

PROCESSOR ADVISORY GROUP

January 28, 2015

TWENTIETH ANNUAL MEETING REPORT

IPHC 91st Annual Meeting – Vancouver, B.C.

CHAIR: Blake Tipton, S.M. Products (B.C.), Ltd.

VICE-CHAIR: Tom McLaughlin, Seafood Producers Cooperative

The Processors Advisory Group convened at 1:10 p.m. on Tuesday, January 27, 2015. HANA president Blake Tipton opened the meeting with a call to order and introduction of all present. There were 20 member companies present, represented by 27 individuals. On the second day we had 18 companies present, represented by 28 individuals. Compared to last year, we had four additional companies and seven additional individuals attending the first day, with two less than last year on the second day. A full list of members is provided at the end of this report.

As required in the PAG Rules of Procedure, when the PAG convenes in Canada, the chairperson is a resident of Canada and the Vice-Chair is a resident of the U.S. A nomination and election process was held shortly after the introductions. Blake Tipton was elected Chair and Tom McLaughlin Vice-Chair.

The PAG is grateful to the visiting experts who provided more information on a variety of subjects. Thank you to:

Ian Stewart and Steve Martell of the IPHC

Gway Kirchner of the Oregon Department of Fish & Wildlife and member of the Pacific Fishery Management Council

Scott Meyer of the Alaska Department of Fish and Game

Robert Jones of the Northwest Indian Fisheries Commission

It was agreed to amend the Agenda to add a discussion of the bycatch issue in the Bering Sea, particularly Area 4CDE, prior to Agenda Item Catch Limits.

STAFF REGULATORY PROPOSALS

SEASON DATES

The PAG approved by a vote of 16-4 a season opening date of noon on Saturday March 21st, 2015 and closing at noon, Saturday, October 31, 2015.

It has been a tradition of the PAG to support a Saturday opening so fresh fish can arrive in the market for weekend sales. We continue to support a later opening this year for several reasons. The Boston Seafood Show is the week prior to March 21st and this year, as in year's past and especially when catch limits continue to be low, we need that time to negotiate contracts and set up sales that may otherwise go to the growing Atlantic halibut fishery.

We also feel the phase of the moon for tides will still be advantageous on March 21.

The PAG has also traditionally supported an earlier closing, this year on Saturday, October 31, 2015. We have said before and continue to express the significant drop in market interest when quantities go down at the end of the season. That, coupled with deterioration of the weather in most areas, and increased problems with quality, support our recommendation to close the fishery on October 31, 2015.

For Area 2A, the PAG supports the staff proposal of openings starting June 24, July 8, July 22, August 5, August 19, September 2, and September 16, 2015.

AGENCY PROPOSALS

CATCH SHARING PLANS

The PAG recognizes that the Commission does not make allocative decisions within regulatory areas or among different user groups, but that the individual country agencies develop catch sharing plans to achieve that. The

PAG supports the recommendation by IPHC staff to endorse the Catch Share Plans (CSP) developed by each government.

This endorsement includes the CSP developed by the Pacific Fishery Management Council for Area 2A, the North Pacific Fishery management Council for Area 4CDE, and the CSP allocation developed by the Canadian Department of Fisheries and Oceans for Area 2B.

The PAG also supports the staff's recommendation to endorse the NPFMC's CSP for Areas 2C and 3A, including the new management measures listed on page 204 of the Blue Book for the Alaska charter operators.

By consensus, the PAG supports the housekeeping changes related to the regulations on guided sport fishing in Alaska and adding the California Department of Fish and Wildlife to the list of authorized officers in Area 2A.

BYCATCH MOTION

By unanimous vote, the PAG supporting the following statement:

The PAG advises the IPHC Commissioners to

- 1) Support industry efforts to secure halibut bycatch reduction in the Bering Sea Aleutian Islands (BSAI) through voluntary measures in 2015;
- 2) Urge the North Pacific Fishery Management Council to address BSAI halibut PSC cap reductions on a sector specific basis and to reduce BSAI halibut PSC caps to levels that provide benefits to the directed halibut fishery; and
- 3) Utilize all regulatory authority of the Council and NMFS to implement reductions in 2016.

CATCH LIMITS

This year, the PAG took an area-by-area approach when determining our position on catch limits.

By unanimous vote, the catch limit for Area 2A is .96 million pounds, which is status quo of the adopted quota from 2014.

By a vote of 12 in favor, 3 opposed, and 2 abstentions, the catch limit for Area 2B is 7.038 million pounds.

By a vote of 15 in favor, 2 abstentions, the catch limit for Area 2C is 5.3 million pounds.

By unanimous vote, the catch limit for Area 3A is 10.1 million pounds, which is the blueline in the Bluebook.

By unanimous vote, the catch limit for Area 3B is 2.46 million pounds which is the blueline in the Bluebook.

By unanimous vote, the catch limit for Area 4A is 1.38 million pounds which is the blueline in the Bluebook.

By a vote of 16 in favor and 1 abstention, the catch limit for Area 4B is 1.14 million pounds, which was status quo of the adopted quotas from 2014.

By unanimous vote the catch limit for Area 4CDE is 1.285 million pounds which was status quo of the adopted quotas from 2014.

Area 2A	.960
Area 2B	7.038
Area 2C	5.300
Area 3A	10.100
Area 3B	2.46
Area 4A	1.39
Area 4B	1.14
Area 4CDE	<u>1.285</u>

TOTAL 29.673

INDUSTRY PROPOSALS

Proposal #1 – Implement a maximum size limit

The PAG discussed this proposal at length. Comments were that it was written only for Alaska and should be expanded to all areas, that it addresses a very important issue of protecting the larger older fish for a) population diversity and b) ensuring there are older individuals in the spawning biomass, and that it could put more pressure on the charter

operators. In the end, there was a consensus to encourage the commission to consider a maximum size limit to protect the biomass.

Proposal #2 – Retainment of the first 29” or less fish

The PAG took no action on this proposal because we’ve already approved the catch share plan for the CSP.

Proposal #3 – Lower the minimum size limit

It was the consensus of the PAG that through all the presentations, reports, and discussions we’ve seen, there appears to be no direct benefit to the fishery if the minimum size limit is lowered to 30 inches.

There were many aspects of this request that were considered. Behavior of the fleet could have consequences that are opposite of the intentions of the proposer. As processors, the yield per fish would be diminished since these smaller individuals have proportionally larger heads. The broad issue of market resistance is complex and potentially negative. If and when the uncertainties on this issue become less varied and large, the PAG would reconsider the concept.

The PAG took no action on Proposal #4 because it is really a comment.

The PAG adjourned at 11:56 .a.m.

PAG MEMBERS

2015 IPHC ANNUAL MEETING

VANCOUVER, B.C.

United States

Canada

170 Degrees West	7 Seas Fish Company
APICDA J/Vs	Aero Trading
Auction Block	Canadian Fishing Company
Dana F. Besecker Company	Hart Sales
Icicle Seafoods	French Creek Seafoods
Kachemak Bay Seafoods	S.M. Products (BC) Ltd.
North Pacific Seafoods	Scarlet Point Seafoods
Northport Fisheries	
Pacific Seafood Group	
Peter Pan Seafoods	
Seafood Producers Coop	
Trident	
Yakutat Seafoods	