



DEL MAR SEAFOODS, INC.

331 FORD ST. WATSONVILLE, CA 95076

Processors and Distributors of Monterey Bay Squid

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PFMC

March 14, 2005

Mr. Donald Hansen, Chair and
Members of the Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 200
Portland, OR 97220

PFMC FAX: (503) 820-2299

Subject: Long Term Pacific sardine allocation

Dear Mr. Hansen and Council Members:

Del Mar Seafood processes sardines in California for human consumption, animal feed and bait. This company employs hundreds of people to pack and distribute sardine products, following a tradition that has gone on since the early 1900s, when Monterey was called the sardine capital of the world. Sardines continue to be vitally important to Monterey's fishing community, as well as the entire California wetfish industry. This industry supports the fishermen who harvest sardines for our company and other wetfish processors, as well as their families. In addition, California's wetfish industry provides seasonal employment for many out-of-state fishermen who come to California nearly every year to harvest squid.

As you know, the wetfish industry in California depends on three major stocks – sardines, mackerel and squid. Each species has cycles of abundance, and each is important to maintain the viability of the industry. Sardines are like one leg of a three-legged stool; our company and California's wetfish industry could not survive without sardines.

When the Pacific Fishery Management Council considers options for long-term sardine allocation, please understand the importance of sardines to California's fishing industry, and the need to protect this historic industry. The Council's decision will have a major impact on our future.

We're asking the Council to adopt a range of options that will not cause early closure of the California fishery when the sardine harvest guideline is reduced. That would have severe negative impacts on our community because in California sardines are the highest quality and best value in fall and winter months. Approving a different allocation formula above and below 100,000 tons would provide a more flexible harvest scheme in times of sardine abundance and still protect California's wetfish industry when the harvest guideline declines.

We support Alternative 7, which modifies the status quo (begin January 1 with 33% to the north and 66% to the south, including Monterey in the southern subarea), by reallocating unharvested fish at a 50:50 rate on September 1, with coast-wide reallocation on November 1. This will provide more fish to the north while protecting California's fall season.

It is also important for the Council or National Marine Fisheries Service to re-examine fishing capacity and determine how much capacity the resource can support. A key reason for creating the CPS FMP was to protect against overcapitalization, yet there has been major expansion in the north without a full assessment of the resource, and we believe both the research and capacity analysis are necessary to assure risk-averse management.

We also ask the Council to signify support for expanded coast-wide research on the sardine spawning biomass, to capture the full extent of spawning as it occurs in spring and early summer. Considering the current lack of

knowledge of sardine stocks and inability to predict the future, we ask the Council to reexamine the allocation framework in two or three years, when more information is available.

In conclusion, please consider the historic and present day importance of Monterey's sardine industry when adopting the new allocation framework and approve a plan that protects California's wetfish industry.

Thank you for this opportunity and your consideration of these comments.

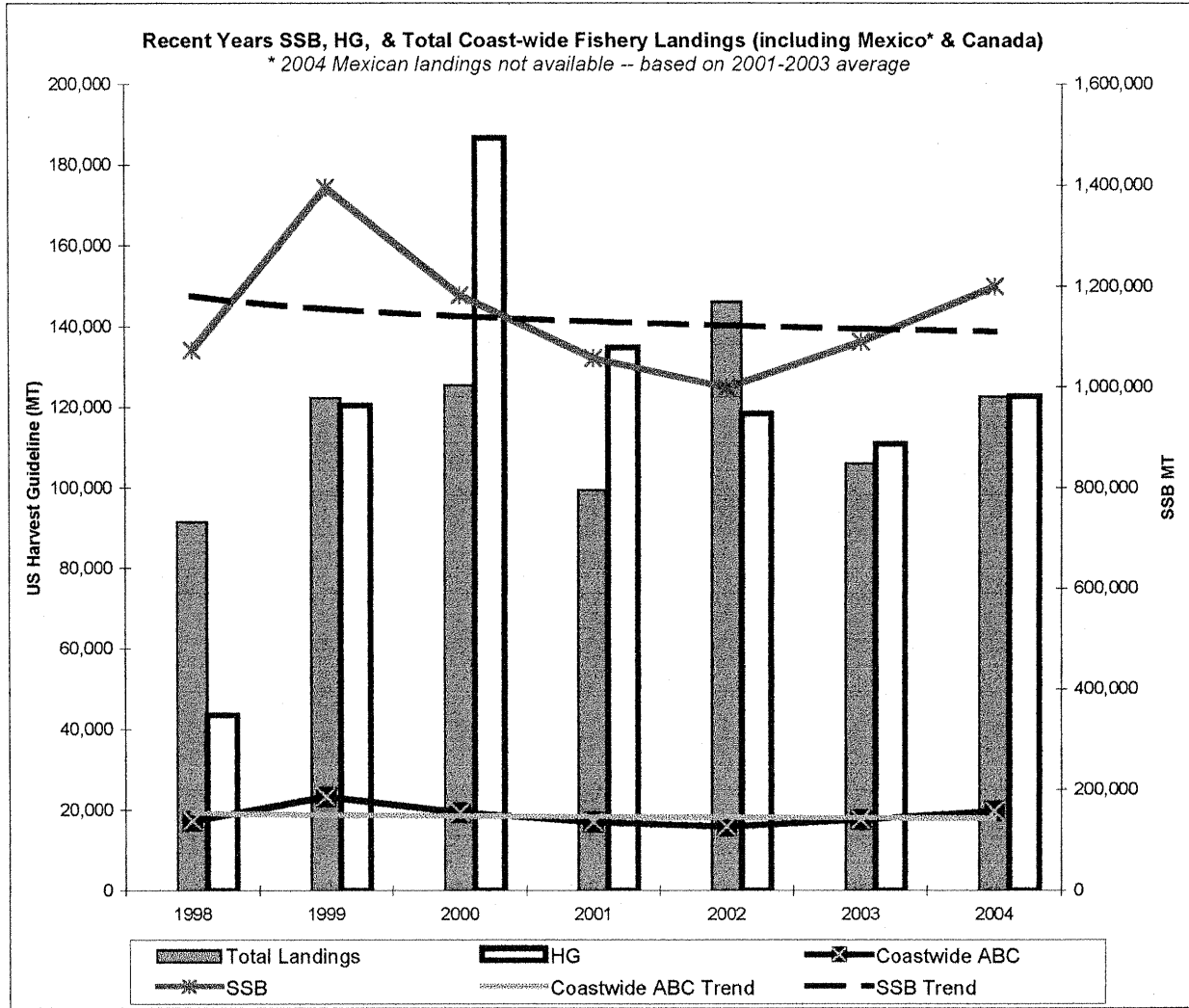
Sincerely,


Joe Cappuccio

Cc: Dr. Bill Hogarth, NMFS
Rod McInnis, NMFS SW Region

received 04/07/05
 Public Comment (during her testimony)
 Diane Pleschner-Steele

COAST-WIDE SARDINE LANDINGS vs. SPAWNING BIOMASS AND ACCEPTABLE BIOLOGICAL CATCH - 1998 - 2004



PACIFIC SARDINE FISHERY IN RECENT YEARS - 1998-2005

Sources: CDFG, PFMC, (PFMC 2004b) Table 14 - 2005 Sardine Stock Assessment

Season (Calendar Yr)	SSB MT	U.S. HG (mt)	COAST ABC (mt)	BC	WA	OR	CA	Ensenada*	Total (MT)
1998	1,073,000	43,545		745	0	0	42,956	47,812	91,513
1999	1,395,273	120,474	138,450	1,250	0	855	61,643	58,569	122,317
2000	1,182,000	186,791	186,791	1,718	4,791	9,528	58,203	51,173	125,413
2001	1,057,000	134,737	154,800	1,600	10,837	12,780	51,957	22,246	99,420
2002	999,000	118,442	136,050	1,044	15,212	22,713	63,712	43,436	146,117
2003	1,090,000	110,908	127,350	954	11,604	25,258	37,717	30,537	106,070
2004	1,200,000	122,747	141,000		8,799	36,111	47,702	32,073	122,743
2005		136,179	157,500						

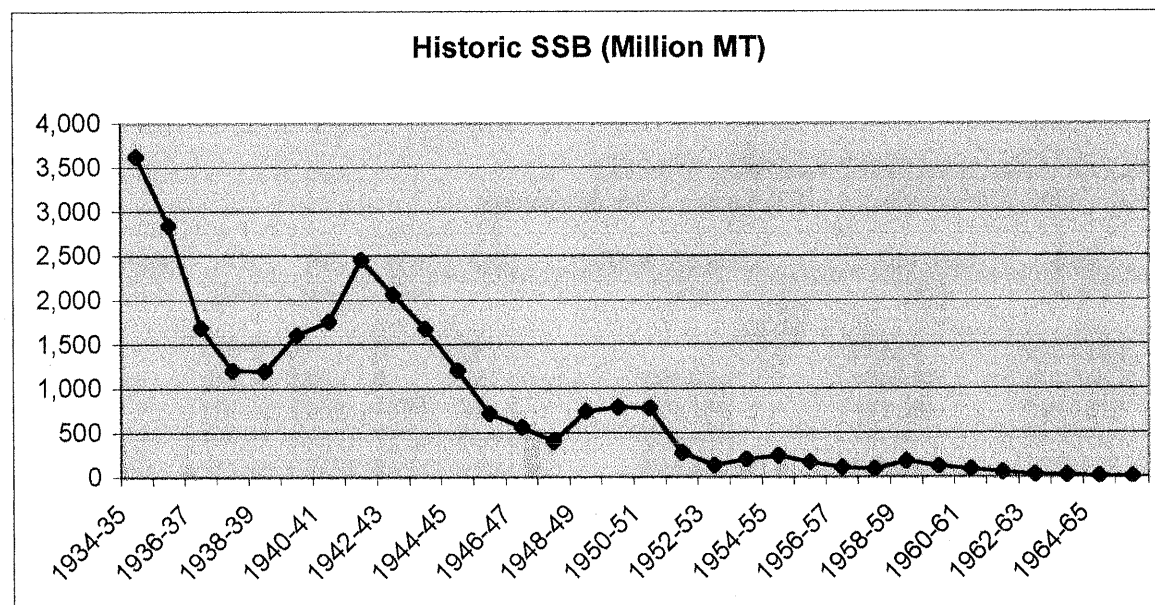
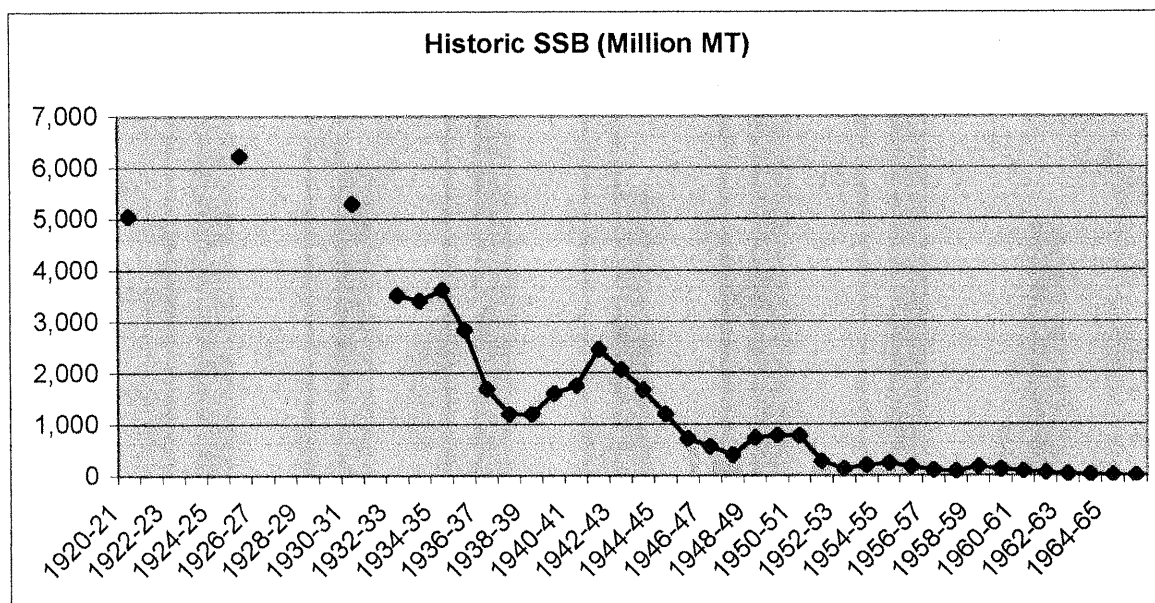
PACIFIC SARDINE LANDINGS 1916-1917 through 1967-1968 vs SSB

From Amendment 8 – Appendix A:

“Extreme natural variability and susceptibility to recruitment overfishing are characteristic of clupeoid stocks like Pacific sardine.... Sardine population declines were characterized as lasting an average of 36 years; recoveries lasted an average of 30 years. Biomass estimates of the sardine population inferred from scale-deposition rates in the 19th and 20th centuries indicate that the biomass peaked in 1925 at about 6 million metric tons.

SSB estimated from catch-at-age analysis averaged 3.5 million mt from 1932 through 1934, fluctuated between 1.2 million mt and 2.8 million mt over the next 10 years (1934-1944), then declined steeply during 1945 through 1965, with some short-term reversals...”

Note: 1944 SSB = 1.206 million mt – 1945 SSB = 720 thousand mt – 1946 = 405 thousand mt
The fishery disappeared from PNW after the 1948-49 season.





February 2005

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This year, packaging plants for sardines will have more raw material than in 2004

Tuna farms and exporters boost sardine demand

**MEXICO****Thursday, February 03, 2005, 18:50 (GMT + 9)**

While in the port of Ensenada, in Baja California, sardine for export and the tuna farms is increasingly demanded, local producers request a review of the sizes and the catch quotas to appropriately satisfy the demand.

According to Andrés Armenta González, leader of the National Fisheries and Aquaculture Industry Chamber (CANAINPESCA) in Baja California, a reduction in sardine size has been detected in the recent months.

Although this resource has never stood up in the region due to its big size, fishermen claim it is smaller than ever before, reported the website *Ensenada.net*.

It has thus been estimated that fishing sector representatives will ask the size and maturity status of catches to be verified, to guarantee that specimens are not caught before able to reproduce, which would jeopardise the fishery sustainability.

Currently, most of the sardine from the region is destined to the tuna farms, where it is used as feed for tuna. The other part is processed in the packaging plants that trade the frozen product abroad.

A while ago, sardine was mainly destined for human consumption and the remains were used to produce fishmeal.

Armenta González pointed out last year was "exceptionally good" for tuna farms, which demanded large amounts of sardine because biomass was very abundant in farms.

The official estimates that the situation is not likely to be repeated this year, so plants will have more raw material to pack and freeze.

In the middle of 2004, the National Commission for Aquaculture and Fisheries (CONAPESCA) reported some Monterrey-type sardines (*Sardinops caerulea*) had very good size, and fat content (ideal features for packaging), but other specimens were only good for reduction. (See Market Reports, Pelagics, 31 May 2004)

According to CONAPESCA, some sardine specimens were frozen but not exported because size and quality were not up to standard to meet Japanese buyers' requirements.

By *Analia Murias*
www.fis.com

F2D

John P Heulman
PO Box 1251
Astoria, OR 97103
(503) 741-0460

To whom it may concern:

My name is John Huelman. I have been a fish spotter pilot since 1983. I was flying in 1985 west of Ventura California when we caught sardines for the first time in many years. Within months, sardines were more plentiful then the Pacific Mackerel that we had been targeting for the last two years.

We fished the sardines day and night the following years, along with the other fish available, most of the fish being seasonal.

There were six spotter pilots working for the San Pedro fleet on average during those years (1983-2000). The price of the sardines became so low that eventually the airplanes could no longer afford to fly for the boats. Today no one flies for the San Pedro fleet.

The boats today receive \$80 per ton for the sardines in southern California. At that price, there is no money available to pay for spotter pilots. Yet the southern California fleet never catches their quota. They leave a large percentage of their quota on the table every year. If the southern California sardines are worth more (ref- Processor surplus figures) than the northern fish (Oregon & Washington), then there should be more effort to realize the economic potential that exists there. Certainly the processors should offer enough for the fish to allow fish spotters to help realize a larger catch. Yet that does not seem to be the case.

The reality is that the fish caught in southern California are worth far less than the high quality fish caught in Oregon and Washington. The northern fleet hires capable spotter pilots and the processors pay enough for the fishing boats to pay the spotter pilots.

Why the economic figures indicate a higher processor surplus in southern California is a question that I believe needs a more thorough review. I suspect there is a "mistake" somewhere in the data that the economic figures are based on.

The catch in Oregon and Washington increases every year. The market for the fish caught in Oregon seems to be increasing worldwide and every year the ex-vessel price has increased. These facts demonstrate that the economic benefit from the sardine fishery is increasing in the Oregon-Washington fishery.

Sincerely,



John Huelman

West Bay Marketing, Inc.

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Tel: (503) 325-6636 Fax: (503) 325-3373, westbaysardine@yahoo.com

April 5, 2005

Dear Council Members:

My name is John Chiang. I am Owner/ Partner of a business group owning West Bay Marketing/Processing, a sardine and seafood processing plant in Astoria, Oregon; California Refrigerated Services, a sardine and California squid processing plant and public cold storage in Long Beach, California; and seafood import/export companies in San Gabriel, California. I have been involving sardine exports from Mexico, California, & Oregon since 1998. I have helped the Oregon sardine industry successfully developed a tuna longline bait market in Taiwan, and a premium sardine can market in Japan. I also helped the Mexican and California sardine industry marketing sardine to the cannery market in Philippines and the tuna bait market in South Pacific. I am the one who has sardine processing plants in both Oregon and California and direct links to the sardine end users whether the mass cannery producers in the Philippines, China, or Malaysia, premium cannery producers in Japan, reprocessing for human consumption in China or Japan, or pelagic and near shore tuna longliners in Asia.

I am here to express my opinion and request the council to consider Alternative 1 option, "Coastwide Allocation in Two Periods". The reasons being simply as follows:

- 1. This is the only natural resources responsible option and really makes sense economically and environmentally to all coastwide fishermen, producers, and governing agencies.**

- 2. This option promotes sardine of highest possible value to be caught, so highly effective use and no wasting of our valuable ocean resources. For example, 70 – 300 grams fish has significantly higher value than the fish smaller than 70 grams; any excessive harvesting of fish smaller than 70 grams is considering wasting of resources. Fish under 70 grams are naturally too weak while harvesting and handling, and provide very low yield in the cannery market.**

3. This option promotes sardine of highest abundance to be caught naturally, so highly efficient to fishermen, producers, and local economies. Like any other harvests, abundance means environmental conditions suitable for growing healthier crops.
4. This option could avoid derby fishery. In derby fishery, natural resources are often neglectfully wasted as due to time constraints, lower grade products produced, local economies highly fluctuated, market prices highly unstable, and so on.
5. This option could avoid locking up the sardine industry geographically, as highest value fish and/or highest abundance could happen in one or more areas at the same or in different times. Any of these variables will not affect the industry coastwide. No geographical assumption has been suggested, but based on historically scientific assumption; the valuable size fish appear in one area at one time could appear in another area at other time. If we lock up one certain harvest guideline within one certain region and if it happens that region does not produce valuable fish or any fish at all while other region produces favorable crops but under tight harvest guideline restriction, it will be unfair to fishermen, processors, local economies and most important of all, it will be irresponsible to our natural resources.
6. In any options, California naturally always has climate advantages over Oregon/Washington as California climate permits all year round fishing while Oregon only has about four months of fisherale weather. However, Oregon's cold/warm currents naturally produce better nutrients.

I hereby request the Honorable Council Members accepting the option that is environmentally responsible to our resources and economically sound to our fishermen, processors, and local communities, Alternative 1: Coast Allocation in Two Periods, as the new sardine allocation.

Sincerely,

John Chiang, Owner/Partner
West Bay Marketing, West Bay Processing, & California Refrigerated Services

Itemized weighted average costs and revenues per metric ton of sardine product for each fishery sector.

	SCA Weighted Average	PNW Weighted Average
Revenue	\$264.00	\$700.00
Raw fish	\$80.00	\$154.00
Processing Labor	\$40.00	\$90.00
Energy	\$25.00	\$20.00
Packaging	\$10.00	\$50.00
Shipping Trucking	\$15.00	\$30.00
Storage/Freezing	\$50.00	\$20.00
Unloading	\$33.00	\$22.00
Ice/ Salt	\$15.00	\$18.00
Producer Surplus	(\$4.00)	\$296.00

SCA based on the most quantity produced product, 15 kgs nude block with poly bag for cannery or tuna feed. PNW based on the most quantity produced product, 10kg carton.

Revenue prices based on FOB shipping ports.

Basically there is no market for fish under 60 grams.