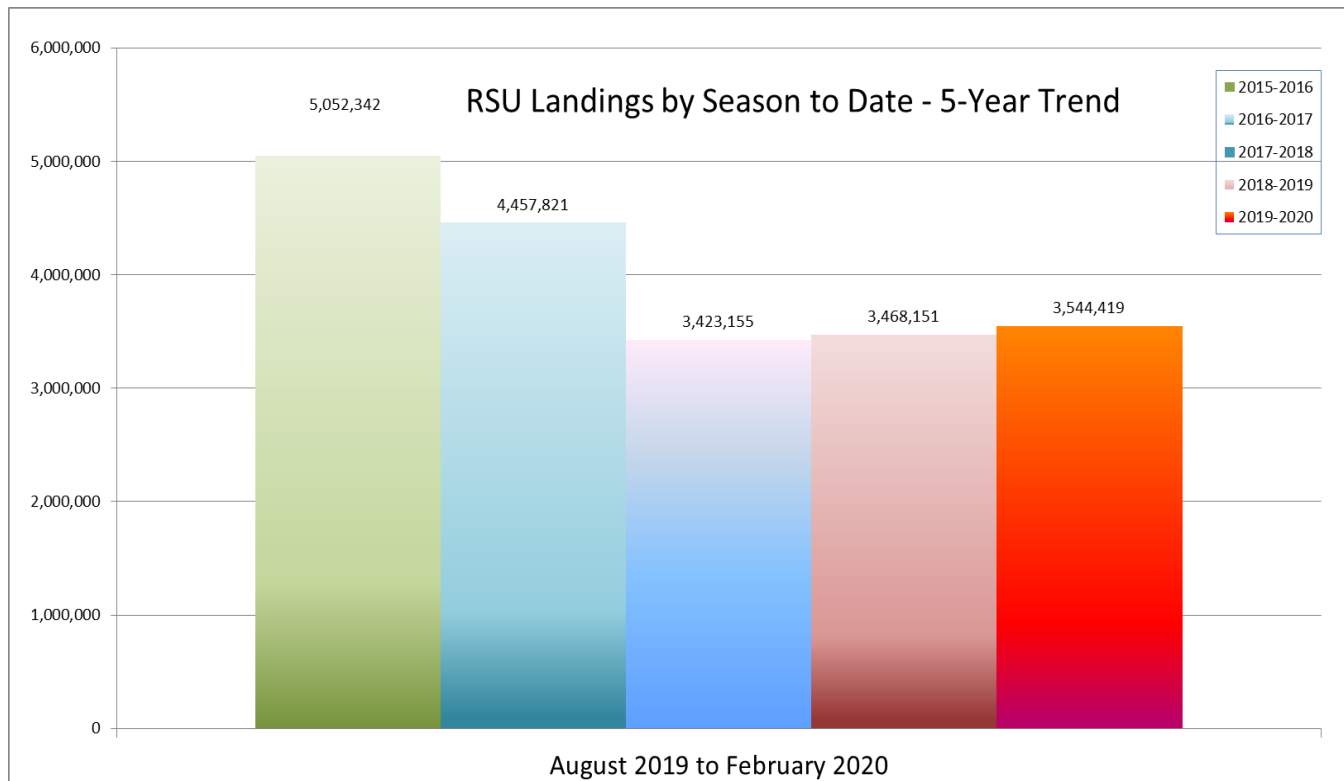




RSU Coastwide Comments

- Market trends seem to be ever changing when you look at historical landings by month, with product from other countries, even weather seems to play a role
- WorkSafe BC and DFO have been more interactive with vessels coast wide this season

Figure 2 – RSU Landings by Season to Date - 5-Year Trend

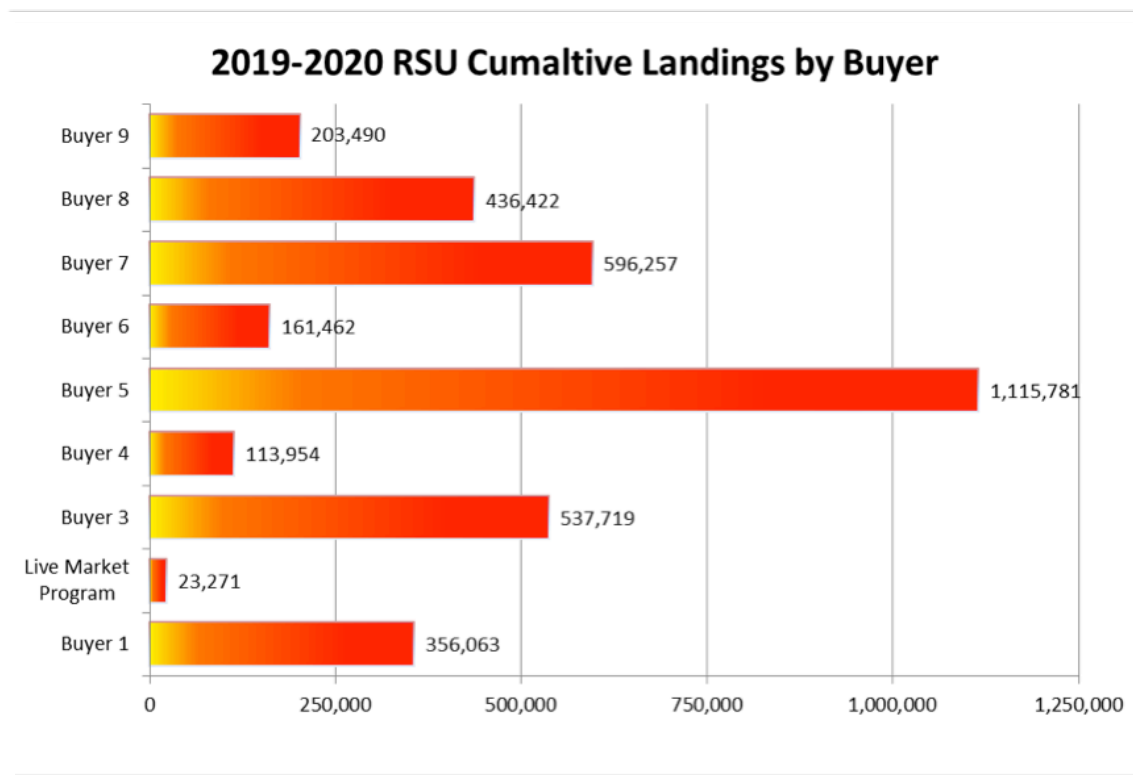


Harvest Charts

- Overdue charts are an issue this current season, a requirement prior to 1994. We have chart data missing from September 2019
- A few reminders
 - Charts completed by midnight of the harvest day
 - 30 day requirement for submission to D&D
- These conditions are not being met by multiple Vessel Masters
 - DFO contacting licence holders
- Digitization of the 2018-19 seasons' harvest data will now run into April of 2020 due to outstanding chart data, backing up our digitization of the current season
 - This will add an additional cost to the program
- Harvest charts available online has reached 5, 000 downloads. Good to see it being utilized by vessel masters



Figure 3 – RSU Landings by Buyer



2019-20 GSU FISHERY– to February 1st 2020

- The 2019-20 fishing season started off great compared to the last season
- September to the end of November proved to be steady and exceeding last season numbers on a monthly basis
- December showed a 60k drop in landings from the previous seasons, and almost the same amount for January of 2020
- Market trends seem to be ever changing when you look at historical landings by month, with product from other countries, even weather seems to play a role
- Kelsey Bay QMAs were the last active. This Area south of Kelsey Bay is full of GSU and these QMA's we left in the water last year due to quality. Good to see vessels hitting this area well this season
- Port McNeill QMA still has quota remaining, same for Southern Gulf Islands
- Other QMAs have either completed their quota(s) or are close to finishing
- The extreme poor weather over December and January would have restricted harvest efforts had the market been strong



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Figure 4 reflects that the GSU fishery had an increase to their total allowable catch the past two seasons.

Figure 4 – GSU Historical Landings by Month– 6 Season Trend to February 1st 2020

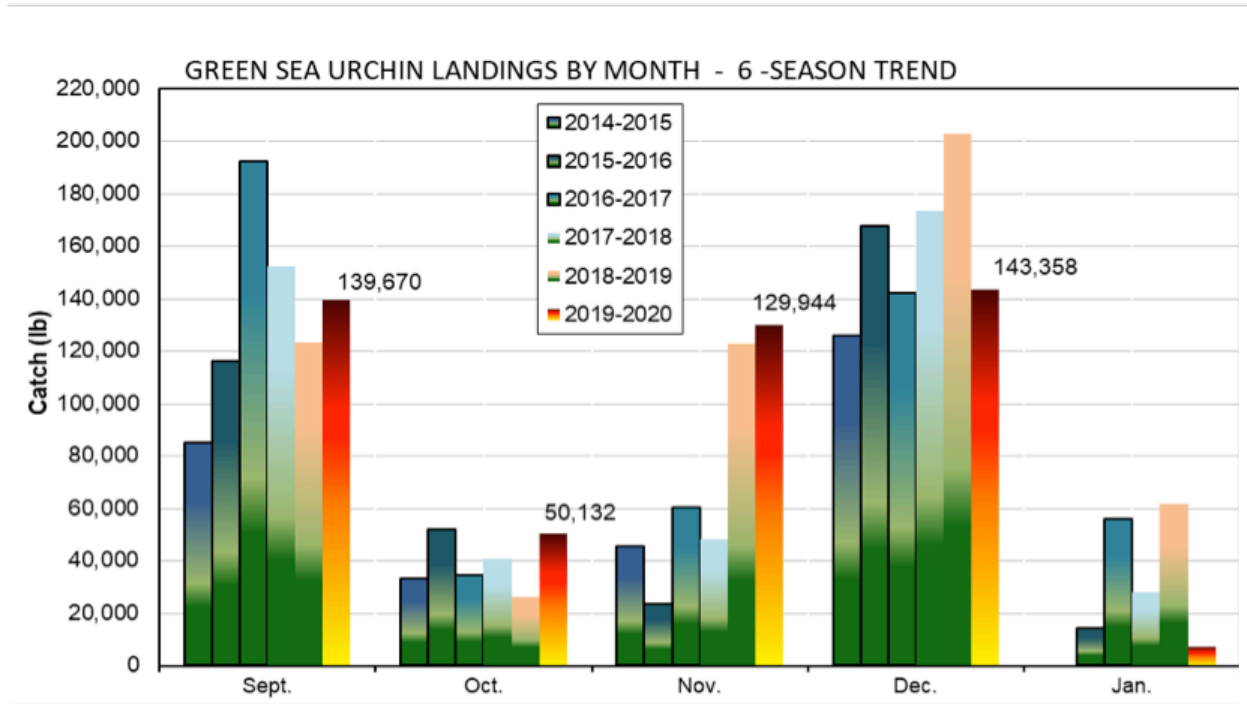
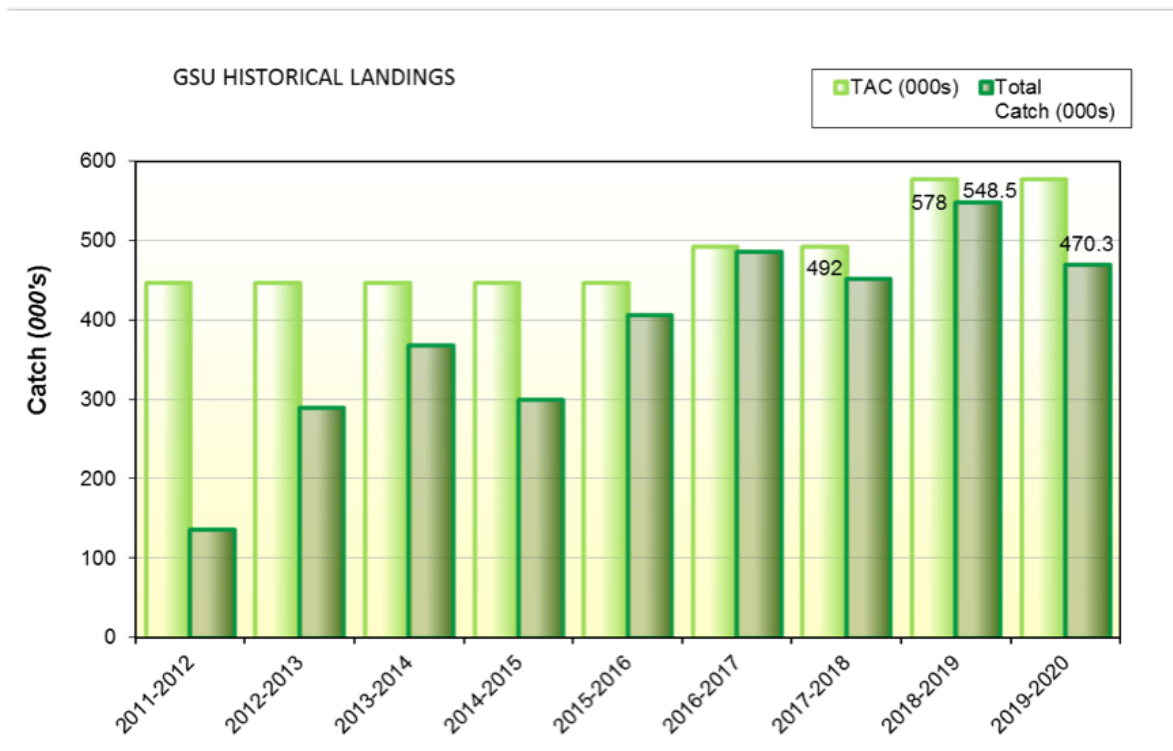
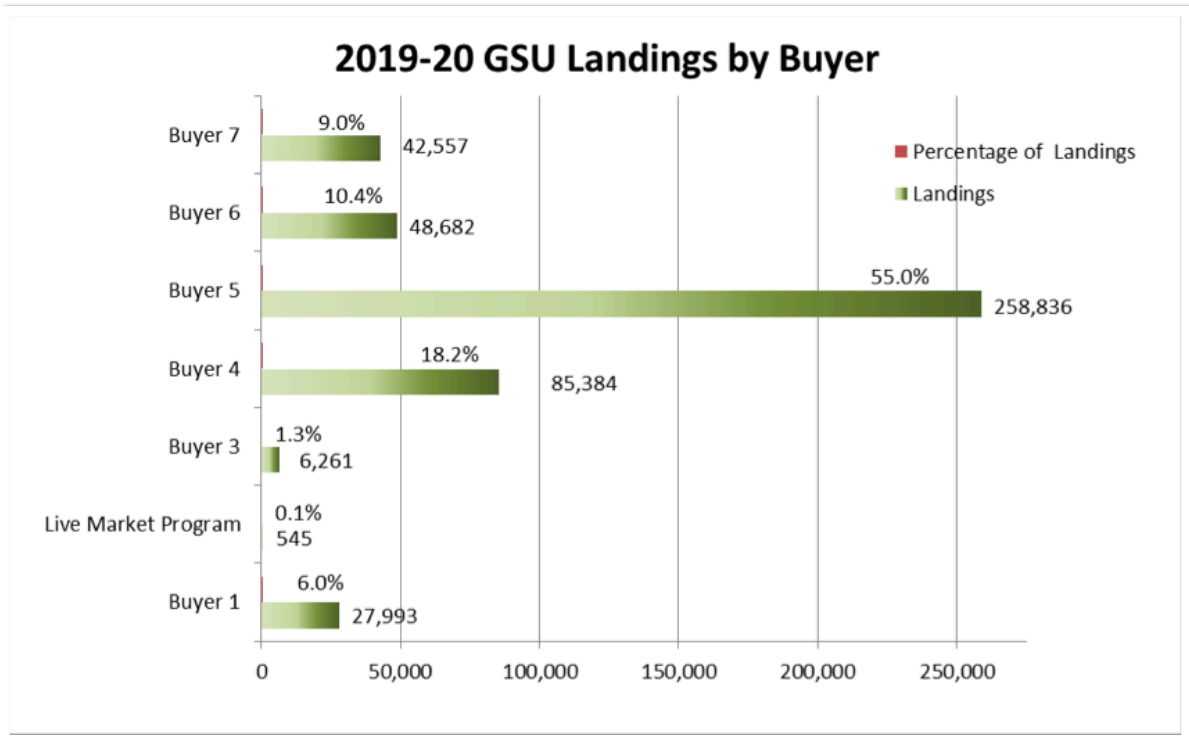


Figure 5 – GSU Historical Landings





GSU Coastwide Comments

- Buyers have short notice to vessels for harvest. Market seems to limit long term fishing agendas. Day by day orders
- Harvest Charts submitted daily in the GSU fishery. Minimal issues around Harvest charts
- Failure to notify D&D when fishing, cancelling an offload for whatever reason is on the rise
- Observers are not being notified of cessation of fishing activities by some vessel Masters
- This is causing a breach in Conditions and additional costing to program budget
- Waterloss is becoming an issue, and product is sometimes not validated until the following morning. A new trend in GSU
- Reminder to have your CoL onboard either in paper or electronic form

