

Pacific Urchin Harvesters Association

Trip Report for the

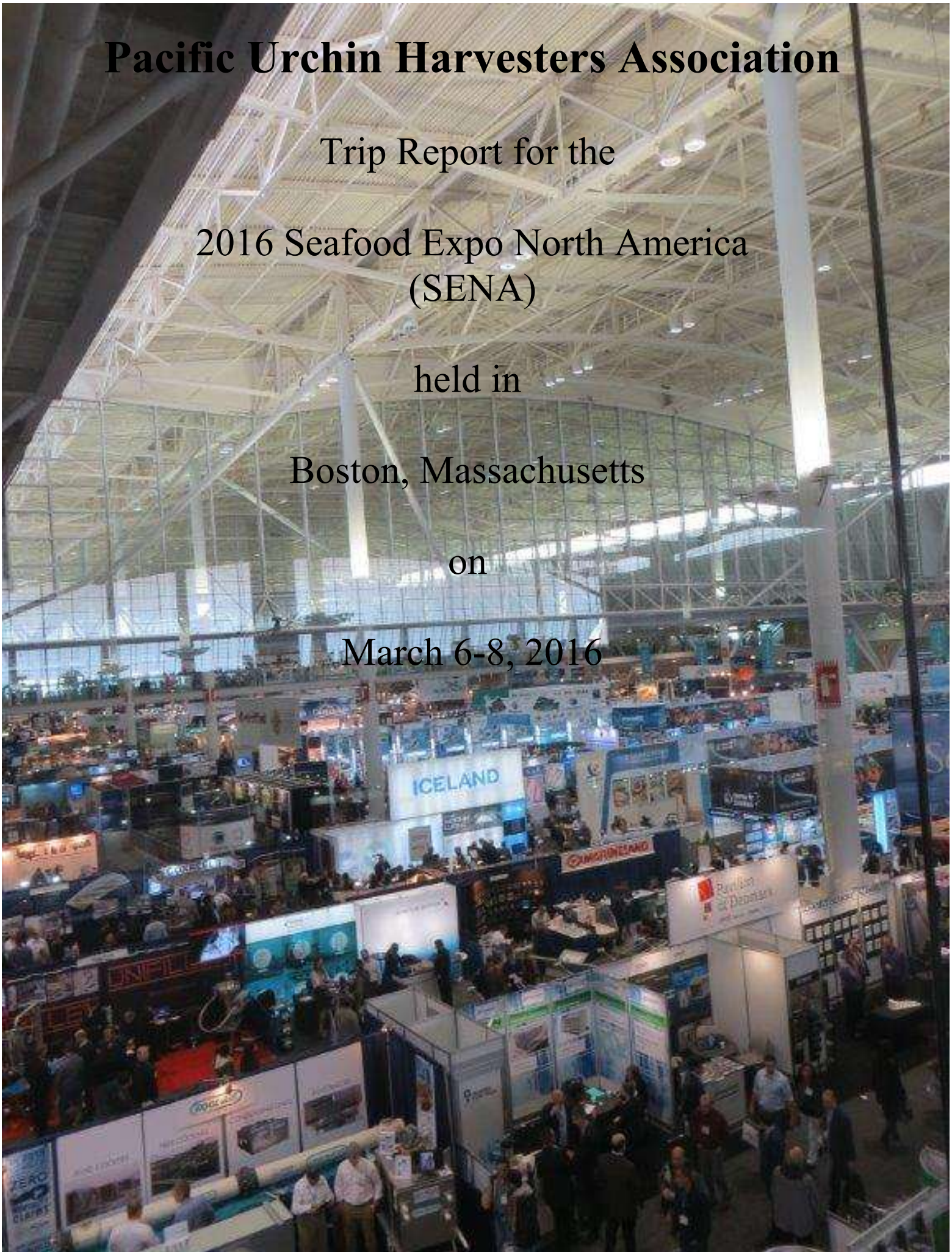
2016 Seafood Expo North America
(SENA)

held in

Boston, Massachusetts

on

March 6-8, 2016



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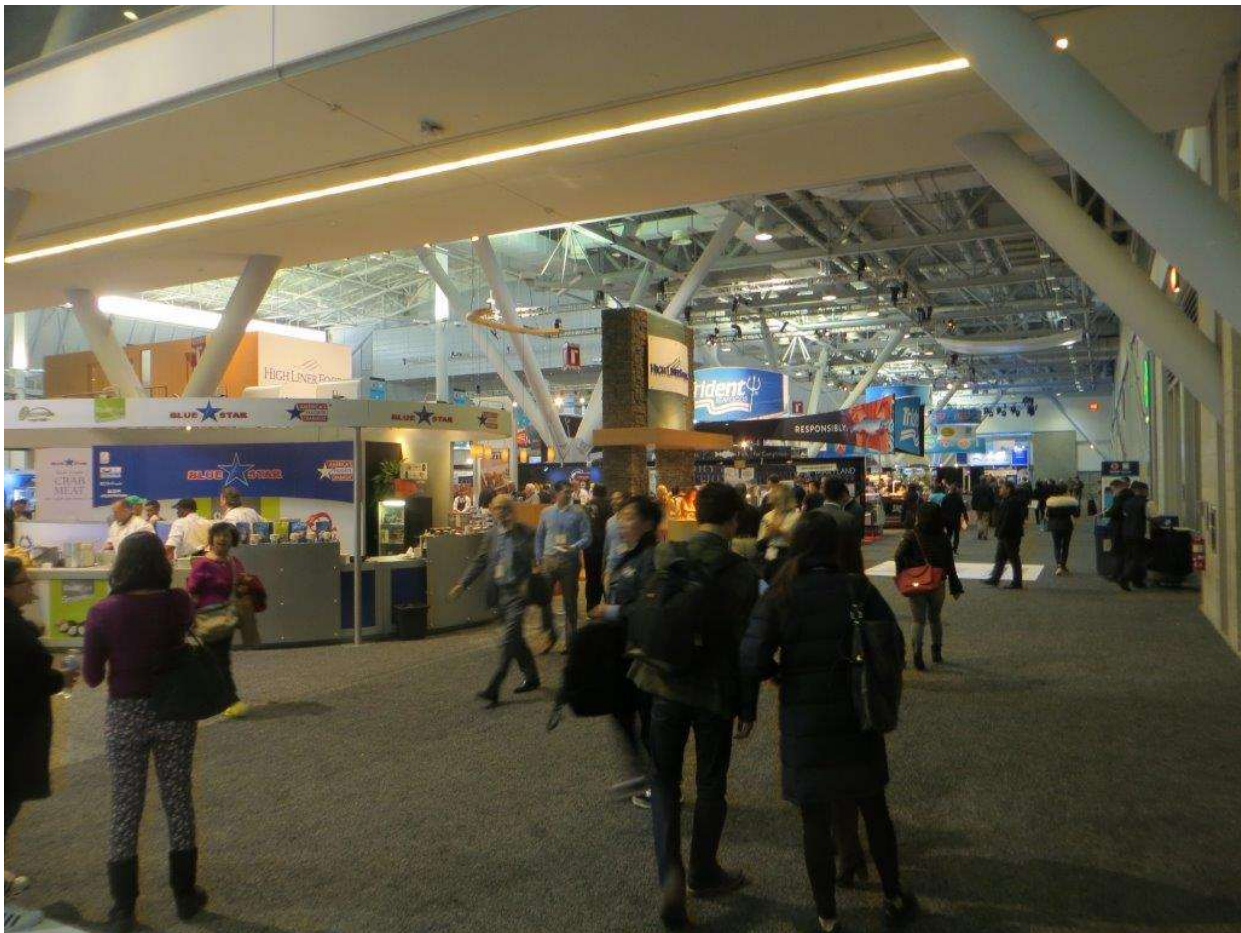
at the

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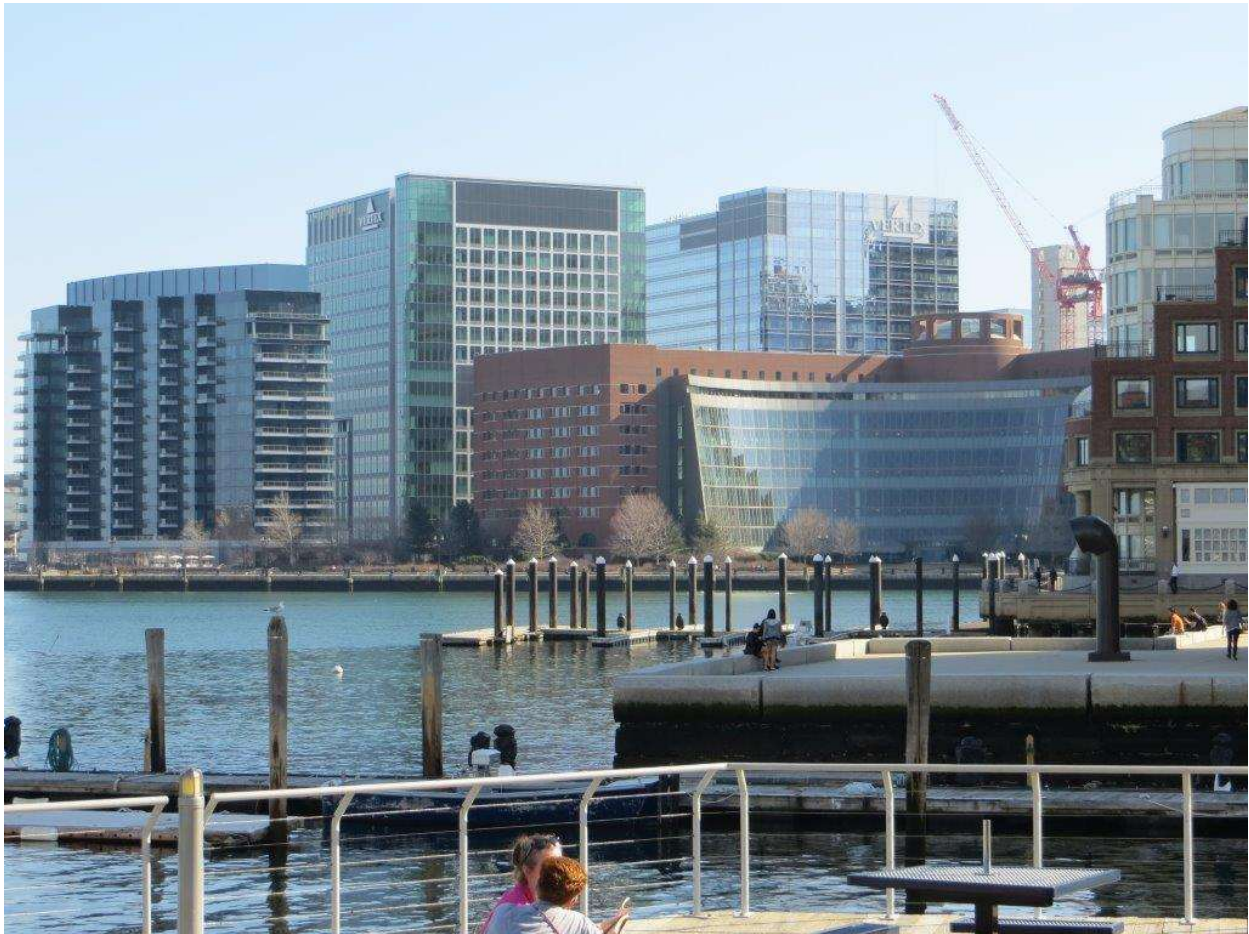
Mike Featherstone, David McRae, Bob Hegedus and Geoff Krause attended the 2016 Sea Expo North America (SENA) on behalf of the Pacific Urchin Harvesters Association in early March 2016. This was our first trip to the show and is intended to provide a preliminary market survey for the potential sea urchin products market in the United States.

The Seafood Expo North America /Seafood Processing North America was formerly known as the International Boston Seafood Show and has been the premiere North American seafood show for many years. It is the largest such event in North America, attracting over 20,600 buyers and suppliers of fresh, frozen and value-added seafood products, equipment and services in recent years. Attendees come from more than 100 countries to do business.



Boston is an American city of about 7 million on the east Coast of the US with the unique distinction of being home to two of the world's great universities: Harvard and MIT (Massachusetts Institute of Technology). It was the largest British Colony for many years in North America and the centre of the British shipping industry prior to the birth of the US as an independent nation. As even casual fans of history know, the Boston Tea Party and other local

events were in fact central to the revolution that saw the 13 colonies break away from the British Empire. The Midnight Ride of Paul Revere took place here and the legend even today provides an historic narrative for tourists to Boston known as the Freedom Trail. There are many old parts to the City, from the docks and trading houses that were involved with not just the flourishing fisheries, whaling and marine trade industries centred on Massachusetts Bay and the Gulf of Maine, but somewhat differently for people more used to the West Coast timelines, the city was well established by the early 1800's and the buildings and neighbourhoods just have a different feel to them than the newer cities of the West Coast. The city remains a dynamic and innovative centre of business, culture and diversity on the world stage while the Seafood Expo North America is an informative and engaging window on the US and global seafood market trends that make the visit well worth the effort.



This is the second year that the British Columbia has had a booth at the show and there were a number of reports that the increased footprint was having good effects on traffic and business development opportunities arising. Each of the 12 or so companies and/or associations exhibiting as part of the BC booth were provided with an information counter. A logo provided by the company/association was supposed to be printed on the front of the counter, but in our case our name, Pacific Urchin Harvesters Association, was simply printed on front. This was a bit of a



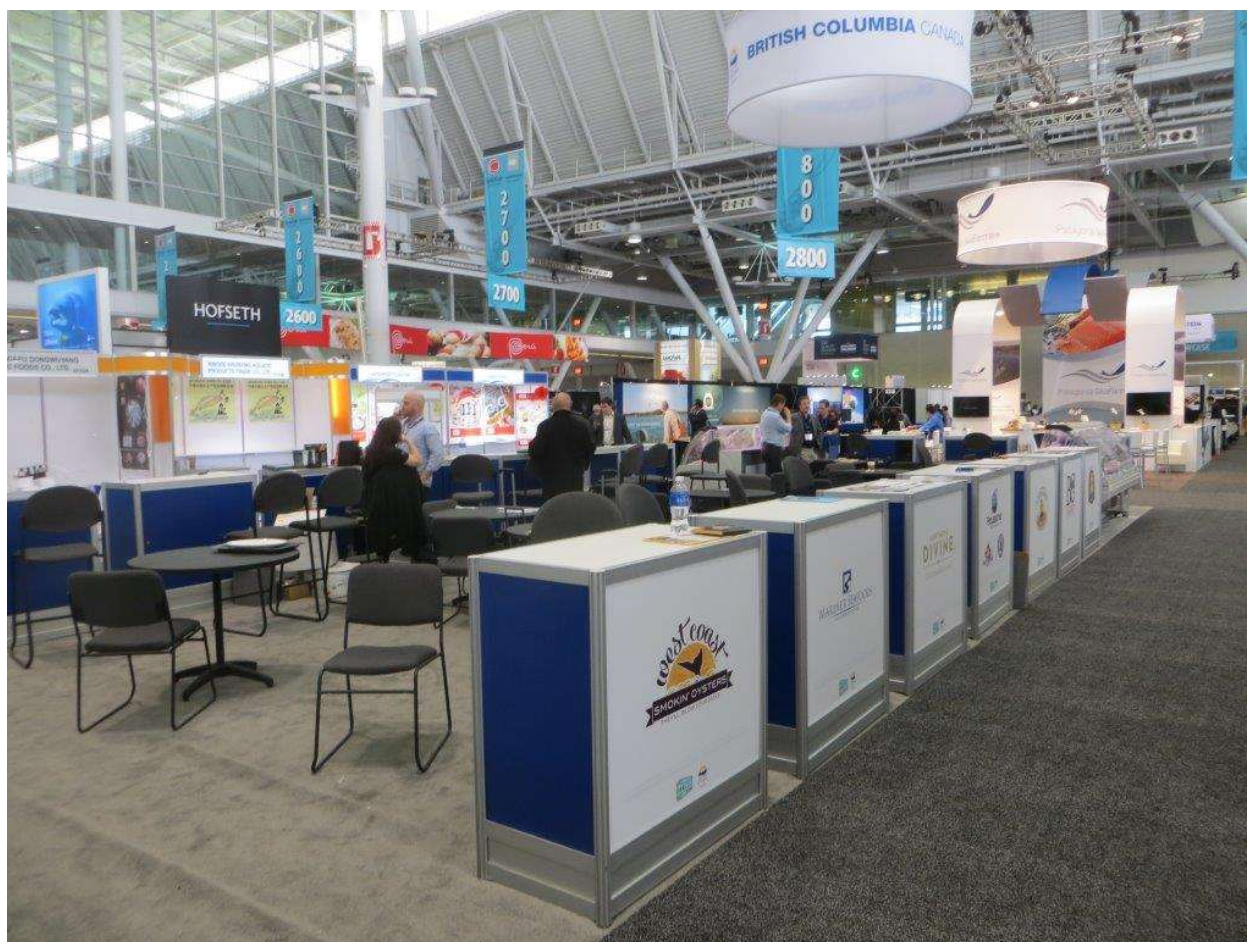
disappointment, especially as other groups did have the full graphics printed out, but is not something worth blowing out of proportion.

The Province engaged the services of Chef Nathan Fong to prepare and serve samples provided by all the participants in the BC booth this year and reports throughout indicated he again produced a steady stream of delectable crowd pleasers. One constant from all shows where we have exhibited is that samples are necessary to bring in traffic: without samples people just do not make the effort to come by, stop by or often take an interest in the product. We were running into the same this year with Nathan's samples, although we found placing one of our signature sea urchin models on the tabletop was sufficient to draw even more people in. The product we featured was the high-end frozen product supplied by Grand Hale Marine Products. This product is frozen using the high-technology proton freezing and does not have any further additives, including alum, that otherwise adulterate the taste. Grand Hale took a number of years to develop a superior and natural tasting product with an indefinite shelf life advantage that comes from being frozen and it has succeeded in the sense that this product often tastes just as it would coming straight out of the live urchin and is in fact one of the purest forms other than live. This in itself is a major selling feature of the frozen product, particularly these days with more consumers recognizing the value of natural, unadulterated foods.



The location and design of the BC booth in relation to the rest of the Canadian Pavilion drew a number of comments and questions from visitors and exhibitors. The Maritime Provinces and Quebec all had their own, very nice, substantial and aesthetically sophisticated booths in a coordinated if somewhat informal "Canada Pavilion" zone covering some 3 to 4 aisles on the northern side of the show. The BC booth, on the other hand, covered a fairly large but

otherwise non-descript area away on the other side of the show, some 15 aisles away from and completely separate from the larger presence of Canada at the show. There was no apparent association or link to the other parts of Canada, and there was no stylistic or marketing continuity with the "SuperNatural BC" theme - it was strictly utilitarian, to some minds barren and akin to being in the middle of the Prairie. Perhaps a utilitarian theme was the intent, however it just struck some as a bit strange, especially given that British Columbia is a land of magnificent land and seascapes that it has consistently used to build its own marketing identity.



Interestingly perhaps, the same sort of isolation is imposed on us as exhibitors from BC at the Asian Seafood Expo in Hong Kong: the Maritimes and Quebec present themselves as the “Canadian Pavilion” while we have been left on the outside for the past few years. Whether this is because of a lack of interest from the BC side, the Maritimes side or the Federal side is not known but it would seem to run counter to the stated aim of all parties to present and build a “Canada Brand” for the benefit of all Canadians. We respectfully suggest that additional efforts are warranted to get over this isolation and get on with building a more unified and coordinated presence. All this being said, we should also say that despite the lack of coordination with the rest of Canada, we did receive a fairly steady stream of traffic, perhaps not as busy or persistent as witnessed by the East Coasters, but substantial enough that our presence at the show was entirely justifiable.

We did not get to interact much with the folks from the other parts of Canada at the show and kept mainly to ourselves as BC Booth delegates. We got together with other BC delegates for a couple of dinners, one hosted by the BC Ministry of International Investment and Trade at a fine Italian restaurant where we met a number of local buyers while at the same time getting to know one another and another less formal one the following night at the Bostonian Pub. Hunter Tootoo, Canada’s new Minister of Fisheries, dropped by the first to say hello at the beginning of the dinner but was unable to stick around long because of prior commitments to attend similar dinners hosted by the Maritimes and Quebec. Mike, President of PUHA, also had a more formal meeting with the Minister along with other members of the BC Seafood Alliance during the show to discuss West Coast fishing issues.

Seafood is still a big deal in the Boston area, in some degree because of fishing as an historic way of life in this part of the country. As a bit of history, a very large fishery for Green Sea Urchin, the same *Strongylocentrotus droebachiensis* species found on the West coast in BC and in fact found in Europe, Asia and North America as a circumpolar species, flourished in the Gulf of Maine from the late 1980's through to about 2005 before serious declines set in. A fleet comprising about 1,200 divers and 200 draggers saw landings build rapidly to about 20,000 MT by the early 1990's followed by a long steady decline by the mid-1990's and onwards to about 6,000 MT by the year 2000 and to 1,000 MT by 2010. Production in 2013 was about 850 MT and the continuing decline to about 700 MT in 2015 is acknowledged as an ongoing impact from the out-of-control fishing seen in prior years.

We had an interesting anecdotal briefing on the birth of the East Coast US sea urchin fishery from a local processor involved in the fishery since its beginning. It sounds like it all got started when a young exchange student from Japan was requested by his family to stop by Maine to check out the lobster fishery to see about sourcing some product in the late 1980's prior to returning home for his summer break. On arriving, he saw there were Green Sea urchins coating all the lobster pots on the docks and heard from fishermen that they were a constant pest that they had no interest in. He crushed a few of them under his boot and noticed the quality was very good and immediately set about building a business based on processing and shipping them to the booming sea urchin market in Japan. This enterprising young fellow managed to find some success and had reportedly bought the biggest dock in downtown Portland Maine within three years and which he still owns to this day. Big money was made early on selling to Japan but Americans also have a certain genius for developing more diversified uses, including domestic markets, when there is a good supply and this case was no exception. There was an article in the New York Times (http://www.nytimes.com/2016/03/06/travel/on-the-costa-brava-of-spain-a-sea-urchin-quest.html?_r=0) on the use of sea urchin in Europe that was mentioned to us a couple of times as an example of the sort of thing that is at least partly responsible for driving the rising demand for sea urchin, especially with high end users.

The visitor and hand-out tallies are summarized in the tables over the next couple of pages. We had some 31 visitors drop by on the first day, a Sunday, 14 on the second and 9 on the third. We have of course met a number of these at other venues but there were also quite a number, generally more local, with who these encounters were new. We brought along some 350 English PUHA and 26 English PSCHA brochures of which we gave away 101 and 26 respectively. We also came to the conclusion that we should have brought along some Chinese brochures, probably simplified, as there were quite a few Chinese representatives attending the show and it would be a show of respect if nothing else if we could present them with literature on our product in their native language. We ended up with about 15 Japanese PUHA brochures but had no call to hand them out over the course of the show.

About half the visitors we met were from the US and a good number of them were looking for product. The El Nino affecting the Pacific coast this year is having a dramatic impact on sea urchin supplies from California as heavy breakers are basically wiping out a lot of the kelp the urchins depend on as feed and the quality is just simply not worth the effort in many cases. We had one fellow enquiring about product who buys live product directly off the boats in Santa Barbara at a couple dollars a pound, loads them into flooded insulated tanks on his truck and packs them off to Los Vegas where they are unloaded into aquaria and then distributed as live product to restaurants in the area where they sell at \$20 USD per piece. The tanks and aquaria are temperature controlled and the product is apparently still in perfect condition after 16 days in the

Day 1: March 6, 2016

Country	City	Business	First Name	Last Name	Company	Score	Website	Comment(s)
Canada	Richmond	wholesale	Eric	Tang	Wah Loong Ltd.	5	www.wahloong.com	
China	Hong Kong	distributor	Terence	Ng	NutriLink	5	www.nutrilink-food.com	many previous encounters in HK and China
USA	Santa Barbara	retail	Brian	Colgate	Santa Barbara fish market	8	www.sbfish.com	uni \$14.95/tray; live urchin- \$10/pc; b2C e-commerce as well
USA	DC	distributor	Mike	Tsurusaki	Waichi Corporation Japanese Food Wholesale	7		prefers domestic- little int'l exp. with req'ts etc
USA	Sumner, WA	processor	Michael	Ellis	Goldbelt Seafoods	7	www.GoldbeltSeafoods.com	
USA	Detroit MI	distributor	Ricky	Dong	Asian Trading, Inc.	7		geoducks, salmon, prawn; int. in live urchins
USA	Monterey Park CA	distributor	Raymond	He	Qpack Inc.	5	www.qpackinc.com	looking for up to 150 tray/wk by air
USA	Monterey Park CA	distributor	Sze Lim	Lum	Qpack Inc.	5	www.qpackinc.com	website uninformative, just seeking info
USA	Bronx NY	distributor	Warren	Kremin	Blue Ribbon Fish Company Inc.	8	www.blueribbonfish.com	looking for live RSU, pref ~ 500 lbs shipments
Canada	Mississauga	shipper	Leo	Curbelo	Maersk Line	4	www.maersk.com	
China	Dalian	distributor	James	Liu	Dalian Boda World Seafood Co. Ltd.	6	www.bodaseafood.com	wants processed uni; also does plastic models
USA	Bayside NY	trader & processor	President	Chi	Namhea Trading Co.	5		exports to China and Taiwan
USA	San Francisco CA	importer	Jordan	Bow	Royal Hawaiian Seafood	8	www.sfrhs.com	looking for new/add'l supply, cannot get enough locally
China	Shanghai	importer	Nancy	Yuan	Shanghai Leadjoy International Trade Co. Ltd	7		
USA	Marathon FL	trader	Buhui	Ren	Sunshine Haixian Group	6		seeking to set up in live urchin buisness
Canada	Toronto ON	distributor	Adam	Nikoletsos	City Fish Market	6		looking for fill in or new supplier of uni
USA	Brewster NY	distributor	Paul	Policella	Ace Endico	7	www.AceEndico.com	supplier of 1* & 2* foods, incl. meals. high end.
Canada	Comox	seafood expo (BC)	John	Watson	BC Seafood Buyers Mission and Expo	5		org. of Comox Valley BC Seafood Expo.
USA	Flushing NY	distributor	Chen Yin	Guan	Japanese Food Depot LLC (Asahi Seafood USA)	6	www.iftusa.com	website not real inoformative/functional
Canada	Vancouver	e-marketing -China	Cora	Su	GFresh	7	www.gfresh.com	looks like e-commerce in China with an auction component
Vietnam	HoChi Minh City	distributor	Nguyen Thi Hong	Nhung	Dai Hong Minh Co. Ltd.	7	www.thiennhattan.vn	looking for trays
USA	Las Vegas NV	distributor	Cal	Santos	Deep Sea Treasures LLC	8	www.deepseatreasures.net	\$2/lb off dock in SantaBarbara, trucked live in tanks to Vegas
USA	Las Vegas NV	distributor	Cal	Santos	Deep Sea Treasures LLC	8	www.deepseatreasures.net	2x 1,000 USG tanks/truck, urchin in Vegas sell @ \$20/pc
Canada	Richmond	distributor			True World Foods	7	www.trueworldfoods.com	this company has a very large US customer base
n/a	n/a	distributor	Hannah	Dai	Weiji Seafood	5		300-500 lbs live/wk; some trays, also live cukes
Canada	Toronto ON	exporter to Korea	Kim Tae	Sung	Korean Success Trading Inc.	5		currently seeing more supply problems, looking for options.
USA	Boston	supplier- Caribbean	Ricky	Archer	Amerijet Int'l Inc.	8	www.amerijet.com	getting increasing uni orders from resorts and cruise ships
Germany	Munich	distributor	Christoph	Kagerer	Kagerer Seafood and Delicatessen	7	www.kagerer.de	high end seafood and deli products from around the world
USA	Bronx NY	restaurateur	Anthony	Licht	Pure Fish Inc.	5		asked about minimum order, shipping req'ts etc
Netherlands		distributor	Duncan	Nienhuis	ATL Seafood	8	www.atlseafood.nl	would love to start live sales, 50- 100 kg/wk to start
USA	Flushing NY	distributor (sushi)	Patrick	Chen	Li Da Seafood Trading Inc.	6		looking for non-domestic (US) source(s)
Average score						6.39		

Day 2: March 7, 2016

Country	City	Business	First Name	Last Name	Company	Score	Website	Comment(s)
China	Shenyang	import/distrib	Qingyun	Liu	Shenyang Liu Qingyun Seafood Company	5		
USA	Rockleigh NJ	Proc/brok/distrib	Yun	Choi	True World Group	5	www.trueworldgroup.com	owns ~ 60 co's incl. proc in AK, distrib all US, seeking frozen
Canada	Delta	trader	Peter	Fu	Ocean Mama Seafood	5	www.oceanmama.ca	
Canada	Toronto ON	trader	Ken	Zhao		4		is rep of China co on card but is looking for add'l opp's
USA	Long Island City NY	distributor	David	Yourd	Philosophy Foods	8	www.philosophyfoods.com	long term supplier GSU uni to NY rest's, needs alt source(s)
Spain		exporter	Shicheng	Zhang	Jinghai Group Co. Ltd.	5		sourcing global raw materials for China- looking for SC
USA	Brooklyn NY	manufacture	Gennady	Berkman	Love Caviar Club	7	www.lovecaviarclub.com	looking to pair uni with caviar, major caviar supplier for NY
USA	Puerto Rico	distributor	Rachel	Lazoff	Seaworld	6	www.seaworldpr.com	supply rest./supermarkets; uni new, growing v. trendy in PR
Canada	Ottawa	directory publ.	Brian	Kelly	Canadian Seafood Buyers Guide	5	www.contactcanada.com	listings for Cndn co's free; GHMP, Territory in, others no
USA	Bridgeport CT	distributor & exp	Dennis	Leach	Bridgeport Lobster and Shellfish	4		distributes to sushi rest in NY, CA supplies way down
USA	Bridgeport CT	distributor & exp	Roy		Bridgeport Lobster and Shellfish	4		website address supplied is not valid
Brazil	Brooklyn	distributor	Alexander	Muchnik	F & R Goldfish	3		
USA	New York	distributor			Mikawa Express	4		
Peru	Piura	processor (large)	Duniel	Garcia	Altamar Foods Peru SRL	3	www.altamarfoods.com	getting many request for urchin ansd checking options
Average score						4.86		

Day 3: March 8, 2016

Country	City	Business	First Name	Last Name	Company	Score	Website	Comment(s)
USA	Newark CA	restauranteur	Aaron	Chen	Zensen Suchi Express	7	www.sushiexpress.us	no uni coming from CA these days
China	Macau	importers (SC)	Andy	Chiu	M & H Foods Ltd.	6	www.M-Hfood.com	looking for finished cukes
China	Fuzhou	distributor			Fuzhou shi Xianghao Aquatic Products Trading Co.	4		
USA	Elizabeth NJ	distributor	Sang-Won	Lee	True World Foods	7	www.trueworldfoods.com	frozen product but see SENA 2016_0306_24
China		wholesale	Richard		Yuan Fu Tai Hai Wei	5		looking for cukes
Canada	Vaughan ON	distributor	Patrick	McMurray	Seacore Seafood Inc.	7	www.seacore.ca	fresh RSU, GSU and cukes
Canada	Vaughan ON	distributor	Patrick	McMurray	Starfish Wholesale	6		same fellow as above
Japan	Tokyo	distributor	Naohiro	Goto	Nichiyo Trading Co. Ltd.	6		fresh or frozen uni
China		importers	Ben	Johnson	IS Seafood	4	www.isseafood.com	frozen uni for China
Average score						5.78		

Brochures and other give-aways SENA 2016

Item	Requested	Supplied	Plus	Day1	Day2	Day3	Used
PUHA DVD #1 (Mand, Cant & Engl)	0	0	0	0	0	0	0
PUHA DVD #1 (Japanese + English)	0	0	0	0	0	0	0
PUHA DVD #2 (Mandarin)	0	0	0	0	0	0	0
PUHA DVD #2 (English)	0	0	0	0	0	0	0
PUHA Brochures: traditional*	0	0	0	0	0	0	0
PUHA Brochures: simplified*	0	0	0	0	0	0	0
PUHA Brochures: English	300	350	0	62	17	22	101
PUHA Brochures: Japanese	0	15	0	0	0	0	0
Uni samples (grams)	3,000	3,000	0	1,000	800	700	2,500
Smoked salmon (g)	0	0	0	0	0	0	0
PSCHA Brochures: simplified	0	0	0	0	0	0	0
PSCHA Brochures: English	50	26	0	8	9	9	26
Company Brochures		0	0	0	0	0	0
B'cards (250 for MF, DM, MH and GK)		1,000	0	not	tracked		
Pens	0	0	0	0	0	0	0

aquaria. He was a bit worried about the supply available from California - it sounded adequate for now but of course one does not want to build a successful business like that and be dependent on a supply that is at risk of drying up. We want to be able to help the California guys support this market without actually stepping on their toes or cutting their grass. We had a couple of impromptu meetings with them over the course of the show and heard about not just their troubles this year, but also got a sense they remain optimistic for the future. We got a lot of interest in live product from all sorts of players from various areas around the US so it seems there is likely lots of room to keep the live market growing and by being able to step up to keep things going when other suppliers are not doing so well, whether it is them in years like this year or us in periods when storms are unrelenting, this is likely to be a mutually beneficial development, at least for the fishermen. Economic logic suggests working together to grow markets when the going is good, and then stepping up to support each other with temporary supplemental supplies when needed, will boost aggregate demand and support increasing prices.

The fact that the live product can be kept in a very lively condition for more than two weeks also strongly suggests that there is a lot more that could be done with the BC north coast fishery, especially if interest in urchins as a high end food continues to grow and spread to other locales. Again, this will require prices and demand remain high enough to drive the innovations that will still no doubt be needed. This seems to be a pretty good bet as we had visitors from Toronto ON, New York, Atlanta, Boston, Richmond Virginia, California and even one distributor supplying resorts and cruise lines in the Caribbean expressing interest in live and processed product.

They were not totally focussed on price as a constraint either, as has been seen in, for example, Japan. General retail prices in Boston seem to be comparable and even a bit higher than those seen in Vancouver even though the USD is now worth about \$1.40 - 1.45 Canadian. For example, a nice sleeve of beer in Boston costs about US\$ 7.00 - 8.00, decent plates in restaurants seem to come in at around \$20- 25 US. A somewhat subjective range of comparable prices in Vancouver are about CAD \$6.00 and \$15.00 - 20.00 respectively. We heard about, and of course had to try out one restaurant called "Uni" where a single piece of uni appetizer with a touch of caviar came in at \$20. This would put the retail price of a single urchin at \$US100. Assuming 12 pieces of uni per 100 g, this translates to a retail price of about \$US 240 per 100 g or \$ 2,400 USD per kg. The Santa Barbara Fish market reportedly sells 125 g trays for \$14.95 USD (probably a wholesale equivalent price) and live urchins for \$10 USD per piece. These compare with stated FOB Vancouver prices of \$12.50 CAD and \$C 3.00-4.00/piece respectively.

Many of the interested parties enquiring about product from Canada seemed to be most worried about hold-ups at the border. It struck as a bit strange, given NAFTA and the repetitive claims of the "open border" between our two countries, but it may be their experience in getting product in from a new supplier from say the West Coast of Canada leaves them concerned about not having the paperwork approved in a timely fashion even when everything is apparently in order. Even a short layover in an inadequately regulated customs holding facility would be enough to destroy this extremely sensitive food. Many of the potential buyers we talked with wondered if it is possible to get the product across the border in Washington State so subsequent travel would be as a domestic shipment which is apparently given a far easier time and is less prone to "disruption". This might tie in with reports of shipments weighing less than 50 kg. from Canada to US buyers often being basically destroyed by the time they arrive at their destination because of "abusive" handling. This may be something that is worth having the Trade Commissioner service take a look at, if only to provide clarification on how such matters are dealt with and/or assurances that we have moved beyond this point.

The enquiries have also continued coming in since we returned from the show. We have gotten at least 8 serious enquiries since our return and this does not count those going directly to companies. When speaking with visitors at the booth we explained to all that we are a fishing association, not a processor/exporter/seller of sea urchin products *per se* but that a list of active processors/sellers and the contact information for them could be found on the website at www.puha.org. We also advised that it would be better to contact the processors directly as they are the only ones who can conclude the sorts of negotiations and sales they are looking for.

To summarize what we heard and learned at the show: sea urchin is an increasingly trendy food in many parts of the US, but most particularly along the Atlantic seaboard, where consumer interest is driving up demand even as supply limitations do the same and more with prices. This demand growth shows no signs of slowing and the US is definitely somewhere we need to be if we are serious about building a larger profile and growing revenues and profits for BC sea urchin fisheries.

