2014
Canadian/U.S.
LOBSTERMEN’S TOWN MEETING

“We are all in this together.”
March 21-22, 2014 – Portland, ME

Hosted by the

Full Transcript

Prepared by the

Lobster Institute
210 Rogers Hall
The University of Maine
Orono, Maine  04469
207-581-1443
www.lobsterinstitute.org
Acknowledgements

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- The Reverend Ted Hoskins

**Planning Committee**

The Lobster Institute would also like to acknowledge the hard work of the Planning Committee, comprised of representatives from the Atlantic Lobster Sustainability Foundation’s & the Lobster Institute’s Board of Advisors:

Jean Lavallee, Co-Chair, PEI
Dana Rice – Co-Chair, Maine
Bill Adler – Massachusetts
Dr. Bob Bayer – Lobster Institute
Michael Chadwick – New Brunswick

Sheila Dassatt – Maine
Rick Doucet – New Brunswick
Kenny Drake – New Brunswick
Mike Sirois – Massachusetts
Bill Adler, Massachusetts Lobstermen’s Association: Bienvenue and welcome to the 2104 Canadian/US Lobster Town Meeting. We want to thank you all for coming and, by popular demand, we are back in the Old Port of Portland and we hope you enjoy the event and your stay here in town. Most of you know me. My name is Bill Adler. I’m the Chairman of the Board of Advisors of the Lobster Institute. I am also the Executive Director of the Massachusetts Lobstermen’s Association and sometimes I even get a chance to go out fishing out of Green Harbor, Massachusetts, where I have my vessel.

The Lobster Institute is proud to host this region-wide event bringing everyone from Lobster Nation together now for the 11th year in a row. Eleven years. It’s been a long time here. Eleven years in a row. Encouraging communication within the lobster industry is just one part of what the Lobster Institute’s focus is. It focuses on four core areas: conservation, outreach, research, and educational programming. Our goal is to protect and enhance the lobster stock while maintaining successful and vital fisheries. I am extremely pleased to announce that, this year, the Lobster Institute has a co-host for this Annual Town Meeting and it is the Atlantic Lobster Sustainability Foundation. As the theme suggests, We’re All In This Together and that’s the theme of today’s focus and tomorrow, it’s We’re All In This Together and we’re glad our Canadian colleagues from the Atlantic Lobster Sustainability Foundation have joined us in bringing this event to you. You’ll hear more from him in a bit during his discussion on sustainability but I’d like Rick Doucet from the Foundation to come up and share a few words. Rick?

Rick Doucet, Atlantic Lobster Sustainability Foundation: Well, good morning. Quiet bunch so far. Can we … Should we jump up and stretch a little bit or … A little vim and vigor. I’d like to thank you very much for the invitation and it’s certainly nice to be here to co-host this event. As you may realize, we were involved with our science projects and the workshop that we had back in Moncton and that was our first event. That kind of came about… a combination of a few of us getting together and having a beer at one point in time and having some discussions as to how we could start working together. I’ve got to tell you something. I’ve got to put a confession out on the table and I think the Minister of Fisheries from Nova Scotia here or from Prince Edward Island would probably understand, but I’m playing hooky. I’m supposed to be in the Provincial Legislature and yesterday I was in the house and I wanted to get out early but they had me up speaking. I was supposed to finish at 3 o’clock and it was 4 o’clock. You know, I think what it is what we’re working for, of course, in every one of the legislatures, you’re fighting for a cause for the people of the Province. But to come back down to an event where you’re grounded, where you’re working together with a group of lobster folks, it certainly is refreshing. Because it’s not that child’s play goes on in the legislature (trust me, they are playing a game) I just want to point out that, with respect to the event, the naming and the model of the event that We’re All In This Together and I think that it’s really important that we all stand together and work together, especially in a very competitive market that we’re all facing. But some of the challenges that we’re all facing are much the same, and I think it’s really important that we do
break down the silos over the years. I’m just looking around. I know there’s a handful of people that are here from both jurisdictions in Canadian and the United States, so I guess it’s really important that we not only work together on markets but work together on some of the challenges that are going to be facing us as we go forward. I’m looking forward to the discussions that we have over the next couple of days. It’s certainly great to see some of the faces and talk to some of the folks that I’ve been acquainted with over the years. And so I’m looking forward to some of the panels and the work that’s going to be going on and I hope we do have a good couple of days. I guess, I couldn’t go on much longer. Did you want me to keep … Okay… Well, thanks very much, Bill and Bob and the gang. Thank you folks for coming out. This shows you really care for an industry that is time tested over the years and it’s going to be with us with a long, long time if we work together and continue working together. I have to thank the co-sponsors that sponsored with the Lobster Institute. Cathy and Debbie, they’ve been doing a great job so we should give them a round of applause. They’ve really put this together quite well.

Applause

Rick Doucet, Atlantic Lobster Sustainability Foundation: I don’t want to cut away the time from Bill, it’s his show now. Thank you.

Bill Adler, Massachusetts Lobstermen’s Association: Thanks Rick. Before we get to the Town Meeting in seriousness, I’d like to have you join the Lobster Institute and the Atlantic Lobster Sustainability Foundation in thanking some folks who made this day possible. Our thanks to those who donated door prizes which you’ll hear more about this afternoon. I encourage you to look over the door prizes during one of the breaks as this year, you’ll be able to pick which prize you like. They’re over in the back there. We also have several generous sponsors we need to thank. Some have representatives with us today and I’ll ask these folks to stand and be recognized. I ask you to hold your applause until they’re all standing there. Downeast Lobstermen’s Association, the Camden National Bank and, with us from the bank are Mr. Randy Cruz and Mr. Derek Hayes and Mr. Timothy Tunney. The Machias Savings Bank, the Maine Import/Export Lobster Dealers Association, and I think Mr. Pete McAleny is here somewhere. He’s the president. And also Riverdale Mills represented by Mr. Larry Walsh. And we have a new supporter this year. The sponsor of our luncheon today is the Consulate General of Canadian based in Boston and represented today by Mr. Aaron Annable and Ms Colette Lekborg. Mr. Annable will share a few words with us a bit later in the program but thank you very much for being our sponsors today. Thank you.

Applause

Bill Adler, Massachusetts Lobstermen’s Association: We also want to thank the sponsors of this evenings reception which runs from 5:00 to 7:00 in the Regency Room. Again, our sponsor who has been with us all eleven years, Fisheries Products International and High Liner Foods. Thank you very much for all of those years and all that sponsorship. Thank you.

Applause

Bill Adler, Massachusetts Lobstermen’s Association. A big thank you to a long supporter of this event, the Town Meeting, East Coast Seafood and Paturel International and represented today by Spiros Tourkakis. Where is he? I see him. Yes, right in the front. Okay. Thank you.

Applause
Bill Adler, Massachusetts Lobstermen’s Association: And, of course, an immense thank you to our primary event sponsors this year as they have each year since we started these Town Meetings in 2004: Darden Restaurants. Now, most of you know that Darden Restaurants is the parent company of, and I’ve got to remember all these things… Red Lobster, Olive Garden, Bahama Breeze, Seasons 52, The Capital Grille, Eddie’s V, The Yard, Longhorn Steakhouse. Did you buy McDonald’s yet? I don’t know if they did but…

Laughter

Bill Adler, Massachusetts Lobstermen’s Association: Anyway, Darden is represented by Mike Powers. Please join me in a sincere thanks. Is Mike here? Mike! Thank you. Thank you very much.

Applause

Bill Adler, Massachusetts Lobstermen’s Association: And, if you could take that back to the Darden Family Restaurants and say we thank you very much for all your help all these years. So thank you. Okay, we have some first-time attendees with us today that warrant special recognition. We are particularly glad they will be here to listen and to share their unique perspectives during the town meeting discussions. David MacEwen, Manager of Fisheries on Prince Edward Island; Dan McKiernan, Deputy Director of the Division of Marine Fisheries in Massachusetts; and George Gervais, Maine Commissioner of Economic and Community Development. Pat Keliher, Commissioner of the Maine Department of Marine Resources was scheduled to be here today but he was called off to Washington; but he indicated that he was hoping that he could make it here by tomorrow. Also, we do have with us the Minister of Fisheries, Aquaculture, and Rural Development from Prince Edward Island, Ron MacKinley. Paul Diodati, the Director of the Massachusetts Division of Marine Fisheries was also planning to be here but there was a family problem, a funeral I think it was, and so he will not be able to be here. I wanted to see if Ron wanted to get up and say a few words. Ron?

Applause

Ron MacKinley, Minister of Fisheries, Aquaculture, and Rural Development from Prince Edward Island: Thank you very much for giving me this great opportunity. This is the first time I’ve ever attended any of these meetings. My staff and department have attended before. It’s really good to be here and we get briefed on what takes place at the meetings but it’s good to see that we’ve got the merry Canadians down here together because we’ve all got the same thing. The same as I met with the Minister from New Brunswick, the Minister of Fisheries from Nova Scotia, and your Governor LePage and your Commissioner in Boston at the Boston Seafood Show. And what came out of that meeting, we all had the same thing. People need to eat more lobsters and we want our fishers to make more money, because you’re not making enough as it is right now, especially in Atlantic Canada. And I know your prices have been up and down too. And also we know that our processors and the people working there, it’s a great way for rural areas … and, being the Minister responsible for rural development in the Province of Prince Edward Island, I know that, for instance, New Brunswick can’t keep their processing plants going without the Maine lobsters coming in the off season when they’re not fishing. We all have to work together and I want to really… Roger Sherman, Senator from Maine, is a good friend of mine from Houlton. I remember meeting with the Federal Minister last September or maybe before that, August. Jennifer______, my special assistant who is a New Brunswick girl who we kidnapped to the Province of Prince Edward Island, she’s here with me too. But we were at the
meeting and, after that, I went down and met with Roger Sherman and Daniel Devoe who is a trade ombudsman for the State of Maine; and that’s when they were talking about the levy coming in. They asked me about it and I said it was a great thing, because we’re 100% behind what the government did there and the fishers got together and you put a lot of your own money in. It’s good to be able to see how the government put some in but it’s great for the fishers to put it in because it’s your money, it’s your industry. And we have to eat more lobsters. And we’re trailing behind the US because I would say by the fall we’ll have it in Atlantic Canada. The fishermen went to vote there in the Province of Prince Edward Island. It’s not official yet but the vote was 75-25, 75% in favor of a 2% levy check-off, a cent from the fishermen, a cent from the processors. What that would do, it would levy them to come back to us government people and maybe we’ll have some money and maybe we wouldn’t. But it’s great. You have to take charge of your own destiny. Nobody else is. Nobody in government is going to be able to do it for you and I think with these meetings and getting together and people, Rick and that organization, your fishing organizations. Being a farmer, myself, the potato board levy, $30 to $40 an acre. If somebody asked me if it was a good idea, it depends on what mood I was in that day and that’s just the way I was to sum it up. So thank you for having me here and I’m going to listen.

Applause

Bill Adler, Massachusetts Lobstermen’s Association: Thank you, Ron. Potatoes. Okay. As I noted, the theme of this year’s Town Meeting is “We’re All In This Together.” The Lobster Institute has worked with all the regions in the Lobster Nation, as I call it, lobster fishery for over 25 years now and has always held this to be true. We can see this from the diversity of the States and Provinces represented here in our attendance. It’s great to see everyone here and in the same room. We’re going to be ready to share the thoughts and the ideas. We’ll explain how we’ll go about running the Town Meeting in just a bit but, before we do, I’d like to quickly introduce and thank the Lobster Institute staff whose hard work makes this event possible, and then I’ll turn the meeting over to our planning committee co-chairs. Will you please have the staff stand, Bob? The Lobster Institute Executive Director, Dr. Bob Bayer, where are you? Oh, okay by the coffee, all right. Associate Director, Cathy Billings, and our administrative assistant, Deb Seekins. Is Deb out in the other room? She’s still at the registration. All right, well I wanted to thank them. These people did an awful lot of work to get this through. They do it every year and I think I want an applause for them. Thank you.

Applause

Bill Adler, Massachusetts Lobstermen’s Association: Our planning committee for today’s event was co-chaired by two volunteers, one of them from Canada and one of them from the US, and both of them members of the Institutes Board of Advisors. Please help me welcome Jean Lavallee from Aquatic Science and Health Services in the Prince Edward Island and Dana Rice from DB Rice Fisheries in Maine. And I’m going to turn this over to them. Where’s Dana?

Jean Lavallee, Aquatic Science and Health Services: I’m Dana today.

Bill Adler, Massachusetts Lobstermen’s Association: What happened to him? I saw him check in…All right, Jean.

Jean Lavallee, Aquatic Science and Health Services: Thanks, Bill. I’m not Dana but I like to think that, although English is not my first language, my accent is probably easier to understand than Dana’s accent.
Laughter

Jean Lavallee, Aquatic Science and Health Services: Dana was supposed to be… That’s the beauty of co-chairing these events, is that Cathy always gives us a script that we can read and we don’t have to prepare anything. I’m supposed to say “Good morning to all. I’m Dana Rice” but I’m not. Actually Dana had to leave, I think, at 3:00 in the morning, because he decided to become a new great-grandfather. So, I’m going to have to step in for Dana so I’m going to read his stuff. Well, good morning to all. Thank you so much for coming. On behalf of Dana and on behalf of myself and on behalf of the rest of the Town Meeting planning committee, a big thank you for everyone for coming. I know that some of you have traveled maybe a couple of minutes to come here. Others are probably looking at a 15-hour drive to go back home…and I think it’s fantastic that everybody was able to attend this meeting. A special welcome to those of you who are attending for the first time, a Town Meeting. We really appreciate you coming and encourage you to get involved as much as possible in the discussions. Feel free to speak up. Feel free to speak your mind. You’re not going to be yelled at. Hopefully, you’re not going to be yelled at if you say something that we don’t agree with you. The day is for you guys to say what’s on your mind. We’ve got also, as Bill said, a lot of fishermen that are here that have attended many, many of these meetings. I’ve attended most of them. I think I missed one. If you ask anybody that’s in this room that has attended all of those meetings, they’ll tell you that these types of forums are actually fantastic to share ideas and discussions and things like that. And it’s your chance, I guess, to get your word in; so let’s use that. As always, there’s a lot of thought and hard work that goes into planning these types of days and several people that I’d like to recognize quickly that are on the planning committee. So, on top of myself and Dana, we have several members from the board of advisors for the Lobster Institute and, if you’re in this room, I would love for you guys to just stand up quickly. There’s Bill, Bill Adler from Massachusetts, Bob Bayer from the Institute, Sheila Dassatt from Maine, Rick Doucet from New Brunswick, Mike Chadwick, also from New Brunswick, Kenny Drake (who was supposed to come with me from Prince Edward Island but decided to do something else this morning..nothing to do with great-grandkids just, I think, his own son) Mike Sirois from New Hampshire, and the staff of the Lobster Institute, Cathy and Deb. Please, a big thank you for you guys for all the work that you’ve put into this.

Now, I’m switching back to myself. I’m pleased to be here as a co-chair. Thanks, Dana, for introducing me. As you’ve heard, the theme for today is “We Are All In This Together” and I think it reflects really what this is – because we are sharing one common resource. Regardless if you’re coming from Canada, Newfoundland, or from Long Island Sound, it’s one resource that we’re sharing; and I think it’s very important that, if we want to keep and maintain this resource as sustainably as possible, we need to be able to share information. We need to be able to share ideas and discussions and this is what this Town Meeting is all about. We’ll get started. In your packet that you have, there should be a blue-colored sheet and that’s the agenda. So we’ll have a quick look at the agenda. As in the past, we are going to be asking the help of several presenters to guide the discussions, just enough to get things started. It’s really, the floor is for everybody. It’s not really for the presenters but we want presenters to get things started a little bit. We have plenty of time for folks to share their thoughts and observations about each topic. And tomorrow we’ll have a special session with time for dialogue on any topic you might be interested in. We’ll break for lunch at around noon, or we’ll try to to stay on schedule as much as possible. We’ll try to reconvene around 1:30 to finish out the session for today. In your packet, there is also a beige-colored sheet that has the list of the different presenters for today and we’re going to be introducing each of these presenters at the appropriate time. At the end of today’s portion of the Town Meeting, we’re going to ask you guys to fill out an evaluation form that’s also in your packet. You must submit that evaluation form if you want to have a chance at the door prizes at
the back of the room, and we’ll explain a little bit later on how this is going to go. Right now, I’m going to hand it back to Dana.

Thank you, Jean. Actually, it’s time to hand it out to the moderator. I don’t know anybody that is more respected throughout the fishing communities here in Maine, somebody who reputation has spread actually internationally. I’m very pleased to introduce to you the Reverend Ted Hoskins. Ted has been with us for ten years, I think, doing these sessions… and I don’t think we’d be able to make this event work without the knowledge, the patience, the unbelievable patience, and the great listening skills that Ted has. I’ve been in a lot of meetings like this and I am always amazed how discussions can go one way or another and people are going to talk for about an hour and half and Ted is going to be able to pick exactly what the 30-second summary of what that hour and a half rant is going to be. I can’t imagine anybody else would be able to do that. I don’t want to volunteer for that kind of work and I’m just going to leave it out to you, so Ted, it’s yours to run.

**Moderator:** Thanks a lot. Thank you, Dana.

**Laughter**

**Jean Lavallee, Aquatic Science and Health Services:** You’re welcome.

**Moderator:** And you also, Jean. It’s good to be here again. Good to see all of you here. I see some empty seats and I think the reason for that is that this is the first clear day with no snow imminent that we’ve had in so long that people just don’t want to come inside. I think they’re waiting outdoors and they’ll come in and join us a little later. I’m quite sure that spring will arrive about July 1st and we’ll have a season from there on. In the meantime, we’re here and it’s good to see all of you. I see many of you year after year. There are some 21, I hear that have registered that are new this year and so I’ll go through some of the beginning thoughts to be sure you’re aware. In your packet, in the red packet, at the back on the left-hand side, are three charts and will help you see how we fish and how we legislate and decide things for our fishing people both in Canada and in Maine. And you’ll see the Canadians have figured out a single system. The Americans are still doubled up with their districts as well as their zones. Take a look at those management zones and the fishing districts for Canada and, as you talk with one another and identify yourselves, you can find out where these people are fishing and how they’re going at all of this. I need to remind you that we are audio recording all of the sessions of this. The Lobster Institute… and we’ll have a complete and accurate record of all that has been said at the conclusion of this. And, should you want to get a copy of that, you will find that there are forms that can allow you to have access to that. Just know that everything we say gets recorded. But, of course, it gets recorded because you use the microphones and Cathy and Deb or some others will be making them available to you. So whenever you come to speak on any issue, if you would make sure that you first have a microphone, then identify yourself and where you fish, and then share what you wish to say. That’s the only way we can keep track of who has said what, when, where, and how… so do know that that’s going to be happening. We don’t have a break time this morning in this session but, if you haven’t finished all of that food, there’s more down here. That’s for you to nibble on and make yourself stay awake and available. Also, to find your way to the head, you go out and down and down and then right and that will get you there. Out the door, down the stairs, down the stairs again, and then turn right to find a head or a john or restroom or whatever you wish to call it. Now, I want to call your attention to the focus of the day that… Is that going to get up on the screen? It’s in your handouts on the yellow page. If you’d find the yellow page behind the blue one. No, that’s not the right one. Are we going to get that up on the screen do you think? Yellow sheet right here. Okay? That reminds us of what
we have heard time and time again: We Are All In This Together. We know it but we’ve sure
got to do some talking about it and make sure that it really happens. Okay? As we go at this,
we’re going to be talking about things such as aiming for a consistent catch, how to maintain
sustainability, meeting the demands of a global and changing market, and how we prepare
ourselves handling our product, handling lobsters for quality and what it takes for dock-side
grading and marketing and other things. There are many other things and the one thing that I
want to assure you is that we’ll all have a chance to share our concerns. There are some simple
ground rules that are listed at the bottom of that yellow page and that is that one person speaks at
a time. This is because we want to hear what you have to say and, if someone else is talking, we
can’t hear you and you can’t hear them. So just one at a time. Wait for the microphone as I said
before, identify yourself before you speak, and know that everybody will get a chance to speak.
I’ll be keeping an eye out and, if you’ve got your hand up and if I’ve nodded to you, that means
you’re on my marker to get a chance to say what you want to say. And, of course, as always, be
constructive and civil in the way we go at it. Okay, we have some discussion leaders to help us
going on this day. Their presentations will be scattered throughout the day really and in
several different sessions. And we’ll move from one topic to the next but allow plenty of time
for dialogue in between each session. Now, let’s get on with our first session and our speakers
today in this first session will be dealing with aiming for a consistent catch. We have got two
talk involved with lobster management, Sarah Cotnoir who is back here from Maine’s
Department of Marine Resources; and Dan McKiernan from the Massachusetts Division of
Marine Fisheries. Plus, and I’m going to try to make sure that I get this name pronounced
properly, Gilles Theriault from Canada’s Maritime Lobster Panel; and Jim Acheson, a professor
at the University of Maine. We’re going to ask each to speak for 6 or 7 minutes and that may be
difficult to keep it down to 6 or 7 minutes but we will come close to that. We’ll then hold our
discussion and questions after they have all had their opportunity for presentation. You may
wish to introduce yourselves a little more fully than I have as we begin this session but, Sarah
and others, if you would come and join Jim at the table here. Now, I see that they’ve provided
you with a single mic and so I remind you at this time as different speakers take over, pass the
mic and make sure we can hear what everyone has to say. Alright? Okay, now Jim, why don’t
we begin with you and get the mic down there and, again, if you would introduce yourself and
then the floor is yours.

Jim Acheson, Professor of Anthropology and Marine Sciences at the University of Maine:
I’m Jim Acheson, professor of anthropology and marine sciences at the University of Maine.

Moderator: I’m going to interrupt right there. If people cannot hear, let me know. You cannot
hear... You do hear, okay.

Jim Acheson, Professor of Anthropology and Marine Sciences at the University of Maine:
What I want to talk to you about this morning is some of the results that we got on a very, very
large scale survey of the lobster industry in 2009 and 2010... and, what interested me about
some of the answers that we got concerning a stricter trap limit. Some people wanted to have a
stricter trap limit. They felt that 800 traps was way too many and that they wanted 300 or 400
traps, and they were quite adamant about this. Then there were other people who thought that
was errant nonsense, and they had good reasons for what they said. So what I’d like to do is
show you the results of the survey and also talk about the reasons the people felt as they did.
I’ve done three surveys of the industry between 1973 and 2010. This third survey was done in
2009. We sent out 3000 questionnaires via mail to 3000 people. We got 701 responses. And I
have here an article that came out of this. Tables 2, 3, 4, 6 and 7 were based on this survey. At
the end of the survey, we asked people if they would like to be contacted by phone, and so we
got another 124 who agreed to be contacted by phone. And this is where the data from trap
limits came from. Let me just say this. Some of the men who wanted to have a stricter trap limit
(and, if we could get onto slide 1 here) these are people not in favor of a stricter trap limit. And
the reasons here are a little hard to understand, but you’ll understand it. Some people said this
would reduce catch and income. Other people said, all you’re doing is helping out the part-
timers. If I have 800 traps and I take out 400 traps, those traps are just going to be put back in
the water by some part-timer and we’re going to end up in exactly the position where we are –
only I’m going to be a whole lot worse off. Then you had people who were saying there’s a lot
of overcrowding in the industry, but you’ve got some people who are saying there really isn’t
any overcrowding where I live. In other areas, there is overcrowding but not where I live. No
trap limit. Then you get some people who say they’re against having a stricter trap limit but they
know it would save. Then there are some people who say the evidence for a stricter trap limit
comes off the Monhegan experiment, but Monhegan is an unusual place and has an unusual
ecology – and this isn’t going to work elsewhere. And then you get people who say I want to
work hard. I don’t want to be a part-timer. If you reduce me from 800 traps to 400, you’ve
made me into a part-timer. Next slide if we could, please. Then you’ve got people who want a
stricter trap limit and their reasoning is quite consistent. They are saying that the industry is
extremely inefficient. There is an awful lot of overcrowding. There are way too many traps in
the water. Bait costs too much. Fuel costs too much. And, if we have a stricter trap limit, you’re
going to catch the same number of lobsters but it may take you a little longer – but your
expenditures for bait and for boats and for traps and all is going to be far less. And the income
you’ll get would be about the same, but your costs are going to be far less. You’ve heard this
argument, I’m sure. Next slide if you would, please. This one, you’re going to have to think a
bit about. On the left, we have a column that assumes fishing more traps would decrease profits.
And then you’ve got some people who say, yes, it’ll decrease profits and consequently, I don’t
want a lower trap limit and that’s one. Then you’ve got people in cell 3. There’s nobody in that
cell so I’m going to skip that. Then you’ve got some interesting people here saying, yes, they
assume that more traps will mean fewer profits for somebody but I don’t want a trap limit and
there are three reasons for that. Some of these people are saying what we need to do is control
the part-timers. “If I reduce from 800 to 400, somebody is going to stick those traps back in, and
I don’t want that to happen. All you’re doing is helping out part-timers. That’s a very, very bad
thing.” Then you’ve got some other people who are saying, “I don’t want a trap limit. I know
we would help out somebody but I’m against it because in my area it isn’t needed. There’s no
real overcrowding.” Then you have the capitalism argument, and this does not reek of
friendliness and altruism at all. What these guys are, in essence, saying is that there are a whole
bunch of young guys that are overextended. They owe the bank thousands of dollars. They
aren’t able to pay their bills. And, if we have a trap limit, all that will do is help the government
help these people out and they don’t deserve any help. And if you have a very, very high number
of traps there, pretty soon these people are going to go out of business. Now that’s going to be a
little hard on me in the interim but, in a few years when they go out of business, I’m going to
inherit a very good, you know, situation.” Then you’ve got people who do not assume that more
traps will decrease profits. They say, if you increase traps, you increase profits. And the
argument here for cell 4 is, if you work more, you’re going to earn more – and they’re quite
consistent about this, those people. Then you’ve got other people who use an aquaculture
hypothesis. The more traps we have in the water, the more bait we have in the water, the lobsters
have more feed, consequently you’re going to get more lobster stock. Put in more traps. We
need more traps. We need more bait. We need to build up that stock… and that is the
aquaculture hypothesis. Now these people are about split half and half; and, if that’s accurate
here, there isn’t going to be anything happening in the legislature. The legislature isn’t going to
vote when they’ve got half the people saying one thing and half the people saying another. I will
stop there because I think my 7 minutes is long gone.
Moderator: Thank you very much, Jim, and let’s just move right on down the panel if we could please. Pass the mic down, introduce yourself, and the floor is yours.

Dan McKiernan, Deputy Director at Massachusetts Division of Marine Fisheries: Thank you. My name is Dan McKiernan and I’m the Deputy Director at Massachusetts Division of Marine Fisheries. I’m also the Chairman of the Interstate Lobster Board at the Atlantic States Marine Fisheries Commission as of last month, although we haven’t had a meeting yet under my tenure. I was a little unsure of what consistency of catch means. It might mean different things to different people but I started in the lobster fishery as a biologist almost 30 years ago when I started for Division of Marine Fisheries. So, as a biologist and as an observer and somebody who’s worked closely with the MLA, I think I have a pretty good handle on how the fishery is managed. Whether I know how to manage it is a different question. So, consistency of catch versus consistency of supply is a real interesting one because, I’m not going to tell you anything in this room that you don’t already know – but the US fishery has always been a fishery on shedders. July through November, it’s 85% to 90% of the take from Area 1, especially from Massachusetts. And it’s always been a situation where the Canadian fishery fills in those gaps December through June. I can remember most of my adult life and childhood, we came up from Massachusetts to vacation at Biddeford Pool and we went into the local fishery fills in those gaps and came a truck of Canadian lobsters. This was the third week in June. I said, I can’t believe it but, of course, it’s the shed in June. So, you know, you needed a supply of lobsters for tourists like me. In terms of consistency of catch, in terms of availability, the industry down our way has not been in favor of any kind of actions that would really affect supply. But, on the other hand, we’ve been very fortunate to have a very consistent Massachusetts fishery in the range of about 10 million pounds for about 20 years. One of the biggest issues that the industry down in Massachusetts is dealing with is actually, as we mentioned earlier, is the issue of profitability. Because, for the same amount of lobsters, the costs have gone up; and, of course, the price has come down. And the living expenses, of course, have changed. So the biggest challenge for the lobstermen in Massachusetts is really profits as was mentioned earlier. As far as consistency of catch, you know, sometimes as a fishery manager, although maybe I shouldn’t admit this, but I look, you know, kind of jealously at the Canadian system. But, of course, the Canadian system is federal, you know; and the US system is dominated by states that make up zones that make up the commission that tries to manage lobsters. And so getting forward progress on anything, you know, that’s very progressive, is very, very difficult. At the Atlantic States Marine Fisheries Commission, even in Area 1, we have three states: we have Massachusetts, we have New Hampshire, and we have Maine. And, while we have an area with zoning with some consistent regulations on the biological side, we have very much different rules on effort. In fact, effort is really being controlled by State legislatures and even as Commissioner Keliher is trying to go up and down the coast to wrestle with latency and effort levels, he’s really beholden to his legislature and his Governor.

Moderator: Excuse me. Can I interrupt? Could you explain ASMFC?

Dan McKiernan, Deputy Director at Massachusetts Division of Marine Fisheries: Oh, I’m sorry. The Atlantic States Marine Fisheries Commission is a compact established in 1945 by all the states to deal with those fishery resources that migrate between state waters. And, around the late 80s when the federal government punted on lobster management, they handed it to the Atlantic States Marine Fisheries Commission. And I remember those days because the reason they punted on it is there was a federal plan, and it included lobster conservation management teams and scheduled gauge increases. And the industry very effectively curtailed all of those gauge increases; and the federal government said, screw it, you know, States, you can have it.
And so that’s where we’ve been since. So it’s been a good process in that it is bottom up. You know, we do have fishermen meeting through these LCMTs (Lobster Conservation Management Teams) that advise the Lobster Management Board… but really, in order to try to get something, you know, anything significant moving forward, you kind of have to get three State’s fishermen to agree on it. And, you know, that’s not always possible to do that. But, getting back to the issue of effort, you know, I’m kind of watching this closely because, in Massachusetts, we have a much different licensing scheme than the other two states for a variety or reasons. And each state kind of has their own degree of latency so, as Commissioner Keliher tries to deal with that in the State of Maine, we wish him well… but really, in order to try to get something, you know, anything significant moving forward, you kind of have to get three State’s fishermen to agree on it. And, you know, that’s not always possible to do that. But, getting back to the issue of effort, you know, I’m kind of watching this closely because, in Massachusetts, we have a much different licensing scheme than the other two states for a variety or reasons. And each state kind of has their own degree of latency so, as Commissioner Keliher tries to deal with that in the State of Maine, we wish him well… but it kind of speaks to the disjointed nature of management, but I think it’s by design. I mean, this industry is very fortunate in that they have a very strong supply. The animal responds well to fishing. The gear, itself, is benign. And it’s a blessing, when you think of all the problems of fisheries management, if the biggest problem is price for the lobster fishery. As hard as that is, it’s in a lot better place than the ground fish fishery or anything else. But the management system in the US is almost designed to be very deliberative and, you know, good luck to anyone who wants to do anything bold. But, I think individual fishing groups are seeing the light in terms of the consistency of catch. We always hear about some fishing groups that think, well maybe we shouldn’t catch so many shedders, you know, that can’t be shipped. I think we’re all waking up to that.

I hope at some point this weekend we can talk about what’s gone on with some of the lobster parts marketing because I think that is really relevant for the US/Canadian story. What happened in Massachusetts, it took me 4 years to get a bill enacted to allow the frozen tails to be marketed. I would love to be able to tell that story and give you some of my insights on that; but, again, that speaks to it because consistency of supply. I think, the processed parts, the processed lobsters, is a big part of the story in terms of it’s no longer just the consistency of catch to put a whole lobster in a pot. It’s making the lobster product available to consumers on a 12-month basis. And the seafood show was loaded with lobster parts, lobster tails, etc.; and that’s a very positive development. That allows fisheries to be seasonal in nature and still provide product for the markets. So let me stop there. I guess I’ve talked mainly about some of the challenges of kind of doing things that are progressive or kind of drastic, but I would be happy to take any questions.

**Moderator:** Thank you very much, Dan, and, again, my apologies for interrupting but I think we need to understand some of the ways we regulate and you brought in some other concerns that are part of consistency that I’m sure we’ll want to address later. Your questions we will hold until everyone is through speaking and then we’ll look to you for questions. We turn now to Sarah from the Department of Marine Resources in the State of Maine. Sarah?

**Sarah Cotnoir, Department of Marine Resources:** Thank you. Good morning, everyone. Commissioner Keliher, I believe, was asked to speak about consistency of catch today. As someone had said earlier, he’s in Washington, D.C., actually at a climate meeting which is, I think, a big part of our department discussions lately … the resource is changing, the fishing is changing. So I will do my best to address the topic of consistency of catch. I think what Dan had just kind of spoken to briefly was the Commissioner’s road show last year. So in 2013, looking at 2012, what happened with the glut (and I hate to call it the glut because our marketing person doesn’t like us to say that word) the abundance of lobster that we had, and what happened in the summer of 2012 really prompted the department to say, “we need to go out and talk with industry and figure out is there anything that we can do, that we should do, what should we be thinking about”, and kind of really engage with industry and have a conversation around kind of big picture, looking at the fishery going forward. What should we be talking about? I think it’s hard to make change when things are looking really great in a fishery. Doing it in crisis mode is
even more complicated, I think. So, last year in 2013, we jumped in our car and drove to 16 different communities and talked about short-term issues, long-term issues, and kind of what do we do about marketing. And so to kind of expand on that a little bit, the short-term discussion. I think our first meeting was in Friendship, Maine, and we said, “What do we do short-term about this supply?” Is there anything that we could be doing about the supply and demand with what’s been going on so it doesn’t happen again in July of 2013. And we learned pretty quickly when things such as days out of the fishery, should we fish Monday, Wednesday, Friday…should we do it Monday, Tuesday, and Wednesday and take days off during the end of the week? We heard pretty quickly that we’ll put another one or two guys on board. We’ll rush through our gear. We’ll band at the end of the day and the quality will tank. And we thought, well, that’s actually not a good thing for the supply of Maine lobster. We also heard from dealers that that would be kind of a challenge throughout that period to meet their markets… if we have, you know, Fridays lobsters aren’t coming in or Saturday morning – you know, whatever it might be – that that was also going to be a challenge. So, again, meeting one or meeting two of those 16 meetings we learned pretty quickly that taking days out of a fishery or having quotas or taking out fishing 100 traps in the summer, whatever it might be, basically what came out of that was no action. We also talked about a tiered licensing system and what that was looking at it, again, what Dan was speaking to, about latency in our fishery. You know, the number of licenses that we sell we can, through our dealer reporting, determine that there are folks that don’t fish any of their traps. We can look at our licenses that are sold and see that, if they’re not buying any tags at all, that they’re definitely a latent license holder. And then there are those that perhaps buy the 800 traps that they’re allowed and perhaps only fish 400 of them, or some amount of traps not at their maximum level. So we thought, is there a way that we can look at this, at a tiered licensing system? And we took it out as a concept and use kind of a landings-based threshold, and it was a very permissive system that would allow pretty much anybody over the history of like the prior four years to say, if you’re a zone G fisherman (which is close to the New Hampshire border) or a zone A fisherman (which is where Rocky fishes way Downeast) you know, it was a very permissive system to say, if you fished 7000 pounds or 5000 pounds or whatever it might have been for that zone, that you would have been plugged into this 800-tag tier. If you didn’t meet that threshold (and, like I said, they were individual per zone,) then you would be in this middle tier and would be given 400 tags. And then, if you had 0 landings, you’d be given 50 tags. And, again, this was just a concept. Our phones rang off the hook for a variety of reasons that said, you know, I didn’t get any landings for the last four years for a variety of reasons… or, you know, my father has his license, you know, it’s part of his identity. You can’t take that away from him, and what do we do about someone in his situation? And so we learned pretty quickly that there are a lot of issues with that tiered license system. In fact, one of the concerns that we had heard is, if you’re taking away some of these tags and you had this middle tier, how would we actually move people within the system? Would it actually, in the end, put more effort in the water? So, at the end of those 16 meetings, we thought, is there anything that we can kind of tweak or pull out of that system and plug into our existing system? And to-date, the end result of that is no action. The third thing that we talked about was the marketing bill. And, I believe, that that’s an item for tomorrow, but the marketing bill was, “Is there a way that we could do more for Maine lobster in marketing the product?” That was a very iterative process through the legislature – trying to figure out how to assess a surcharge. And, I think, the difficulty is that we had more harvesters than we did dealers and, looking at the dealers, if we have 350 or so dealers, how do we assess a charge based on the scale of operations? I mean, you’ve got some operations that have many, many fishermen that they buy from and then you have …there was a dealer I talked to, I think it was the Pemaquid area, that said, “I have three boats, so how do I pay $4000 on a surcharge when this company has a lot more of an ability to pay that surcharge?” So, that actually was, I think, a pretty productive conversation last year. And then, the last thing that kind of came out of 2013 was the legislature
had passed a bill, and it allowed the department to develop fisheries management plans. And so, I think, that what Pat wanted to do – kind of fast-forwarding out of 2014 – is to talk about what happened in 2013, very briefly and just say, you know, we have a lot of latency in this fishery. We need to be talking about that. Let’s look at some of the science that’s in front of us right now. One piece of information that Carlo is going to be talking about is the settlement survey and that, for the third year in a row, there has been a decline in the settlement survey. Is Rick in here anywhere? There he is. And so, I think looking at shell disease, looking at warming waters, looking at the different monitoring programs that we have, the vent-less trap, the sea sampling, trawl surveys, you know, just looking at all of the indicators that we have out there… you know, at least go out and have a discussion with folks and let them know what’s going on, like on the scientific side of things. Talk about the latency side of things and say, okay, so if our landings were to drop, I’m just making up a number… to 90 million pounds. And then we had a lot of other kind of, I don’t want to call them – red flags, but just a lot kind of other indicators out there to say, “Should we be kind of planning for the future and what would that look like. And so I think Pat’s message, the commissioner’s message, is going to be, “let’s do a little bit of planning. Let’s do it while we’re not in crisis mode and start to talk about developing a fisheries management plan for Maine.” We do work under the Atlantic States Marine Fisheries Commission’s management plan but let’s have one that’s more Maine-centric. Look at our own biology. Look at our own goals and objectives. What would we do if we did have to make a change? Have some triggers. Have some thresholds similar to the Atlantic States Marine Fisheries Commission plan. You know, we’ve heard from fishermen that if we went to 70 million pounds it would be the best thing for this fishery. The price would spike. I mean, so with the latency in the fishery; however, if we look at an 800-trap license holder and we say here’s a measure that we think might work for Maine (and I’m just speculating here,) let’s go to a 600-trap limit. For the folks that are at a 400-trap limit, they could actually build up 200 more so it’s kind of shifting the chairs on the Titanic, I guess, is the expression. And so there’s actually really no reduction in the fishery. So I think, just to kind of close here, Pat’s message is that the sky is not falling. Let’s have this discussion now but, in the event that we ever need to do something management-wise, whether it’s quotas or trap reductions, or caps on tags or transferability, that we really need to get a handle on the latency in our fishery.

**Moderator:** Thank you very much, Sarah. What you have done is to allow us to see as over again what Jim and Dan have said, the complexity of this issue and how significant it is that we participate effectively in the discussions that lead to some of the conclusions that both of you have filed. You referred that it might be nice if we only got 70 million. What did we get last year?

**Sarah Cotnoir, Department of Marine Resources:** Last year, we were actually close to 126 million pounds but we were actually down a million pounds from 2012, excuse me, 2013. That said, our price did go up, I think, 20 cents per pound on average so we were $22 million more. So $364 million plus bonuses putting us at like $378 million.

**Moderator:** Okay, Thank you very much. Now to our final speaker on our panel, Gilles. We’re glad to have you with us and we look forward to what you will share with us from Canada’s Maritime Lobster Panel. Gilles.

**Gilles Theriault, Maritime Lobster Panel:** Thank you, Mr. Chairman. Good morning everybody. Just a little bit of background. My name is Gilles Theriault. I’m a fisheries consultant and basically doing this for about 30 years. And, before that, I worked bringing fishermen together to create a fishermen’s organization, so I’ve been quite involved in the
fishery all my life – mainly from a policy orientation and what do we need to do to improve our fisheries. Basically, I want to start by saying that looking at your theme that We Are All In This Together, well, my view is that we don’t quite have it together and we need to work on that. I want to say that we need to try, and it’s going to be a huge challenge but, when you tackle huge challenges normally and you’re successful, then you get results. It’s not because it’s a big challenge. It’s not because it’s a difficult challenge. I think we need to look at our lobster industry from a holistic point of view. And especially if you look at the lobster landings, there’s only one North American lobster fishery and basically, right now in New Brunswick, there are three provinces that land 90% of the lobsters in Eastern Canada, the Province of New Brunswick, Prince Edward Island, and Nova Scotia. Here, of course, in Maine, I think you land over 80% of your lobster. So if these four areas, in the State of Maine and the three Maritime Provinces, could get their act together, we could go a long way to improving, at the end of the day, the price at the wharf. And that’s what it’s all about. That’s what it’s all about. The rest, you know, it’s all about optimizing your fishery. And we have basically a tendency to be competitors for the same markets instead of being cooperators for new markets. nd we’ve seen that, of course, as being a major problem in the last few years with the high volumes of landings that we’ve had. The three maritime Ministers of Fisheries from New Brunswick, Prince Edward Island, and Nova Scotia (which is quite unusual, by the way) decided to set up a Maritime Lobster Panel – because, like everywhere else, the Provinces have a tendency to work on their own. I want to promote New Brunswick lobsters… and I want to promote Prince Edward Island lobsters… I want to promote Maine lobsters… and it’s basically, with a few differences, it’s the same product, the same lobster. So they did set up a Maritime Lobster Panel to look at basically what can we do to maximize the value of the lobster. So that’s what we came together on and we basically said we want to look at this again from a holistic perspective. We need to talk to Maine. We went to see the Commissioner and Sarah, and we talked to the fishermen’s association; and we really wanted to understand their perspective. And we looked at the landings and when we had the peak seasons throughout North America, basically in Maine and in New Brunswick, Prince Edward Island, and Nova Scotia. And so we really took a more holistic approach than a local or area approach, which normally the industry tends to do and to look at. You look at the situation from your own perspective, which is normal but also the holistic approach. If you can look at it from that perspective also, that’s when you’ll be able to realize significant changes that impact positively on your fishery. So, one of the things that we were asked to do in this Maritime Panel in terms of our terms of reference was to look at, “Are there any sectors of the industry that can unduly influence the price of lobster?” And when we looked at this and (by the way, we had hundreds of meetings and met and read reports and did all our due diligence and studies) at the end of the day, we said, “Of course there are sectors of this industry that can unduly influence the lobsters.” As a matter of fact, there are many sectors of the industry that can unduly influence the lobsters. You know, if you have a poor-quality lobster then that’s going to influence your price. If you have high inventories, and the word is out that there are high inventories out there, then you can expect the prices to be lower at the start of the season. If you have a situation where we’ve seen this, you’re working on new markets like China, for example, and you have sellers who go to the Chinese market and undercut each other instead of taking a cooperative approach to penetrate that market. Also, we have high volumes of lobsters being landed in a very short period of time. And we argue in the panel report, that that influences the price beyond the wharf. We believe, and I can give you many examples, in Nova Scotia in November of 2012 when they had their high-volume fishery at the end of November and first of December, there was so much volume coming in and there were shedders and there were some hard shells; but the volumes were so high that the buyers just pushed everything to the processors because they didn’t have time to separate the hard shell from the soft shell. There was just too much volume. So, of course, that influenced the value of the lobster, because traditionally live market value will gain a better price than a processed lobster.
value. And we have a situation in the spring of 2013, this year (I’m sure you’ve heard about in the Maritime Provinces) where, you know, fishermen were told, “Look, we’re going to put you on quotas and, by the way, you’re getting a very low price, one of the lowest prices we’ve had in years and beyond that, we’re going to put you on quotas.” And they tried that, which didn’t resolve anything – but it just goes to make the point that, again, we have, you know, a high-volume fishery. Because what happened when they had the quotas? There were some traps that just, if your quota was 500 pounds and you fished 250 traps, if you caught your 500 pounds in 150 traps, those traps remained full of lobsters. But they were there maybe for a day or two so the impact on the quality of the lobster also, so again… We have a situation like this and then of course we had a situation in 2012 in Maine when there was this influx of shedders earlier than usual. And that certainly had an impact on the processing, and most of these lobsters were being processed in New Brunswick and Prince Edward Island. And we know the disaster that that caused, right, in terms of something that we hope we’ll never see again. Having said all of that, the problem is basically historically, we have fished lobsters for volume and not price. And I think that amongst fisherpersons or harvesters, there’s been the tendency to say we don’t have a say. We can’t really influence the price but we can influence what we catch. So what do we do? We catch as much as we can. So it’s basically a volume fishery. And I’m arguing, and we’re arguing in our report of the panel that it doesn’t have to be that way. It doesn’t have to be that way… and if I’m catching 100 pounds of lobsters and getting $4 a pound, I’m making more money than if I’m catching 120 pounds of lobsters and getting $3 a pound. And, at the end of the day, what is this all about? It’s about making more money. Let’s not kid ourselves, right? And in the long term also we have, of course, our management measures for durability and sustainability and so on, which are fundamental. But we’re all fishing to make more money, right? That’s perfectly normal. So there is something to be said about finding ways to be more consistent in our landings and to address what I call peak volumes – not using the word that you mentioned because that’s a no no now – but peak volume periods. And I think there are ways to do that. Now, the challenge is to get the fishermen to agree on anything. That is a huge challenge. And I think, and there are measures that have merit. I think trap… reducing the number if trap limits during a certain period of time has some merit. We’re not going to stop fishing. You’re fishing but instead, for that two-week peak period or whatever your situation is, you’re saying we’re going to fish whatever percentage of the traps that we normally fish. And that… The lobster is not going to disappear. The lobster that you don’t catch is not going to disappear, right? It might take you a little longer and some will argue that it’s more expensive. Yeah, but at the end of the day, I’m arguing that, if you were getting $4 instead of $3, you’re still better off, right? Now, it’s to get the fishermen to change that mentality of fishing for volume and taking measures to fish for basically for maximizing the value of your product. Now, there are a series of measures. You listed some, all of you I guess, including changes in seasons. I would argue including limiting the number of fishing days, daily quotas, etc. etc. There are all kinds of measures, you know. That’s not the problem. The problem is to get everybody to agree on one measure or two measures. What we need to do, I think. And I throw this out to the Institute… and the great work that has been done and is being done… is that we need to look at this again from the Eastern Seaboard perspective and not from only our situation. If we take a measure in New Brunswick but we have a situation where a whole influx of lobsters has come in from another Province and that has not been addressed, we haven’t solved the problem, right? So, I would like to see some kind of analysis looking at lobster landing mainly in Maine, New Brunswick, Prince Edward Island, and Nova Scotia; and say this is how much lobster we land, these are the peak periods, what can we do together? Do a comprehensive analysis. What can we do together to address these peak areas? And I can guarantee you that, if we ever find a way to look at this from that holistic perspective, what I call a holistic perspective, that we will be able to bring the value of your product up in a very significant way. We think, from our analysis that these high volumes of lobsters being landed in a very short period of time, really, really
impact in a negative way your price. So, to conclude, we haven’t quite got it together yet but it
doesn’t mean that we can’t get it together, right? And this is a prime example of moving in the
right direction, okay. I will argue that we have a long to ways to go, right? But we are on the
right track. We need more exchange at the government level. Minister MacKinley talked about
it. We need more exchange at the buyer/processor levels. We need more exchange at the fish
harvester level. And we need to basically carry out more ongoing analysis and more studies and
more recommendations from that holistic perspective instead of just trying to address our little
situation in our specific area. Because it really quite often needs more than that to get a better
price for your lobsters. We don’t have too many lobsters – 300 million pounds of lobsters is not
too much lobsters in a global perspective. It might be too much for the traditional market that we
have now; and if we dump the extra lobsters that we’re catching on our traditional market, of
course, the price is going to go down. It’s a matter of supply and demand. But, from a world-
wide perspective, we have a great product, an incredible product; and if we market properly and
there are signs that we’re going to move in that direction in the Maritimes, you’re moving in that
direction. And, by the way, I don’t think we should promote Maine lobsters and we should
promote Maritime lobsters or Canadian lobsters; we should promote North American lobsters.
Because that will, from a global perspective….because we’re the only ones that are fishing this
product that will give us the top dollar for our product. I am concluding that because we have so
much lobster in the same traditional market I think we’re going in the wrong direction. I don’t
like to see too many lobster rolls. I don’t like to see too many lobster hamburgers or all that.
That’s going the cheaper product. We need to go to the white tablecloth markets all around the
world whether it’s in Europe, whether it’s in China, whether it’s India. That’s what will generate
your top price for your lobsters. Thank you very much.

**Moderator:** And we thank you. I don’t know what things were at work to have us put the
speakers in this order but I think we did it just right. Beginning with Jim and his study and the
background material that we were able to receive from that, and then Dan and Sarah, and then
finishing with this challenge, really, challenge to look at how do we do it in this new world?
What can we do to think holistically? And, of course, the double thing of fishermen willing to
agree and then fishermen willing to change in the midst of that puts us right on the spot. But
then, that’s who we are and so this is the right time for us to get into discussion. I’ll look for a
hand to follow up and there will be two people with microphones, and we’ll get to you in a
minute and you’re going to do a mic. There’s one going over there. Let me remind you that you
begin by giving us your name and where you fish and then the floor is yours. And I’ll also
remind you that there are coffee and goodies at either end and get up and help yourselves as we
move through this discussion time and special thanks to our panel. You may address questions
specifically to a member of the panel or you may address it generally and we’ll work out how to
get there from there. Yes, please.

**Eugene O’Leary, Lobsterman, Whitehead, Nova Scotia:** Eugene O’Leary, Whitehead, Nova
Scotia. I have a comment to make to Gilles about the tie-up. You said it accomplished nothing.
I think it accomplished a lot. It got you a job for a year.

**Laughter**

**Eugene O’Leary, Lobsterman, Whitehead, Nova Scotia:** And besides that, the panel, the
Summit, is coming up and a lot was accomplished by that tie up.

**Moderator:** Thank you, Eugene. Another hand. Right back here, Beth.
Beth Casoni, Massachusetts Lobstermen’s Association:  Hi, Beth Casoni, Massachusetts Lobstermen’s Association. Gilles, you’re in the hot seat.

Gilles Theriault, Maritime Lobster Panel:  I’m used to it.

Beth Casoni, Massachusetts Lobstermen’s Association:  I have a question. The word canner. That is one thing when you said poor quality… I went fishing in LFA 26A last year and, let me tell you, if that’s a poor quality lobster, those could have walked to New York City. There was nothing but 3, 6, 7, 8-pound lobsters and this fisherman was getting paid $3 ex-vessel. That, to me, was a reality check. How do you take a word like canner out of a fishery when it’s not and it shouldn’t be in there because, in Massachusetts, that would have yielded $7.50 a pound. That’s all I’ve got to say.

Moderator:  Thank you, Beth.

Gilles Theriault, Maritime Lobster Panel:  Yes, you’re banging on the word canner like a lot of the stuff in this industry is redundant. We had canneries way back that started a hundred years ago, right, because we couldn’t handle live lobsters. I like to talk about the quality in the following sense. I’m talking about maximizing the value for the product. If a lobster is more full of meat, then it has more value. The more meat content. Right? That’s obvious, right? And, in that sense, I believe that there is a future strongly, a big future, for processed lobsters. Not canners, processed lobsters. Because some of the lobsters we cannot basically have a live-market lobster and ships lobsters all over the world. There is a market for that but also, with the new technology, I just came back like I’m sure a lot of you from the Boston Seafood Show. The kind of product we can do with processed lobsters is great. Lobster tails are wonderful if they’re done properly, right? So, there is a future for both processed, what I call processed or frozen, lobsters and the live market. If I talked about canners because I just mentioned the traditional word when we say canners and market but there is no more such a think as a canner lobster. There is a processed lobster and a live lobster market.

Moderator:  Thank you. Another comment or question. Yes, right at the back there. Introduce yourself.

Laurence Cook, fisherman, Grand Manan Island:  Laurence Cook. I’m a lobster fisherman from Grand Manan and a representative of the Grand Manan Fishermen’s Association. I think when we’re planning the future of the lobster fishery, and I’ve heard a lot of people speak of it, it occurs to me that they don’t seem to understand why harvesting takes place the way it does. We don’t harvest lobster in February when it’s a hard, excellent quality product because we’d starve to death because the volume isn’t there – because they aren’t trappable. We can’t look away from the issue of trapability when we start trying to plan landings to hit peak quality lobsters everywhere. Okay? There are different markets for lobsters. I heard someone here say that, I believe it was Gilles, said that the traditional live lobster market was a higher-priced product than the canneries. In fact, for the last few years, the canneries have driven the price. The processed lobster was the highest-priced lobster and the live dealers had to come up to the processed lobsters to get lobsters. And that’s what we’re faced with today in the volume. But when we try to massage those seasons, it’s not as though you can say, Okay, you caught 10,000 pound in a week. We’re going to cut your traps in half so you can catch 5,000 next week and 5,000 pounds the next week and for the next four – because it doesn’t happen that way. Because, as the season changes after the shed, you move away from the shed, the lobsters become less trappable. So, don’t ever think that you can switch the trap limit around and make the fishery stretch over a longer period of time because it’s a natural product. And if you all want to think about it, let’s
use blueberries as an example. We’ll say there’s a glut of blueberries in late August. We should harvest some of them in November?

Laughter

Laurence Cook, fisherman, Grand Manan Island: How well will that work? It won’t. But where lobsters are under water, people have the idea that you can get them any time of year that you want. We just won’t fish them in October and November when the quality is bad and we’ll fish them in January and February when the quality is high. And what will happen is A) a lot of lobsters will die because they’ll have to compete more for food without the bait there and B) the trapability will be so poor when you set that the catch won’t drop a little bit, it will tank. If you want another example to look at, look at our Maine fishermen versus us Canadian fishermen. The catch curve in Atlantic Canada matches the Maine catch curve on the drop-off. You guys fish year round. We set in November. But if you look at that catch through October, it’s way up here; in November, it stays up for a little while; and then in December, it goes whoosh, right to nothing. And it does it in Maine where they fish year-round and it does it in New Brunswick and Nova Scotia where we set in late November. Why? Are we that much better fishermen than Maine fishermen that we can catch them all in three weeks where it took Maine fishermen to do it in a year? No! It’s ridiculous. The catch-ability of the animal dropped. Okay? So, planning sitting in a boardroom somewhere and saying, if we had this production leveled off and it came at a steady rate all year, we’d be in really good shape. Well, I’m sure you would but it’s a natural product and you can’t level it off. It’s not like cutting trees and saying okay, take your chainsaw and go cut me one tree each day all year. You can probably do that. You can’t do it in the lobster fishery. Part of what we’re up against is the nature of the beast, not just the nature of fishermen or the nature of the marketplace but the nature of the animal in the water. We can’t lose sight of that when we start planning for the future.

Moderator: Thank you, Laurence. In this little pause, Klaus is not here. Laurence, Klaus is not here this year, is he? I just wanted to say we missed him. That’s all. Take the word back. Okay. Yes, please.

Charles Anastasia, President, Orion Seafood Group: Charles Anastasia, Orion Seafood. I wanted to ask Jim Acheson. He put out a number of theories on consistency and sustainability, a good number of theories and models that could be put in place in the State of Maine to control and sustain the fishery. But, I guess, I wanted to ask you to stick your neck out a little bit and see what your belief was and how you best felt it could be managed.

Moderator: Okay, Jim? Do you want to speak to that?

Jim Acheson, Professor of Anthropology and Marine Sciences at the University of Maine: Yeah, I will speak to that. I think that any solution you propose would be opposed bitterly by a certain group of people and I don’t think it’s going to be at all easy to do. Personally, I think there’s a lot in the argument that we can gain a good deal with a trap limit, a stricter trap limit, but believe me, there’s a large number of people who don’t think that’s true. You know.

Charles Anastasia, President, Orion Seafood Group: That still is a political statement nonetheless. I just wanted to make one comment on traps themselves. We buy lobsters from every zone North of Massachusetts. And, if you go to Zone 34 some time in December and see guys with 300 traps pulling in 5,000 pounds, to me, I mean, the basic bottom line is, if the lobsters are there, you’ve got to catch them whether you have 300 or you have 1,000 – but that’s my opinion. But I did want to make one point of clarity on the Canadian side with canners, just
as a clarification. Canners are basically under 3-1/4-inch lobsters and we refer to them… and certainly in the Gulf of St. Lawrence, you’re taking lobsters as small as 275 gm, 10 ounces, lobsters that traditionally (since 1860 actually) were picked for meat and put in cans. That’s where the name came from. So, just as a point of clarification.

**Moderator:** Thank you very much. Another comment. Yes, please.

**Dan McKiernan, Deputy Director at Massachusetts Division of Marine Fisheries:** If I could take this opportunity to tell my tale about our lobster processing bill that we finally achieved after four years in the legislature, because I can tie in this canner issue. So, 15 years ago, when the product started to evolve with frozen tails, the Massachusetts legislature enacted a bill to allow the processing of tails in Massachusetts; but the Fishermen’s Association was nervous about this product competing with the whole product so the rule of the law said, you can process them here but you can’t sell them here. They had to ship them and they’re saying to us, you know, I can buy these on the internet, you know, and ship them down, or the QVC Network has them on TV, why can’t we do it here? Well, again, that was the sort of the nervousness of the industry, you know, unwilling to sort of progress to this new product. About 10 years into it, we said, okay, we have really got to change this because some of the folks here in the room were those who called us saying, you’ve got to change this law. Well, it took us probably 3-1/2 years longer than it should have because somebody told a very influential member of the legislature that you can change that rule but you keep those little Canadian tails out of the market. And so, the next thing I had to do was come up with a standard on lobster tails. And I kept trying to explain this isn’t going to work because my son and I wear the same size pants but I’m 4” taller than him so there’s isn’t a great correlation between the carapace size and the tail, so you’re kind of wasting your time. And all he said was, “hey, I don’t want a civics lesson.” So I wasn’t making any headway with this guy and so, you know, after some negotiation, we finally got a bill passed this past summer. But, no claws and 3-ounce minimum – and that was good because at least the 3-ounce minimum is a market size. So I don’t have to give environmental police officers gauges to go in and start measuring the crazy sixth segment of the tail like they do in New Jersey. But the point is that, at least in the Northeast area or the East Coast of the US, there are a lot of laws on the books that are regulating this even now. I don’t know if New Hampshire allows the sale of tails, and I’m not sure about Connecticut; but it’s a mishmash of rules that really need to be straightened out. And, you know, I tried to explain to the legislature, well, there is a NAFTA issue and I’m not sure you want to deal with that, you know, with the stuff coming across the border – but the State legislature doesn’t care about NAFTA, right? That’s something for the federal government to worry about. So, more could be done on marketing and I think that each of the legislatures need to sort of address this. Obviously, Maine did a great job about four or five years ago when they sort of wiped the slate clean and established a whole new climate for marketing these lobster parts but I still have this remnant rule in Massachusetts and, again, it goes back to this “canner” reputation for these Canadian tails so anyway. It was hard and more needs to be done and I think that’s a good target for the industry to go to each of the States that have these old, out-of-date, redundant rules on their books to allow this stuff to be marketed.

**Moderator:** Thank you very much, Dan. Other comments. Yes, Beth? You’re name and identification, please.

**Beth Casoni, Massachusetts Lobstermen’s Association:** Beth Casoni, Massachusetts Lobstermen’s Association. I just want to comment on Dan’s effort with the Massachusetts Lobstermen’s Association to get this legislation passed. It was an uphill battle but we’re very
happy that it did. And a bunch of us spent the past four days, like a lot of you people, at the Seafood Show tasting all kinds of seafood from all different areas of the world. And how it’s processed… and we tasted a lot of lobster, a lot of processed lobster. And there’s a company in Lowell that, quite frankly, they have a package of two lobsters, 6 ounces, processed, $75 on QVC. So we skeptically tried it and, quite frankly, it was great. I mean, I’ve eaten some processed lobster that I wouldn’t go back and get seconds but, it all has a market place… and then we tried, it was from Prince Edward Island actually. It was the lobster that is blown out under pressure and it looks like a gummy lobster. And I’ve wanted to try it for three years, but try to get one lobster. It doesn’t happen. So we waited, we tried it, and it was good. I mean, the consistency was good. The taste was good. Would I seek it out? Probably not, but it has a market place. And that’s another topic is the market… and a lot of people don’t want to bring home a lobster and cook it. And, at the Seafood Show, it became glaringly obvious that everything is value-added today. And, in the lobster world, everything has a market place. And now in Massachusetts, we can have lobster tails on the menu to compete with scallops and shrimp and other seafood that, you know, it’s the center of the plate that you hear. That’s what you’re looking for, to be on the center of the plate. Thanks.

Moderator: Thank you, Beth. Yes, please. Right here.

Keith Flett, CEO, Open Ocean Trading: Keith Flett, Open Ocean Trading. I just want to add a little bit of sentiment to the room and, you know, I operate in lobster and also in ground fish. We trade wild salmon and basically, you know, no matter how you look at it, this panel that’s assembled of government regulation as well as somebody who’s looking at it a little bit from an outside perspective but, what Gilles is actually saying is true. You know, regulation does come and the lobster has been very healthy over the course of the past few years. That’s why we’re looking at possibly trying to get out some latent permits and whatnot. And, if you’re going to start attacking this problem that I look at, you know, which everybody is attacking in different ways… and it’s about sustainable fishing and the push that actually is happening toward sustainable fishing. We need to start working all together in order to look at the value of the fishery, you know. One of the things that I came here to say today was looking at getting some economists in to actually take a look at the fishery and how you can maximize the value for the vessels, especially if, you know, the catch starts going down, getting the price back up. So, you know, if there’s anything I have to say is that I definitely support everything that you mentioned and it’s time that we actually all start working together. Whether it’s Canada, whether it’s processors, whether it’s Darden, no matter where you are on the supply chain, it’s time that we all start working together and not against each other.

Moderator: Thank you very much, Keith. And, of course, that’s why we’re here and it’s difficult to enter into this and know how do you do it. You know, what are some ideas? How do we pick up on what you have been saying, all of you, and find a way? Well I could this, or should we do that, or might we try that, or is there a way to, you know, finish those sentences and let it come from you. I’m waiting as I talk for another hand to go up but, believe me, I can talk until it does come up. Introduce yourself.

Laughter

Moderator: Laurence has got his hand up there again. When I get another break, I’m going to tell you what we’re doing down in Belize on exactly this same issue.

Laurence Cook, fisherman, Grand Manan Island: I’m Laurence Cook, fisher in LFA38 representative of the Grand Manan Fishermen’s Association. Joe, you spoke about a quota, and I
see some of the American fishermen kind of look surprised. That was a fish-buying processor quota. It wasn’t a government quota. It was aimed at keeping the processors open for a longer period of time so that fishermen could fish for a longer period of time. They would only buy X number of pounds per boat per day to extend the season – and that was primarily based around the unemployment system in Canada. Okay, so that is much, much different that a biologically-based quota to restrict fishing effort for the purposes of conservation. That’s not what this was about. This was to restrict fishing effort so that the plants stayed open longer, so they got their weeks in for unemployment insurance. Okay, so it’s not a quota based on biology or lack of resource or any of those things. It was purely to extend the season over a period of time so that the processors could continue to buy. I just wanted to make clear for everybody in the room that there is no quota in Canada other than the offshore fishery; which has opted to go that way many, many years ago. So, when he says quota, that’s actually not a quota of any kind. It’s just a deal between processors and fishermen.

**Moderator:** Thank you, Laurence. That’s a helpful clarification. Yes, Gilles. Introduce yourself.

**Gilles Theriault, Maritime Lobster Panel:** Gilles Theriault. Just a few comments. I don’t think the processors, Laurence, I beg to differ, basically, put on a quota because they wanted to extend their processing season. They put on a quota to the fishermen because they couldn’t handle any more. There was so much lobsters coming in and they said this is what we can handle and, for that reason, we have to limit it. Now, somebody said, well, we need more plants. Well you don’t build a church for the Easter Sunday crowd, right? That’s doesn’t resolve the problem either, right? So I think, what I’m trying to highlight… that there are in some periods of time where there are a high influx of lobsters in a very short period of time and that is problematic. We cannot… Maybe there’s nothing we can do about it for the reason that you say; but I’m making the point and we have found in our analysis that, during that short period of time it has some impact on maximizing the value of your product. It has an impact on the quality. It has an impact on the type of processing that you’re doing. Because, if you have so much volume coming in, you’ll do what’s quickest and easiest. Not necessarily the highest value product, because you need to move that lobster. So, the issue of high-volume landings in a very short period of time is real, and it’s causing problems to the lobster industry, and it’s impacting on fishermen getting a better price. I remain convinced of that. Now, there is no easy solution. And, by the way, the number of trap limits and so on, this was not the panel’s idea. These were fishermen telling us that, right? So, our job was to basically put together what the fishermen and the buyers and what the processors were telling us. We didn’t invent these so this wasn’t a boardroom idea. But, what it is though (I clearly understand the issue of Mother Nature) the issue, you know, of there are periods where your landings are better and so on. That’s a real fact of life and we have to deal with that and understand that. But not doing anything to address the question of high volume in a short period of time is not benefiting this industry.

**Moderator:** Thank you. There’s a speaker back here. Again, identify yourself.

**Ron MacKinley, Minister of Fisheries, Prince Edward Island:** Ron MacKinley, Minister of Fisheries, Prince Edward Island. To explain what happened last year: the catches were up 27% the year before, catches went up another 11% or 12% across the board on average last year. That’s a 37% increase in catches. We’re down 100,000 pounds per day in processing capacity because some processors bit the dust. They weren’t, I guess, making enough money. As far as the gentleman from Massachusetts or wherever, his intelligence is not quite correct on this one because we got to bring in foreign workers to get enough people to work in our fish plants. But if you’ve only got two months to process lobsters, they can only get so many lobsters through the
And, what happened was, one processor I know took a chance on holding lobsters over the weekend and he lost $50,000. The lobsters didn’t quite make it and they had to be disposed of because we want safety and health and we have very strict regulations in Canada. Fishermen are here and they might say it was a different story because of the strike but, basically, they couldn’t get the fish though the plant to process them. We don’t have enough holding facilities. I’ve been Minister for the last two years. I’ve been trying to encourage them to put in more holding facilities. They’ve got holding facilities in Nova Scotia big time where they hold the fresh lobsters and supply the market. On Prince Edward Island, we fish them the months of May and June. Our tourist season doesn’t really start until the last of June, July, and August. There are lobsters on everybody’s plate. There are certain holding facilities that do supply that market. In my own particular area, they put lobster dinners on for $15.99. The lobster fishermen from Nine Mile Creek who were supplying them were getting $4.50 delivered to the restaurant; but, once the season closed, one more week later and then the gentleman from the restaurant bought from freezers and froze the lobsters and got an extra two or three weeks. And then after that, it was over. So, it’s holding facilities we have a problem with as far as I can see as Minister… to be…to extend that and feed the market as you need it.

**Moderator:** Thank you, Mr. MacKinley. Eugene. Right over here. And if you’d introduce yourself, please.

**Eugene O’Leary, Guysborough County Inshore Fishermen’s Association:** Eugene O’Leary, Whitehead, Nova Scotia. One of the other issues that happened in our area was that we had a few of our plants that also process snow crab, and there was quite a cross between snow crab and the lobster for those plants. And that’s why some of the quotas went on for lobster.

**Moderator:** Thank you. Some other comments. I’m going to fill in … Okay, excuse me. Cranberry Isles. Introduce yourself.

**Bruce Fernald, lobsterman, Cranberry Island:** Bruce Fernald, Cranberry Island, lobster fisherman. Gilles, is there a cooperation between Canada and the US in other industries like blueberries and potatoes, for example, that would take on if there’s a glut? How are they going to work together and, if they do that, can we learn something from that or are they totally all on their own, you know, like we are?

**Moderator:** Before you answer that, get the microphone and also introduce yourself so we can credit the comment.

**Gilles Theriault, Maritime Lobster Panel:** Gilles. Yes, there are examples of North American associations that work together in terms of basically marketing and basically trying to get their act together. We looked briefly at that and we thought that, as a matter of fact, there is a lobster summit happening in the Maritimes next week where basically all the industry will be re-visiting our report – and that’s one of the areas that they’re going to be… We’re going to bring in different presenters from these kinds of groups that will explain how it works and how it can work – so I believe it can be done. As a matter of fact, what we’re seeing now, we’re seeing more, some of the US business coming to Canada in the lobster industry. And I hope that we will see some, in the near future if not already, some business people up in the Maritimes moving into Maine and, you know, it’s all inter-related now, right? And there’s such a movement of lobsters from the Maritimes to the US and to Boston and Maine; and such a movement of lobsters from Maine and so on to the Maritime provinces for processing and so on –so we really need to put our act together and to try to create some kind of industry organization that has a hard look at all these issues. Because I am convinced, by the way, I am convinced that we can
up … And that’s what we’re finding. We said in our report at the end of the day, if we manage to put our act together, we can bring the price of lobsters for the smaller size, maybe to $4 a pound; and maybe for what we call market size to $5 a pound. If we really get our act together, we can achieve these goals by creating more demand and delivering a better product. So, I think there’s something to be said about really starting to work together.

**Moderator:** Thank you very much. Bob? Introduce yourself, please.

**Dr. Bob Bayer, Lobster Institute:** Thank you. Bob Bayer from the Lobster Institute. Speaking to Bruce’s question, there is a blueberry organization and we’ve looked at the model. It’s the Wild Blueberry Association of North America which has US and Canada components to it and we’re actually looking at that from the standpoint of the Lobster Institute and combining forces with the Atlantic Lobster Sustainability Foundation to try to sort of cover all our bases and that’s the model that we’re looking at.

**Moderator:** Thank you. Dan. Again, introduce yourself.

**Dan McKiernan, Deputy Director at Massachusetts Division of Marine Fisheries:** Dan McKiernan from Massachusetts. I have a question and I admit it’s my first Town Meeting and I don’t know enough about the Canadian fishery but, can the Canadians comment on the degree of latency in their fishery and the degree of heterogeneity in their fleet; because in the United States we seem to have fishermen at all scales, you know: part timers, skiff fishermen, you know, all the way up to the 40 to 46-footers that are fishing the 800-trap string. Can the Canadians speak to that? The reason why I’m asking this is I’m just curious what a daily quota means to the Canadian fleet. If they’re homogenous then maybe everybody can accept it and it’s an even-steven effect but, back in the United States, because we, I think, might have more heterogeneity in the fleet, it’s a tougher sell so I just had that question.

**Moderator:** Thank you, Dan. Someone want to comment on that? Laurence, do you want to speak to that? Identify yourself, please.

**Laurence Cook, fisherman, Grand Manan Island:** Laurence Cook, LFA38, Grand Manan Fishermen’s Association. In Canada, we have a trap limit that varies from 300, I guess less than 300 in some areas now, up to 375 per boat. I don’t know anyone on Grand Manan that doesn’t fish the full 375. There used to be what’s called B licenses, which were allowed half of a regular trap limit. There’s one of those remaining. It is nontransferable and will die with the gentleman that holds it now. So there is no cottage industry if you want to call it that in the lobster fishery in my area. Eugene might be able to speak differently to Cape Breton so something but, in the area that I fish in and adjacent areas in Nova Scotia, I know those guys and how they operate, and every license is used to its maximum trap limit. Now we have far lower numbers of licenses too, to be clear in the difference in the fisheries. They tell me that between State and Federal permits or whatever in Maine is in the vicinity of 7000. The area I fish in, Grand Manan, we have 136. There are 207, I believe, in the next district up, and 1000 in the monstrous district 34 in Nova Scotia next to me. As I said, Eugene or someone can speak more for the Gulf than I can but, in those areas, it is the same. There are no remaining B licenses. All the licenses are A-class and all the licenses are fully used. The only latency we actually have is we have a program in Canada where I can purchase two lobster licenses and put them both on my boat. I do not get twice as many traps. I get 1-1/2 times as many traps so, if I purchase a second license, I get 188 more traps, not 375. So what we call a double gang is 563. Those remain, several of those in our area, and they are split-able. And, if I split my licenses and sell one to this gentleman, he can fish 375 traps with that license that I could only fish 188 with. So the latency in the Canadian
fishery lies in what we call the double-gang license because, if they split, we can add ½ a gang for every one of those licenses that splits.

**Moderator:** Thank you, Laurence. Now Eugene.

**Eugene O’Leary, Guysborough County Inshore Fishermen’s Association:** They’re mixing us up, Laurence. We’re in trouble.

**Moderator:** Okay, give us your name.

**Eugene O’Leary, Guysborough County Inshore Fishermen’s Association:** Eugene O’Leary, Whitehead. Other than not understanding half the words you said…

**Laughter**

**Eugene O’Leary, Guysborough County Inshore Fishermen’s Association:** Just to explain a little better for a poor fisherman. We basically fish every trap that’s licensed. We do have some B license holders and those are 75 traps but they fish them all and, when they’re done, they’re done. But we have the odd split of very little, it’s the same as Laurence, and that follows right through to, I can speak for Nova Scotia. Charlie can speak better for Prince Edward Island. But that follows right through the whole system.

**Moderator:** Thank you, Eugene. Mr. MacKinley. Your name please?

**Ron MacKinley, Minister of Fisheries, Aquaculture, and Rural Development from Prince Edward Island:** Thank you very much. Ron MacKinley, Minister of Fisheries, Province of Prince Edward Island. In Prince Edward Island, we call it 24, is 300 traps, that’s the North side. The South side is 273. The fishermen decided to do that themselves. And the fall fishery we have is 250 traps but they could fish to 300 if the fishermen decided they wanted to come back. But they’re the ones… the fishermen call the shots in those particular things. Our maximum traps is 300 per boat. You can own a boat and you can fish in the fall season but you can’t fish any more traps. You can share boats from, as I stand to be corrected, from the… say if you’re fishing in ________and your son buys a fall license, you can use his boat to go over and fish in the fall season.

**Moderator:** Thank you, Ron. Yes. Identify yourself please.

**Gilles Theriault, Maritime Lobster Panel:** Gilles Theriault. I don’t want to talk about New Brunswick. I want to talk about Maine, I think, or even Massachusetts. Your systems are different but they work well also. Look at your landings, right? So they’re a different system and I just want to make the point that basically we basically have a maximum, the highest is 375 traps that’s being fished but the average is probably more around 300 if you look at all the Maritime Provinces. And, in a lot of cases, I don’t know of one case where there have been requests to up the number of traps, but we have seen in many cases and areas that they have reduced the number of traps and that hasn’t affected their landings. I just wanted to make that point.

**Moderator:** Thank you, Gilles. Somebody want to get in on that from the American side? Alright. Yes, Annie.
Annie Tselikis, Educator:  Annie Tselikis.  So, I’m going to change the course of the discussion a little bit.  I have a question for you, Gilles.  I think and I may be paraphrasing but I think you made a comment during your introduction about how, through your findings through the panel, one of the most important things if not the most important thing was the price paid to the boat.  Is that correct?

Gilles Theriault, Maritime Lobster Panel:  Yes.

Annie Tselikis, Educator:  Okay.  So, I guess I kind of have a question about that and maybe we’re getting into the weeds a little bit here.  I’ve worked in the harvester sector for the last ten years, but I also have done a lot of work trying to connect harvesters and dealers and processors to try and sort of, as you’ve said – as everybody else has talked about today – starting to increase the communication between the different sectors, which I think we’ve all started to come to realize is critically important to the future of this industry.  And I would say in having looked at a lot of different parts of this operation that it’s not just the price paid to the boat for the boat’s perspective but also for the perspective of the buyers.  And, if the market is not fluid and is not moving, then that price has a lot of other issues associated with it.  So, I just thought I’d open up that can of worms for discussion and try and get some of the other…the buyers that are in the room today involved in this conversation.

Moderator:  Thank you, Annie.  Comment right over here.  If you’d introduce yourself, please.

Rocky Alley, President, Maine Lobstermen’s Union:  Rocky Alley.  I’m the President of the Maine Lobstermen’s Union.  I couldn’t sustain a good living if we had a trap reduction, say as Sarah was speaking earlier that the commissioner was thinking about possibly.  These gentlemen fish 375 on Grand Manan.  We fish 800.  We have 80 replacement tags if you lose 80 traps, which is normal for someone like myself.  I fish strictly offshore and I usually lose about 60 to 80 traps a year and more.  I couldn’t do it on 400 or 600 traps.  There’s just no way.  I mean, as you heard, we fish year-round to keep the amount of volume of lobsters up.  If we should be cut down to 600, there’s no way we would ever catch the volume to do that.  Another thing.  I have two sternmen.  They have families.  I couldn’t make enough money to be able to keep two sternmen.  I’d have to go down to one and, if I go to one, I couldn’t fish where I fish.  I fish 10 to 20 miles offshore.  One sternman, I would kill that poor devil trying to haul 20-trap trawls.  There’s no way…as dangerous as the whale rope issue is and trying to work around that, let alone the decrease in the volume of lobsters that we’d be bringing in.  You might get more money for your lobster sometime.  I don’t know when it would be, but we’d all have our boats repossessed along with everything else waiting for the price to go up.  Thank you.

Moderator:  Thank you, Rocky.  Sarah.

Sarah Cotnoir, Department of Marine Resources:  Sarah, Department of Marine Resources. Just so I can get this on the record because we’ve had several phone calls about this.  The commissioner is not going out there and proposing a 600-trap limit.  I had a person call me from Boothbay and said the radio talk was, you know, what’s going on, what’s going on?  He called.  He said, you know, we’ve heard this rumor.  It is true?  I let the commissioner listen to that voicemail and he called that fisherman back on his boat and he said, I am not going out and proposing a 600-trap limit.  However, in the event in the future if this resource were to change drastically or the resource were to decline drastically, I think he wants to prepare industry in that what would we do?  Would there be transferability?  Would there be a trap reduction?  Would there be a cap?  Would there be quotas?  So these are just any management actions, anything else you could possibly think of for management actions.  What would we do with all the latency in
the fishery? I just wanted to get back to you on that, Rocky. And I think that you had had a question about latency in our fishery. Looking at the GMRI report, I think I just saw Alexa walk in a little while ago. Maybe she can add to this but, looking at the 2011 license holders, we had 22% that had zero landings in the fishery. 7% had less than 1000 pounds, and 19% had less than 10,000 pounds. So there is that type of latency. And then, when I ran the numbers the other day for 2013, just based on trap tag sales, I hear a lot that everyone is at their maximum trap limit. Of the, I’m looking at 5700 license holders here, 2300 of them are at their maximum amount. So that means roughly 3400 people could build up. Some could have zero tags. Some could be just maybe perhaps getting into the fishery and have not had the opportunity to build up their 100 traps per year. Some may just self-select to say, you know, I’m a school teacher…I only want to dabble a little bit in the summer with a few traps. So there is a lot of potential buildup in the fleet. And I think, Dan, what you were talking about earlier, the diversity in the fleet, I think that’s something that Maine really needs to own. We need to have, you know, we want to continue with our owner-operator. We want to have the in-shore/off-shore fleet. We want to have big boats, small boats. We want to have that diversity. We want the students in their skiff just, you know, buzzing a little bit away from the beach so to speak. So, you know, I think there’s a lot of pride in that, that we have diversity in Maine in our fishery. So I just wanted to get those two comments on record.

**Moderator:** Thank you very much, Sarah. I’m going to come over there in just a second. What we have here is that we’re begging the question of how do we talk about this, you know, when we have such strong feelings about holding on to the numbers that we have and yet recognizing that there’s a tremendous difference between one end and the other of the coast – and what’s on the coast and what’s in the Provinces – to learn how do we talk about it. How do we bring it up so that we can discuss it without feeling threatened and how can we find a way to put all the issues out there and then begin to see what is the course that we can take. That’s something that we might be able to start here and now, excuse me for interjecting that. I also want to get back and pick up and let you talk just a moment and define the union which is relatively new in a few minutes. Okay? Now, excuse me. Identify yourself, please.

**Mike Chadwick, Atlantic Lobster Sustainability Foundation:** My name is Mike Chadwick from New Brunswick. I’m with the Atlantic Lobster Sustainability Foundation. I just want to ask a question to Gilles. We know things are changing. Seasons are changing. The quality of the lobster is changing. The world is changing around us and the seasons and so forth… we have been around for a long time and they’re not changing really. I was wondering, do the seasons create the peak? In other words, if we had such as the Maine, like just no season. Because, in terms of conservation, the season doesn’t mean anything really. I mean biologically, because we manage by releasing bearing females and size and so on. So, if you had no season would that ease the problem, Gilles:

**Moderator:** Identify yourself, please and then we’ll go to Dan after that.

**Gilles Theriault, Maritime Lobster Panel:** Gilles. Well, that’s a very interesting question. There is…change is happening. Climate change is happening for those of us that admit it, and that has an impact on behavior of our lobster resources, right? There is movement and there are some areas where lobsters are really down and some areas where lobsters are really up. And we don’t seem to… And yet we’re still doing the fishery the same way that we always did. Fishing it during the same time. So I think there’s some merit in revisiting all of that. There is nothing set in stone. We have seasons, right? We have seasons and sometimes they start on the last week of November, sometimes they start on the first week of May. And there is no really specific reason to have those seasons when we have them right now. So, you know, there needs
to be openness to adjust this in a way that, in reality, it could be argued that you don’t need seasons. It’s a valid point, really. If you’re making the same effort in catching your lobsters and with your conservation measures. But, I’m not saying that we do away with seasons because I don’t think the industry is ready for that. That’s not what I’m saying, okay. What I am saying is that we need to adapt to the changes. We need to adapt to market changes and we need to adapt to climate changes. And it seems to me that, when it comes to talking about changes it’s very difficult because everybody has his opinions. What I want to point out again: all these ideas that we’re hearing about seasons and traps, they all come from the fishermen or the industry. It’s not… We’re not inventing these things. Some fishermen, you know, believe that we need to reduce the number of traps. Others don’t. That’s where it comes from. It doesn’t come from Sarah or from myself or from anybody. It comes from industry. So let’s not be confused as to where these ideas come from. The problem is, of course, is that we have got to find a way, as you were pointing out, to try to bring everybody together – to try to bring Laurence and Eugene and Rocky together and try to look at it, you know, in a more calm, thoughtful way in the way that we’re exchanging. Right now, we’re reacting most of the time. We’re reacting – we heard this, we heard that, there’s no way I’m going to stand for this. This is how it works. So I’m really, really… Well I said in my presentation, this holistic approach. I’d love to see some kind of a body, a Canada/US body, to look at the lobster fishery. Fishermen, you know. From that perspective understanding your situation, learning from you and you learning from us. I think there would be great benefits to gain from that.

Moderator: Thank you. Dan and the Laurence and then Beth.

Dan McKiernan, Deputy Director at Massachusetts Division of Marine Fisheries: I agree and maybe as a deliverable or on a wish list might be an economic study sort of a bottom line analysis of some of these lobster fisheries because, if anybody wants to talk to their legislature about what the challenges are of the lobstermen, I mean, it’s typically financial and we know things have changed and I’m wondering if someone could undertake, you know, kind of a large-scale, cross-border economic analysis of fishing to see, you know, it is more economical to have a short season, low-trap limit fishery or even if you opt not to choose that, let’s try to document for legislatures the real problem that the fleets are running into with declining costs because that might give them some spine to take some actions that might, in the long run, create more profitable fisheries. So, I think there needs to be some academic institutions to look at this or some economic firms looking at this.

Moderator: Thank you, Dan. I see some chilly looks maybe the heat could be turned up somebody. In the meantime…

Dan McKiernan, Deputy Director at Massachusetts Division of Marine Fisheries: Is it something I said?

Laughter

Moderator: Yeah, right! Laurence and then Beth.

Laurence Cook, fisherman, Grand Manan Island: Laurence Cook, LFA38, Grand Manan Fishermen’s Association. I’d like to address what Mike suggested, doing away with the season. It’s interesting because one of the things that we’ve been talking about today is doing away with the glut. And I’m coming back to the nature of the beast and the biology of the animal. It’s not that far from Prince Edward Island to Southern Maine. Okay? There are no palm trees in Southern Maine and there are no igloos in Prince Edward Island. The weather does not change.
that differently from Southern Maine to Prince Edward Island. And that catch curve in Maine that goes way up in the fall will go way up in Grand Manan and it will in Nova Scotia and it would in Prince Edward Island. So if you do away with those seasons in the name of the getting rid of a glut, you’re going make the biggest one the lobster industry has ever seen; because when Maine comes on line hard, New Brunswick is going to come on hard and so is Nova Scotia and so is Prince Edward Island. And that glut that you’re all trying to avoid is going to be ten times worse. The seasons stop me from harvesting. When Maine’s at its peak in October, I’m not harvesting. I can’t. I’m closed. Nova Scotia is closed. Right? So, I don’t have… I’m not feeding into that Maine glut. Because they’re fishing purely on the biology of the animal. Now conservation-wise, it might not make any difference, as Mike suggested. I’m not sure that it would make any difference. But marketing wise, baby, it’s gonna make one monster of a difference. Because, instead of having 300 million pounds coming across 8 months, which is roughly the Maine harvesting time now, their eight months of high production – you’re going to have it in two. So that glut you’re having trouble handling, is going to get so much worse if we do away with the Canadian seasons. And that’s going to be bad for who? The processors because they can’t handle them, the Maine fishermen because they have to compete against Canadian product at the same time, the Canadian fishermen who have to compete against Maine product coming in at the same time. Who wins out of doing away with the seasons? No one. The glut will be worse, the price will be lower, the quality will be lower, right? The most trappable lobster of the year we all know is right after the shed. They’re more trappable because they’re hungry. Right? They’re easier to catch. So the catches are going to go way up for a short period of time on low-quality lobsters. Of all the things I’ve heard to help the industry, doing away with the seasons is probably the biggest single negative we could do. Thank you.

Moderator: Thank you, Laurence. Now Beth and then Eugene.

Beth Casoni, Massachusetts Lobstermen’s Association: Beth Casoni, Massachusetts Lobstermen’s Association. This is more of a question on permits and effort. Correct me if I’m wrong. Sarah, just from what you said, Maine has approximately 5700 permits and, of that, 2300 are fishing actively anywhere between 200 and 800 pots?

Sarah Cotnoir, Department of Marine Resources: Those are just the number of trap tags sold. There is no distinction between active versus inactive in those numbers, if that makes sense. It just basically, when I look at how many tags that we sell, it’s roughly 3 million, it’s roughly 2.9 million tags for this past year. When I tried to bid it out by the hundreds, there were 2300 people between 700 and 800 tags and I just did this exercise because, you know, people are saying everybody’s at their max and they’re definitely not. There’s a lot of potential for build up.

Beth Casoni, Massachusetts Lobstermen’s Association: Okay, and then Dan, in Massachusetts, there’s 1100 permits and, of that, would you say approximately 700 are active and 400 are latent?

Dan McKiernan, Deputy Director at Massachusetts Division of Marine Fisheries: Well, varying… Dan McKiernan from Massachusetts. Varying degrees of latency. Some folks might be fishing up to their threshold. We have an interesting system in Massachusetts. We require a permit to be fished for four out of the past five years in order to be eligible to be transferred to a new fisherman. So we have some fishermen who might fish up to that threshold but, in general, you’re correct. We probably have about 700 people who are making a living from lobstering and the rest not so much.
Beth Casoni, Massachusetts Lobstermen’s Association: Okay, and this is just on the effort of 800 pots versus the Canadian. So approximately 3000 fishermen are fishing anywhere between 200 and 800 pots in the US and, for the Canada Maritimes, what is the total number of permits active and latent?

Moderator: Gilles.

Gilles Theriault, Maritime Lobster Panel: Gilles. In the Maritimes, there’s around 6000 lobster fishermen and they’re all basically fishing to their maximum number of traps so we don’t have, in general, fishermen that only fish half their traps. A lobster fisherman gets a license. He gets anywhere between 250 to a maximum of 375 per area but everybody has the same number of traps and everybody fishes basically the full amount of traps. Maybe… That how it works. Other considerations are territory and how big the area is and so on and so forth; but it’s different in the sense that we do have, I would argue, in our lobster fishery in Canada a lobster fishery where the number of traps allowed are all fished.

Moderator: Thank you, and thank you, Beth. Sarah?

Sarah Cotnoir, Department of Marine Resources: Sarah, Department of Marine Resources. To follow up Beth, I just looked at some numbers here and, in 2013, we had 4239 that were actively commercially fishing for lobster; and that is based on dealer reporting. That said, it could be 4239, that could be anything from the person that’s catching 200,000 pounds, you know, whatever the top end is, to a person that’s reporting that they caught 100 pounds for the ye. So there is a whole range of the landings.

Moderator: Beth. Thank you.

Beth Casoni, Massachusetts Lobstermen’s Association: Inaudible.

Moderator: Alright. Eugene.

Eugene O’Leary, Guysborough County Inshore Fishermen’s Association: Eugene O’Leary, Whitehead, Nova Scotia. I hate this. This is twice today I’m agreeing with Laurence.

Laughter

Laurence Cook, fisherman, Grand Manan Island: Inaudible.

Laughter

Eugene O’Leary, Guysborough County Inshore Fishermen’s Association: However, when we come North of the border, which we call Halifax, our seasons are all spring seasons except for one small one; and we feel that that is before the molt and that’s the best quality of lobster. It’s full, it’s hard shell, and if we had seasons that stretched beyond that, then we’d be landing more poor-quality lobster. Not that the taste is lower quality – it’s that there’s less meat in it. So it would be putting more of that on the market if we had a year-round season. In my opinion, it would be opposite to what we have now.

Moderator: Thank you, Eugene. Yes, Deb.

Cathy Billing, Lobster Institute: Yes, it’s Cathy Billings from the Lobster Institute.
**Moderator:** Cathy… I’ll be alright.

**Cathy Billing, Lobster Institute:** We’ve been hearing more and more that there’s less of a definition between when the soft shell lobsters are available and when the hard shell lobsters are available. It’s becoming more of a blend, which would make it even more difficult to try to determine when to stop fishing if you wanted to stop fishing soft shell for a while, for example. I’m just wondering if that’s true from what the fishermen here are seeing, if there’s more of a blend in your catch now with the soft shell and the hard shell?

**Moderator:** Thank you, Cathy. Response to that? Okay. Introduce yourself, John.

**John Williams, lobsterman, Stonington:** John Williams, Stonington, fisherman. Board of Directors, Maine Lobstermen’s Association. We’re seeing soft shell lobsters any month of the year. Volume varies but I’d like to talk about the marketing too. The marketing we’ve done in Maine is for generic lobsters. Canada, I hope, follows suit with that. We only have a small amount of lobsters. In the world seafood market, if you go to the seafood show, lobster is a tiny part of it. I’m proud of what we’ve done so far. It’s been an uphill battle. Everybody thinks it been unanimous. It wasn’t. But, anything… if you don’t market it, you can’t sell it. The processors will make more money, dealers will make more money, we’ll get more money. That’s how our system works. You’re not going to change that. I’ll think of other things though the weekend. Thank you.

**Moderator:** Thank you, John. Yes, right back here. Introduce yourself, please.

**Mark Brewer, Boothbay Harbor:** Mark Brewer from Boothbay Harbor. The first thing I have to say is for Bill. I think the smartest thing you’ve said so far is that we ought to market our lobsters as a whole group, a Northeast product of some sort. I’m not really in favor of the marketing bill for Maine but… I’m just kinda wondering from the guy from Maine Lobstermen’s Association just said: Is there a mechanism in place that guarantees the boat a better price that the lobster buyers are going to dip into their profits and give us?

**Moderator:** Okay, John?

**John Williams, lobsterman, Stonington:** Yeah, the marketing bill is set up for a five-year plan. If it doesn’t get passed through the legislature again, it’s going away, so that’s up to the people.

**Moderator:** Gilles and then…

**Gilles Theriault, Maritime Lobster Panel:** Just a few comments.

**Moderator:** Use the mic and introduce yourself, please.

**Gilles Theriault, Maritime Lobster Panel:** Oh, sorry. Okay. Marketing… We’ve looked at the market prices in our Maritime lobster panel and we felt – we looked at it for the Maritime Provinces and not for Maine, okay – but we felt that the prices paid were reflective of market conditions, okay? Now, we have a problem in our industry, I don’t know if it’s the same here. We have a tremendous amount of mistrust within the industry. We have people talking about rumors as facts and we have ….
**Moderator:** Are you talking about fishermen?

*Laughter*

**Gilles Theriault, Maritime Lobster Panel:** And what we have recommended as a panel, okay, we have recommend with this 2-cent levy that we recommended that we create an independent market institute where basically everybody will be agreeing on the facts, not on hearsay. And, by the way, if I’m a processor or a buyer, I can tell you the facts. But the fact that I’m a processor or a buyer, you won’t believe me, right? That’s how it works. So what we’re recommending is an independent market institute that will give you the numbers, right? On market prices worldwide on the type of products. All of this stuff is available and it can be made available to everybody on an ongoing basis, on a weekly basis or whatever we need. We have access to it but we’re not organized. So the concept of an independent market institute where you have the numbers so if the market prices go up, you’ll be able to say, look, we’re not getting our share, right? I think it will go a long way if you’re all basing yourself on the same facts. Then it would probably help deal with this mistrust and, you know, and exaggeration or whatever the word is. Thank you.

**Moderator:** Mr. Acheson. Jim. Introduce yourself, please.

**Jim Acheson, Professor of Anthropology and Marine Sciences at the University of Maine:** I’m Jim Acheson from the University of Maine. Back a few minutes ago, Dan, you know, suggested that we need more economic information and I would like to second that strongly. Frankly, I’m confused. You have people who I know are good fishermen arguing that we don’t need all these traps. Back in 1970, if you had 300 traps, that was a very large gang. And I had 300 traps and I made a very good income off of that. And then you’ve got other people like this gentleman here, good people, sincere people, I’m sure they’re accurate saying I need 800 traps. I can’t make it with, you know, 600. What’s going on? Now, you have some things changed, obviously. The prices of lobsters, however, haven’t changed too awful much in real US dollars. The price of lobster is exactly the same as it was in 1962 in real US dollars. The price of fuel has gone up some. The price of the bait up has gone way, way up, you know, 500% over the course of 12 years. But the number of lobsters caught is 6 times what it was in 1962. Now what’s going on here? Are people going broke? How do you arrange to go broke under these circumstances when the number of lobsters out there is 6 times as much? You can do it. I’ve met people who have managed to do this easily apparently. Then you’ve got other people who are saying frankly, we never had it so good. Never mind listening to all the weeping and wailing. It’s a bunch of lies and, is it is the point. I’m not sure. I don’t know. I think Dan’s right. We need more economic information. Real economic information.

**Moderator:** Yes, over on the other side of Beth, there. If you’d introduce yourself, please.

**Steve Holler, Quiet Storm, Ocean Ventures, Massachusetts Lobstermen’s Association:** Steve Holler, Boston fisherman, member of the Massachusetts Lobstermen’s Association. To the gentleman on the end there. Everything’s gone up a little bit. We’re catching 6 times the amount of lobsters. Two years ago, I got a price for lobsters that was equal to 1978. I’m just sorry, the numbers don’t add up. Yeah, we are catching lobsters. Everything has gone up huge. I saw this coming about ten years ago. I market my lobsters off the boat. On average, I’m getting $3 over a pound for all my lobsters. Guys who catch shedders, soft shells, stuff like that, I’m getting 50 cents over boat for them. A lot of it has to do with marketing. We have to get to the public. This generation of people that are growing up now, millennials, they want to come home, pop something in the microwave, and dinner is done. They don’t want to cook the lobster,
pick the shell, and everything else. I think a lot of it is education to the public. You know, it’s a simple thing… we have to move more lobsters. We have to get it out there. No disrespect, sir, or anything else. Like I said, two years ago, I looked at my records and was getting the same price… I was coming in with more lobsters. And I understand too, dealer and everyone… Costs go up. The bait has gone up astronomically because of fuel. Everything is fuel based. So everything goes up. Transportation, airfare, flights, everything goes up. Except for the fisherman. We’re the ones that take the hit. Marketing, shops, they have a profit margin they have to maintain. They can raise their prices and they can also drop the price they’re going to pay the fisherman. We’re unfortunately at the bottom rung. Like I say, if it weren’t ten years ago, I did all my own marketing, advertising. I spend on average $5000 at the beginning of the season just on advertising. Something simple going on in the neighborhood. A news crew or something is coming around. I mean, excuse my language, they call me a video whore. They call me “Live shot” down on the dock. Anything to get my picture on TV or in the paper – and lobsters. It’s on an individual basis with me but it’s how I’m still in business. So, I mean, you gentleman, you catch much more, you’re much bigger and geographically you don’t get the traffic that I do down in Boston. But, I mean, when I owe a bill or something, I’ll give someone lobsters. A politician, it’s his birthday, here, have some lobsters. You could write a guy a check for $1000 and see him the next day and he won’t remember your name. You give him a half-dozen lobsters, hey, that’s my lobster guy…

Laughter

Steve Holler, Quiet Storm, Ocean Ventures, Massachusetts Lobstermen’s Association: Go to a town meeting or something like that. You will get introduced as, hey, that’s my lobster guy and it spreads like wildfire. Again, it’s only in my own, you know, because of what I’ve been doing on a small basis, but it also deals with large corporations. It’s get it out there. And just on the trap reductions and stuff like that, again, every area is different. I fish 800 traps. I can tell you I need that 800 just to make a living. When Maine does good, Canada, Prince Edward Island, everybody, Boston used to be the big dogs 20 to 30 years ago. We set the price. Now you boys do because our fishery is decimated as far as there are no fishermen. The best science is how legislation is passed, regulations are passed and everything else. This past summer, I heard some areas of Maine had their worst year in 50 years. Is that true? I heard that. Not this past winter, the winter before, we had a winter like we haven’t seen in 20 years and all the old timers that are retired said, you’re gonna do good this year. In my area, in my harbor, all the big boys loaded up their boats, they went 30 miles to the East because they’re going to get that fall run. I don’t do that. After Thanksgiving, I take my gear out. I could if I want. I have a small family. I stay at home. When those traps left the harbor, now… and I don’t know the trap reduction what you’re trying to do. Are you trying to make if fair for everybody? I hear people are grumbling, “He’s fishing 4. I’m only fishing this. He should fish that.” In Massachusetts, you’re allowed 800. If you want to fish 400, go right ahead; but don’t tell me I have to fish 400. I want to fish 800. I incur the cost of what it takes to fish that, the time and energy. But going back, when these fishermen left, my catch went up 300 pounds. And I’m not here to say that trap reduction is it. We can only go by the best science. I’ve been fishing for 37 years so I’m seeing the science. And I’ve always said, as a little kid, if I can hang in there, I’m going to be the only one left.

Laughter

Steve Holler, Quiet Storm, Ocean Ventures, Massachusetts Lobstermen’s Association: And the way it looked this year, there were days I fished (as gentleman, we all set East to West so we can all…we don’t cross over our gear or anything else) and, in Boston, when you hauled
up one trap, you’d have 9 guys on top of you at one time. Every single trap. That’s the way it was in the 70s. Everyone’s out of it now. I now set gear in circles, North-South, East-West. There’s nobody left. There’s less traps in the water. I am catching more. But we also had a major gauge increase that was incremented over the times, and for a lot of years it was a lean fishing. So, I just wanted to throw some stuff out there. Education. I gave shedders away for three years. Gave them away. Try this, you’re gonna love it. They’d say, “How do I eat it? “ Just peal it like a banana. When I pull into the dock, the first ten people that are buying lobsters off my boat, they know they’ve gotta be early. Give me 30 shedders. I’m talking rubbers. I’m not talking papers or anything else. Can’t catch enough. I buy them off other fishermen. So, the process… you know, a lot of people don’t like the shedders … we have to market. Shedders, I don’t know about you guys, I eat them. They’re the sweetest things in the world. It’s delicious. So that’s my two cents.

**Moderator:** Very good, Steve. Thank you very much. Sarah, you have some words. Can you get the mic, please, and identify yourself?

**Sarah Cotnoir, Department of Marine Resources:** So, I had like ten thoughts going through my head as you were saying all these things which, I chuckle and say I’m glad I have an easy fishery I have to work on. It’s not complex at all.

**Laughter**

**Sarah Cotnoir, Department of Marine Resources:** So, I think, again, a bunch of things. Trap reduction. Back in 2008 (and Ted is on the Lobster Advisory Council) the department sent out a survey asking people about trap reductions. This was back when we had Commissioner LaPointe in the department; and he would get calls, I would get calls, Carl Wilson our scientist, would get calls, you know, “When is the department going to do a trap reduction? We need less traps.” And it’s like, well those conversations work well in the parking lot for those that support a smaller trap limit but, going to a meeting, anybody in the room, you know, a fisherman would say, “Is there anybody in this room that supports less traps?” And, you know, everybody’s looking at their shoelaces, sitting on their hands, for those who actually did support it. We sent out a survey after getting a bunch of requests from fisherman to ask people what they thought about, you know, do you have too many traps in your area? You know, would you support a trap reduction? If it were to happen, what should we do? Is it just a straight number or should it be proportional. And, at the end of the day, it was brought out to industry. And I remember (I know John’s here, and Genevieve is here) we went to Deer Isle. I thought Carl was going to be, you know, taken out in the back room after bringing up this information. I mean, we had a pretty good return, I think it was about 35%. But I think the criticism was well, everybody that sent in their survey is a latent person or they’re, you know, 85 years old. They don’t fish anymore so why would they care if they had 200 traps or not? And so it kind of died on the vine. We did the survey and then, after that series of meetings had ended, they said, “why don’t you send it out again and tell them that, you know, you really mean it this time?” They guys want a trap reduction and we said, we’re not doing it. So we still get the folks that say we could make more money if we had less traps. And we also know that, as you had mentioned, that this was something that was coming from industry that said, “Please do this, department. Please do this.” And we sent it out and it didn’t go anywhere; but it was actually an industry-driven kind of survey and it’s an industry-driven discussion. But it’s kind of one on one in the parking lot, but you get into the meeting and it just dies. So, you know, I don’t know what expression you use but we don’t sit up in Hallowell and say, “Geez, we should put fishermen on quotas or we should put out a trap reduction.” – because it has to come from industry and then it has to go before the Legislature. I saw Chris Rector here. I mean, you’ve heard these discussions over the years at
the Legislature and it’s just… It has to come from industry at this point, because the fishery and the landings are off the charts. When I had talked earlier about the supply, one of the things that had come out of the 2013 meetings was (you know, if we did days out) was rolling closures. Let’s do like a Downeast, mid-coast, Southern Maine kind of rolling closures. If you put that in regulation, how does that work if the timing of the molt is off this year and now you’re kind of stuck. In June you can’t do this. I mean what’s going on in Beals, Maine, that may be very different in 2013 than it is in 2015 but you’re kind of locked in. Another thing that we had heard on the days out was we need more processors in Maine. If we just had more processing, the supply issue would go away. We could get all of our product processed and, you know, we could all just go to haul and not worry about all of this. But I think that, what this gentleman that just spoke about with marketing, I think that we can process every lobster that Maine fishermen catch but, if we don’t have a place to send them, they’re going to sit. We could have 50 processors here… they’re going to sit in a warehouse. So we do need some marketing. I think it really underscores the fact that, you know – with bait costs and with paying your sternmen and paying all of the expenses that you have – it really underscores that we really need to put more effort into marketing. And, as John Williams said, if it doesn’t work, it goes away in five years. We spoke to Leroy Bridges and Frank Gotwals who went to a Stonington meeting and said, you know, “What do we need to do about this discussion?” And clearly we’ll hear pretty early on if things aren’t starting to shift a little bit with our marketing efforts that by year five it will very, very quickly die. So, Mark, I know that boat price is something that everybody kind of looks at; but you know, when we talked at the Stonington meeting a couple weeks ago I said I don’t think it’s just about boat price. If you’re getting paid $15 a pound for your lobster right now but your fuel and, of course this is a hypothetical, your fuel is $8 a gallon and your bait is off the charts, and your take home is still poor, that boat price alone is not the only thing. There’s just a lot of variability in the fishery. I think that, you know, I think marketing, processing, I have all my points here I wanted to cover… Cathy Billings had said something about soft shell/hard shell. One of the things we talked about on the supply last year so, well why don’t we only harvest them when they’re, you know, soft shell or only when they’re hard shell or whatever it might be – but image the enforcement nightmare. Rocky, we can put your thumb through the carapace of this lobster, you know, it’s definitely a soft shell. When you get boarded and they say, actually two days ago that would have been a soft shell but now it’s not and so … you know how that would work out. Thank you.


Gilles Theriault, Maritime Lobster Panel: Gilles Theriault. Just a few comments about how difficult it is to get fishermen to agree on something, because I think that’s an important point. We just sort of say that and throw our hands up in the air and don’t do anything about it. I refuse to believe that we can’t do something about that. That’s the challenge, right? And if we did find a way to get fishermen to agree, we’d see a lot more progress. Taking into account everybody’s situation, that doesn’t mean that because situations are different here and there that we cannot come up with some kind of common plan, common strategy, right? And we looked as a lobster panel at your marketing approach. We were impressed with that. We said, now that’s really good. We view it almost as a pilot project – and, by the way, we recommended the same thing for the Maritimes. We said, let’s try this for five years. The levy is not going to change. It’s going to be 2 cents a pound: 1 cent a pound for the on-shore sector, 1 cent a pound for the harvesters. Five years. At the end of five years, it stops unless then industry asks to renew it. So maybe we need to think about approaches like that in dealing with other issues. Pilot projects, right? Let’s try this for one year, right? And I think then we’ll some more results. Right now, we all have our minds made up. You know, we’re definite about everything, right? But could we be wrong, maybe, in some instances? I think so. Thank you.
Moderator: Thank you. And maybe it’s not wrong. Maybe there’s another word instead of wrong. Maybe we need to look differently and understand differently something that’s going on. Laurence. Excuse me. Was there someone else there I missed? Okay.

Laurence Cook, fisherman, Grand Manan Island: Laurence Cook. I’m a greedy fisherman from Grand Manan, New Brunswick. I want to talk about the economy and the lobster industry. Does it mean we have poor economic returns if we can’t buy every single thing we want all the time, and we can’t pay for a $2 million outfit where we should have bought a half million dollar one? Does it mean that the economy is down or does that mean we over-reached? Because this is the only group I’ve ever worked with where you can go to a meeting with 25 fishermen and have $1 million worth of extended cab Chevys in the dooryard and everybody crying hard times. Okay? So I think we have to be careful when we’re talking about this to set realistic goals and not unrealistic goals. I will say, in correlation though, I went to a buyer’s meeting one time because my family used to be in that industry too; and a guy was there and he was crying so hard I had a tear in my eye. I felt bad as a fisherman for taking $2.95 a pound for my lobsters until I got to the airport where Klaus was flying me home on a charter flight next to his brand new plane.

Laughter

Laurence Cook, fisherman, Grand Manan Island: Now, if his company can’t make it pay, maybe he shouldn’t have bought a multimillion dollar plane. In this industry, there is a lot of waste and there’s a lot of slack, okay? But there are a lot of people that are making a very good living both in the processing/live shipper end. And fishermen…with the qualifications I have education-wise, I could be a bum or a lobster fisherman and I like being a lobster fisherman. Okay? So I think it’s important that the message that we sent out is real. Should there be a better price to the boat? I’d love to see it. I started this conversation with “I’m greedy.” Do the buyers want to make more money? Yes, sure they do. But there are people getting into this industry every day. Yup, a few get out but there are people getting into it every day and it’s not because they aspire to starve to death. Okay? So let’s send the message out. Do we want to maximize profits for everybody? Absolutely. Should we be marketing the best product we can? Absolutely. Are we all starving to death? I can’t make that argument. Obviously.

Laughter

Laurence Cook, fisherman, Grand Manan Island: So let’s be realistic in what we’re asking for. Now this gentleman by my elbow never says anything. He comes to these things every year but he could tell you that the profitability people expect to take home now is more than he stocked just a few years ago, even when I started. A 10,000 pound fall was a good average and if you were at 15, it was a lot and, now if you don’t catch 10,000 pounds a week, everybody makes fun of you. Okay? So the catch has changed and so has the amount of money that everybody made. Our problem is that our expectations are that we’re going to make a ridiculous amount of money every year and that’s everybody in the industry. I’m not picking on buyers or processors or fishermen. That’s everybody in the industry wants an awful lot out of it. I think we need to have realistic goals. And we need, if we’re going to talk about the economy in the lobster fishery, is it really not a profitable industry or do we, as members, overspend what it brings in? Thank you.

Moderator: Thank you, Laurence. Now, we’re going to get the word from a scientist from Maine. Introduce yourself, please.
Rick Wahle, University of Maine:  Rick Wahle, University of Maine.  I’ll be the first to admit I’m not a businessman and I’m not an economist but I have been interested in and have been following this question of price. I sort of come from looking at the supply side from the biological perspective but I’m interested in how you guys are doing too. And I have to agree with this gentleman here with respect to how the price has changed, and I think the watershed year or the nightmare year was 2008. Up until that point, the price of lobsters in real dollars had been holding pretty solid since the mid 1960s and in 2008 it plummeted dramatically, and 2012 only added insult to injury with the temporary glut we had on board. But in a world of increasing fuel prices, bait prices, and then a global financial crisis, a lot of this price change is really out of our control. And so I can fully agree with the effort to market lobsters. I think that’s a meritorious task to try to build global markets. But this is where the supply side comes in and it’s the part that I worry about a little bit is that, you know, we’re sort of keeping our finger on the pulse of the little babies entering the population every year. And we’re doing this on a region-wide basis from Rhode Island into the Gulf of St. Lawrence. And, the Gulf of Maine has seen three years in a row of wide-spread downturn. Whether that’s going to translate to the fishery in a few years is unclear but I think most you guys are realistic enough to realize these good times aren’t gonna last forever. Southern New England’s been seeing a pretty bad down turn with mass mortality, shell disease, and so forth. On the other hand, the Gulf of St. Lawrence has been looking at some of the best settlement years on record in the past few years. So maybe the wave is moving North. But the proof will be in the pudding whether these signals we’re seeing now translate out a few years later. So I just wanted to give you my perspective from some of the information I’ve been putting together.

Moderator:  Thank you very much, Rick. I’ll just say right now that this afternoon in our next session we’re going to be dealing with global supply and demand, so we’ll pick up on some of the hints you’ve given to us and work from there. I saw a hand over here. Yes.

Dave Thomas, lobsterman, Cranberry Isles:  Dave Thomas, Cranberry Isles. We’re a little bunch of islands just off MDI. In 1975, when I bought my first license, I went to a meeting in Ellsworth and I’m sure Rocky may have been there and Vaughn Anthony was there who was then the head of the Department of Marine Resources; and he made a statement that essentially enjoy the next ten years of your lobster fishing because after that you’re all gonna be out of business. And he was basing that on the old infamous F10 formula, I guess, and he was wrong. And I took the approach a little bit like the gentleman who’s selling his own lobsters. I was going to hang on until I proved to myself that I couldn’t make a living at it. And in 2008 I almost proved it. Things got better since then but a couple of things I wanted to touch on is marketing. In 1993, I started a small direct shipping of lobsters. FEDeX, UPS, whatever, anybody that wanted them and, in 2014, I still talk to people who do not realize they can get a live lobster shipped to them or cooked meat or cooked tails or anything else. QVC notwithstanding, there are people in this country, the United States, that don’t know how available lobster is; and that’s something we have to remedy. 300 million pounds, I think, Gilles said. It isn’t much in the world economy when you compare that to the poundage of beef that people eat and everything else. I guess I wanted … Handling is another thing. We’re going to talk about handling later?

Moderator:  Yes, we’ll talk about that. Yeah.

Dave Thomas, lobsterman, Cranberry Isles:  Okay, well I’ll bit my tongue until then.

Moderator:  Okay, very good.
Dave Thomas, lobsterman, Cranberry Isles: Oh, I’m sorry, I have one question for Rick. What percentage of downturn are you seeing in recruitment? Can you… have you figured that?

Moderator: Rick, wait until you get a microphone and introduce yourself, please.

Rick Wahle, University of Maine: Yeah, Rick Wahle again, University of Maine. Over the past few years, Maine-wide it’s hard to put a percentage on it because I haven’t looked at it collectively but, in Eastern Maine, we’ve seen on the order of 70% downturn in settlement in the past three years. So yeah. And you know there’s still a lot of uncertainty as to whether that’s going to translate out into the fishery. I don’t want to give the impression that we’re going to see a 70% downturn in the fishery by any measure. So how those relationships work will stand the test of time. I will say that though in Rhode Island, we’ve used that index combined with the shell disease prevalence index as two predictors that are pretty accurate in predicting the numbers of lobsters that are about to enter the fishery as measured by the trawl survey, the State trawl survey. So we have a way of ground truthing these and we’re just in the midst of putting these predictive tools to the test here in Maine right now.

Moderator: Thank you very much, Rick.

Rick Wahle, University of Maine: I don’t want to put the fear of God into people but it’s just one indicator right now.

Unknown: I hope you’re as wrong as Vaughn Anthony was in the 70s.

Laughter

Rick Wahle, University of Maine: Yeah, I do too.

Moderator: Okay, now we’re going to wrap up this session pretty quickly. I see one hand right at the back there and that can be brief and then we’re going to…. We’ve got an afternoon and tomorrow’s session. Go ahead.

Marc Hoffman, M. K. Hoffman Associates: I’m not a harvester, I’m not a scientist, I’m not a wholesaler. I do buy lobsters. I even had a lobster dinner last night. But I also sit on the Atlantic States Marine Fisheries Commission Advisory Panel for Black Sea Bass and Scup and I have some show and tell with me if you allow me just to put this out.

Moderator: Is this lunch?

Marc Hoffman, M. K. Hoffman Associates: It was somebody’s. These I’m sure everybody will recognize. They’re juvenile lobsters. The Captain that gave me these had hundreds of them. A lot of them were taken as toys for his kids and for the kids of his crew. He has given some to politicians and to other scientists. These all came out of the mouths of sea bass, black sea bass. Long Island Sound is closed to lobstering. This gentleman fishes in Long Island Sound. 75% of the sea bass he caught last summer had a lobster in its mouth. We’re not talking in its gut, we’re talking in its mouth. Black sea bass is at 110% of the maximum sustainable biomass, scup is at 210% of maximum sustainable biomass. I sit on the advisory panel and keep saying, hey, the last couple of years this is impacting other things. Because of the wording of the law, we got cut back on our catch and recreational catch of sea bass for next year. We were allowed a coast-wide quota of 2.26 million pounds. We caught 2.4. We were 6% over. We had to give back 7%. But the average size of the fish went from 1.6 to 1.9 pounds. That’s a 20% increase. So we
actually caught 14% less fish and it also means that the fish are living longer and eating better, okay. The biomass and also the numbers don’t include the reduction in effort in the primary areas. Black sea bass and scup from North Jersey throughout New York into Long Island Sound is the primary fishing area for them, the primary harvest area for recreational. It does not take into consideration the 30% reduction in effort we had because of Superstorm Sandy because the manner in which they collected data doesn’t reflect that. Now you’re seeing because the biomass is so big, these fish are moving further and further up the coast. Maine now has black sea bass. They never had them before. Okay? What are these fish eating? Now this goes… Where are the juveniles going? They’re going to a black sea bass and to scup. We need your guys to come up. I’ve been screaming for the last several years that it’s affecting the lobster industry. Single species management doesn’t work, okay? But we have somebody that’s the head of lobster. We have somebody that’s the head of sea bass. We have somebody who’s head of scup. We have somebody that’s the head of this and each one’s looking at their species. Single species management doesn’t work and here’s the perfect case. We’re wiping out your lobsters. We’ve already wiped out the Sound. Somebody from NOAA told me that it was because of warm summers. Well we’ve had very cold winters which have always been a boon to lobstering there and the way they determine that the fish are moving out because of weather was that they set traps along there from West to East and they noticed in the West end of the Sound they caught less lobsters and, as they went further East, they did better. But also the West end was the home to more scup and sea bass. What a coincidence but nobody bothered to mention that. And so, you’re going to see more of these unless, you know, the definition of maximum sustainable biomass to me means when you get over 100%, it’s impacting something else. Scup is at 210% of maximum sustainable biomass and these numbers are 3 years old so it’s probably higher than that now.

**Moderator:** Okay, Thank you very much, because this leads exactly into where we’re going this afternoon. We’re going to be talking about sustainability and how we’re going to deal with these very things that we’ve been referring to here from Rick and from Steve so that’s a good lead in. At this point, as you heard this morning, the Consulate General of Canada is sponsoring our luncheon today and, at this time, I’d like to invite Mr. Aaron Annable from the Consulate to come up and share a few words before we break for lunch. If you’d come up please and take over the stand here. Welcome.

**Aaron Annable, Consul - Foreign Policy and Diplomacy, Consulate General of Canada:**
I’m sorry to interrupt the discussion. I cover quite a few files at the Consulate. I have to say, you know, I participate in conferences on oil, on gas, hydro, lumber, alewives/gaspereau. I don’t think I’ve ever seen the level of participant engagement that I’ve seen here this morning. I think it’s great. I’m learning a lot so, again, I’m sorry to interrupt the discussion. Lobster is Canada’s most valuable seafood export and an iconic species. In 2013, our exports were at almost 1.2 billion. Landings in Canada have remained high, 78% of which are destined for the United States. The US sends 2/3 of it’s live lobsters, the majority soft shell, to Canadian so clearly it’s an integrated industry. We are also pleased to see this past weekend on the seafood expo program that the Maine Lobster Promotion Council delivered a master class presentation jointly with the Lobster Council of Canada. This is a great thing. I wasn’t able to be there but I heard it was great. Gilles talked this morning about the Maritime Lobster Panel report released in November to New Brunswick, Nova Scotia, and Prince Edward Island with 33 recommendations on pricing, marketing, and a range of challenges affecting the industry. And it follows meetings with over 100 organizations in those provinces as well as in Newfoundland, Labrador, Quebec, and Maine. Next week, the Lobster Value Recovery Summit will be held in Halifax to examine the recommendations in this report and chart a way forward. Canada’s Department of Fisheries and Oceans will participate. We have a number of executives that will be there and, as I
understand, Mr _________ will also participate. Canada recognizes the importance of addressing these recommendations and understands how their implementation could help advance the lobster industry. With the industry’s leadership and support from the provinces, Canada will work with them to clarify the decision-making process. We will also work with harvester organizations to develop change guidelines and modern industry-driven initiatives to improve economic outcomes. And I know these recommendations are really Canada-focused but I hope that what moves forward there will be shared with our partners here in New England just as we learn as we can take some marketing lessons from people down here. And, Gilles, you had mentioned sort of the idea of marketing a North American lobster. Others have talked about Northeastern lobster. I wonder… I know the pride associated with the lobster brand in Maine equally as in Atlantic Canada but I would wonder if there’s room for this discussion, particularly in the year of the 20th anniversary of the North American Free Trade Agreement. Canada has just signed off on a Free Trade Agreement with the European Union. The US is currently negotiating one with the European Union. Both of us are involved in the Free Trade negotiations under the Transpacific partnership with Pacific Rim countries and valuable emerging markets. So, I think there is no time like the present to work together to expand our marketing efforts and target these valuable global markets. I think really it’s events like this one that are so important in bringing the industry together across the border to address the challenges that everybody is facing and the consulate is proud to support it. So I thank you all and I wish you all a great Town Meeting. Thanks.

Applause

Moderator: Cathy.

Cathy Billing, Lobster Institute: Yes, Aaron, you weren’t disrupting the conversation as much as keeping people from their lunch which is next.

Laughter

Cathy Billing, Lobster Institute: At popular request last year we extended the lunch break to an hour and a half so people could have more time for networking and chatting and so forth. So that is what we’re doing again this year. The meeting will resume here at 1:30. We are having a buffet-style lunch, which is downstairs. So if you go down the ramp that you came up to get into this room, take a right, go down the stairs, you’ll see the buffet right in front of you. There are several rooms that are open to accommodate the crowd. There was not one room large enough for lunch all in one area so find whatever room you’re most comfortable with, enjoy your lunch, and we’ll see you back at 1:30.

LUNCH BREAK

TOWN MEETING RESUMES

Jean Lavallee, Aquatic Science and Health Services: Well, welcome back, everyone. Welcome back. We’re going to try to get started as soon as possible so we’ll go back to the Town Meeting. I think it’s going to be your… If you haven’t said anything this morning because you were too shy or for whatever the reason, this is you chance right now to speak; or if you said something and you want to take it back than you can try to do that this afternoon as well. We’re going to try to wrap things up around 4:30ish so at which point we’ll ask you guys to fill out the evaluation forms so we can do the door prizes; and we’ll explain that when
we get to that. Before I pass the mic back to Ted, I think Cathy has some sort of a special request that she wants to talk about.

Cathy Billing, Lobster Institute: Yes, thanks, Jean. I think most of you here, if not all of you here, know Jim and Betty Knott from Riverdale Mills. They’ve been tremendous supporters of this Town Meeting every year that we’ve held the Town Meeting; and, unfortunately, they’re both under the weather and not able to make the trip this year (which is one of their favorites they tell us.) So, we actually have two cards that we would like to send to them telling them how much we missed them being here and their input. If you know them, please sign your name, write a little message, whatever you’d like. If you don’t, feel free to sign your name anyway and we’ll just pick these up afterward. So, we’re going to circulate these around. Thank you.

Ted Hoskins, Town Meeting Moderator: Thank you, Cathy. Okay, let’s get going with the afternoon because we have a lot happening here. Listening this morning, we went around in some small circles and some larger circles but I’m waiting for us to shoot off in a direction somewhere. And that may happen this afternoon, it may happen tomorrow – where we’re not just talking about it but we get some ideas as to how to move ahead and how to do that together. Because that’s the genius of this meeting – to figure out how we can work with each other to the advantage of all of us together. We’re going to start things off in session two dealing with sustainability and with global supply and demand. We’ve got on our panel Rick Doucet, the Executive Director of the Atlantic Lobster Sustainability Foundation; and Bob Bayer, Executive Director of the Lobster Institute; and Spiros Tourkakis of the East Coast Seafood, Maine Fair Trade Lobster, and Paturel International, again. And then we also have Charles Anastasia of Orion Seafood. We’re going to turn it over to them to give us some stuff to think about and to respond to and where do you want to start? Okay, we’ll start at the other end this time. See if it works out as well as it did last time. See if it works out as well as it did last time. Okay. Charles. And remember to introduce yourself as you go along because, again, the microphones will be on. We will be recording all of this session. That goes for when you make your responses as well. Identify yourself and then, when we put this all onto paper, we’ll be able to properly credit you with your comments. Please, Charles.

Charles Anastasia, President, Orion Seafood Group: My name is Charles Anastasia with Orion Seafood. I’m also the Director of the Atlantic Lobster Sustainability Foundation and we’re here to talk about sustainability today. We have been involved in sustainability projects over the last 12 years. Our company has donated hundreds of thousands of dollars toward sustainability projects and it’s something near and dear to our heart. And everyone in this room is here because they’re concerned about the lobster industry not only today but for the long term. I want to thank Bob Bayer and Rick Doucet for putting these two organizations together in this forum, the Lobster Institute and the Sustainability Foundation, because I too believe that we have to work together in unison to accomplish anything seriously. And certainly that holds for the Gulf of Maine. The Gulf of Maine is an ecosystem. The Gulf of Maine is an ecosystem that’s probably producing, I know, not probably but is producing over, perhaps, over 60% of all the lobsters that are being harvested. To talk about our participation in the fishery, we’re not harvesters but we’re operating one processing plant. We have four live lobster facilities and we’re buying lobsters in every Province in Atlantic Canada. We’re buying lobsters in the United States. Last year, we bought over 50 million pounds of lobsters. So, we have a feel for what’s going on with lobsters from Cape Cod to Newfoundland. I want to say that … I want to go back to the Gulf of Maine example. Our boats that land for us directly in Nova Scotia…it’s not uncommon for them to find a buoy, a cut-off buoy floating. And that buoy may be from Camden. It may be from Casco Bay. It may be from the Penobscot area. The point is that whole ecosystem is blending and melding together in one, and the larvae that could be hatched in
Nova Scotia and somewhere in Shelburne could end up off Boothbay somewhere and vice versa. So we all need, particularly as it relates to the Gulf of Maine, to work together. To talk about sustainability, to me, I have some background in fisheries biology as well, University of New Hampshire. We always learned about sustainability at two levels. What is the maximum sustainable biological level, basically how much can we pull out of this resource and still have it maintain the level for oncoming years; or, I think, the discussion that most everyone is interested about today is what’s the maximum sustainable economic level, which is how much money we can get out of this fishery and sustain that financial level year after year. And, if you’ll so indulge me, I’d like to give you a perspective from our side; those that are air-freighting lobsters, we’re selling lobsters in crates, we’re processing lobsters. Anything we can do with your lobsters, we’re doing it. But to sit in our place over the last few years in this, call it spike fishing, I’m not supposed to use the glut word. But it’s … We’re sitting in an office and we’re trying to meet the needs of customers around the world. From our projection, what we do in the winter, this time of year, is we work with our major customers around the world to try to build a model for the following year. In this case, what’s going to happen starting in April and going forward in 2014. We talk to the customers about what their demands are, their expectations, and so forth. They, in turn, come to us and ask us about the resource. And, together we try to come up with a plan that makes sense as far as their usage is concerned. All we’ve had to deal with in the past is what we caught the year before and that’s the plan that we work off. Of course, we’re going to go back to infamous 2012 where we were working off , going into 2012, off the 2011 plan – only to be caught totally by surprise and have an extra 40 or 50 million pounds of lobsters that we didn’t expect to get. So, we run our Sustainability Foundation… We have our summit meeting in the summertime. Many of you’ve been there. I think Charles even asked the question to us last year, you know, the question was posed to us, would we be better off having a quota so we know what we can harvest, and we can get, and what we can expect when customers ask us what can you supply us this year. And I said, “Well, I know what I got last year and I have a Ouija board and, in the famous words of Detective Callahan, Do you feel lucky?” You know? What are we going to get? Are we going to get more or are we going to get less? I think the biggest challenge that we have and frankly not to criticize the State of Maine for coming up with the money for a marketing plan, which is certainly important; but I think that any money that we can come up with right now would be better spent, in my mind and this is my opinion, on developing a model to do a stock assessment so at least we know how many lobsters we have in the water. And also what the recruitment level is and what’s coming at us for years to come, so that we can make a plan on what’s realistic. What’s realistic that we should take out and to go back to the, what’s maximum economic sustainable yield. You might be better off harvesting 20% to 25% less lobsters and getting 35% or 40% more money for them. Maybe it means, just throwing out all kinds of ideas, you only fish five days a week instead of fishing six days a week in the summertime –k not only here but on the Canadian side too. We want to balance, from our side, we want to balance the market with the fishing effort so that everyone in this … So that all of you that depend on the fishery for a living, can have some reasonable expectation as fishers of what you’re going to make. I spent ten years of my life as a fisher, grew up in a fishing family. I had boat bills to pay. I had the bank mortgage to pay. I had the boys on board with me to pay, the fuel bill, the insurance, and all that and I understand that very well, as well as replacing gear. I never was a lobsterman but I did every other fishery you could do in the North Atlantic. From the processing side, I know what it costs to run a plant. From our side on the sales and marketing side, I know what it costs to hold inventory. In 2012, all of you fishers were angry men and the price we have to pay. I have some of you people in this room who were calling us in 2012 begging us to take lobsters just because we just couldn’t keep up. And we took lobsters that we didn’t need, we didn’t want. I looked at the end of June 2012 at $94 million worth of inventory, so I dare challenge any one fisher in this room that says the dollar stops with you. The dollar stopped at me looking at $94 million worth of inventory saying are they going to keep coming
for the next few weeks, and when the hell are they ever going to stop. So that’s a big, God damn big challenge. I have our sales force saying, “Well how many do we have to sell and should we sell now. Should we hold?” In years past, we saw a fishery that would, more or less in the State of Maine, run for 75 days, more or less — and then all of a sudden it would fall off the cliff. You’d stop and there’d be nothing. I had … Going into ’12 and then I roll into ’13. I was in the doctor’s office on Labor Day 2012 just getting a checkup. There were three fishers in there. They didn’t know who I was. They were talking, “Geez, we had a heck of a spring. We had a heck of summer. It’s all over. You know. This is it. We had our big spurt.” And I walked out of there saying Oh my God! Thank the Lord, we can do something with this inventory, only for four days later the lobsters to come on again and not stop until Christmastime — followed by Nova Scotia coming like hell. And, for those of you that haven’t been to Area 34 for the first two weeks of December, if you want to see lobster fishing, it’s beyond the imagination how many lobsters they can catch. I mean, the low guy is catching 2500 pounds a day — and they just keep coming and keep coming. But I want to run a parallel example. Forgive me. I’m going to take up a little more time. Like many in the room, we could talk about lobster all day. When you talk about spike catching… Well, spike catching, we’re also in a snow crab fishery in Canada and, in the past, we’re buying about 20% to 25% of all the snow crab. In the past, we’ve bought even higher than that but, that snow crab fishery comes at us, it used to be spread out over six or seven months. But, right now, we’re catching 85% to 90% of the snow crab in five or six weeks. It’s coming fast, it’s coming furious, it’s, you know, for us, $2 to $3 million a day sometimes. But we’re not afraid of snow crab because it has a quota. We know where the end is. We pull up the Department of Fisheries and Oceans report in Canada every Tuesday and Friday and they tell us we caught 37%. Well, now we’re up to 44% and now we’re up to 63%. We know where the product is allocated. We know what we’re going to have. So, what we need is more science. There are some great scientists in this room. Many have dedicated your lives to lobster. You have Mike Chadwick sitting over here who is now retired and consulting but he’s dedicated his life to this work as well and he is still here on a volunteer basis really today. There are great resources to pull from. From Jean… I look around the room and see a lot of faces that would love to have some money thrown at them to figure out how we do a stock assessment. How we figure out what to heck is it that we really have and what can we pull out of this water year-by-year, and what’s realistic to have for that maximum sustainable yield. Now, we just have the Ouija board. Well, Ouija board is frickin’ scary. It’s really scary. You know, for those of us that play in big numbers. Spiros can speak his mind at the end of the table. They’re playing in tens of millions of pounds, too. And you wake up every morning and not knowing what you have to sell, it’s tough. It’s a very tough situation. To build plants in Maine, you know to build production plants in Maine as a solution. I mean, honestly as a solution. There is plenty of capacity in Canada. Whether you produce them here or you produce them in Canada, you are going to be selling to the same people. So, that’s a waste of money. Again, I’m opinionated. I’m at this … I was the first one to bring any significant amount of lobsters from Maine up to Canada so I was dealing with co-ops, the local co-ops here going back into the 80s buying shrimp through the wintertime saying, Hey, we need some help with these lobsters and, after Labor Day, what are we going to do? We brought them to Canada. The Canadians processed them. They had these big sophisticated plants, lots of people who knew what they were doing. So Canada has played a big role here. Canada is not… This is not a witch hunt. Canada is not the devil in what’s going on in Maine. What really needs to be done is just a core assessment of what we have for a resource and how we’re going to manage it. And there’s not anyone in this room that can give us that answer so it’s guess work. We’re managing this fishery the same way it was managed in 1898. The same way. We go through the old literature. We had a meeting at the New England Aquarium a few years ago and it was astounding to see what they were doing in 1898 that we’re doing now… and it’s basically the same thing. They were saying, well we know these lobsters have to get to a certain size to
reproduce. We’ll let them have some eggs and then we’ll take them all. That’s it. That’s what we’re doing. We can get a little bit better and to do all our jobs, we can talk about all kinds of things. Trap limits. We can talk about fishing so many days a week – but we have to come down to some real core understanding of what it is that we have to deal with. And, from your side, what you need to catch so that we can have a balanced production. You want to be in balance with the marketplace. We want to be in balance with the marketplace. We don’t want to overdrive the marketplace on prices so that the market resists and backs up, which is the worst thing for everyone. If they have too much product – too expensive, then people say no. And then we’re stuck with inventory and we’re stuck telling the fishers they can’t go fishing. We don’t want to be underpriced because you’ve all got bills to pay. So, there is just the real core issue that needs to be dealt with in my mind and it’s that we have to spend some more money for science – and that marketing money that is allocated now would be better allocated in that direction. Gilles Theriault before said there’s nothing wrong with 325 million pounds of lobsters. We can sell 325 million pounds of lobsters. We can sell them. Spiros can sell them and the other people in this room that are in marketing, if we know we have 325 million pounds coming at us. What if we go out next year and we sell 325 million pounds of lobsters and there’s only 250, and then what we have is a shortage. We have the prices spike like crazy and then we have this imbalance; because people say, “well, I can’t afford them anymore” and then they get out. Too many people get out and then the thing dies and then you don’t have anybody to sell them to. So, how can we create a balance? How can we create a better understanding of the fishery that we have so that we can manage it to create a stable platform for all of us. And, for me, the answer is to spend more money on science. That’s my two cents for today.

**Moderator:** Thank you very much. Thank you very much. We’re going to move right along and, do you want to go in this order? Rick, do you want to come next? Okay, Rick Doucet, introduce yourself and go for it.

**Rick Doucet, Atlantic Lobster Sustainability Foundation:** All right, Rick Doucet, Executive Director of the Atlantic Lobster Sustainability Foundation but I wear another hat. I’m also in MLA and kind of got confused this morning. (Is that the Maine Lobstermen’s Association or the Massachusetts Lobstermen’s Association). I’m a member of the legislative assembly in New Brunswick and just like Charles across here from Prince Edward Island and Ronny MacKinley, I think Ron was at the back of the room. And my experience in the lobster industry probably goes back, you know, a number of years, but I spent a tenure as Minister of Fisheries in the Province of New Brunswick for four years in government. You know, this goes back and started about seven or eight years ago when we got involved. At that time, we saw the situation with the crater in the lobster pricing so that was a time where we had to start working together. Because it’s not just our problem in New Brunswick. It’s not just the problem in the States. It’s not the problem of Prince Edward Island or Nova Scotia. It’s something that we all had to work on. So, I look around the room this morning and I hear some of the conversations and what I really liked …and it was getting really nicely spirited because people are breaking down those silos and I think that’s really important because, you know, you look around the room and there’s people that are here from both Canada and the States, you know, from different jurisdictions in Canada and different jurisdictions in the States and we’re all seeing the same thing. We have the market realities. What’s taking place? For many years, one of the things that I’d advocated is the status quo is no longer an option. The wharf is not your marketplace. The world is, and that’s what we really have to work toward. So, you know, I look at this conversation we’re having today and it’s so familiar. I mean, we talk about diversification of product, diversification of markets. You talk about quality issues. You talk about price. You talk about, you know, fishing for quality instead of quantity and it goes on. And, of course, you know, they’re looking in Atlantic Canada at working together on this 1 cent a pound levy from the fisherman and 1 cent a pound from the
processors and building it toward the market and market diversification. But there seems to be a common thread. No matter how you talk, there’s a common thread and I could see it developing in the room as we were going on because we started switching toward sustainability. And I think that Rick Wahle hit the nail on the head. I really appreciate you standing up this morning and kind of pointing it out and, not to say the sky is falling but, you know, we have to know what is taking place in the water. We’re all on the surface and, like Charles mentioned, 350 million pounds of lobster is tangible. It’s in our hands. We know what it is right now. But what’s in the water? We really don’t know. We don’t have the answers for that. And Rick had mentioned to a degree about the juveniles and the recruitment. Where’s that at? And they’re talking about the Gulf of Maine as to what the situation is in the Gulf of Maine – and, consequently, that flows into the Bay of Fundy also. So, if the recruitment is down, what’s going to happen later on? When will this catch up? We really don’t know, and so what is the canary in the cave? What is taking place? And I think we’ve got to get some good information there. We’ve talked about the situation of our prices cratering and the supply has spiked; but what will happen, we don’t know when, but what could happen if all of a sudden our stocks crater. What do we do at that point in time? I think it’s good to come together and we can talk about market and market diversification and what we can do to get a better price for the fishermen – but, at the same time, I think we really need to start focusing some attention on sustainability. The group, I think, that Gilles Theriault, with the group that’s put together their findings – and I think it’s 1 cent, 2 cent a pound that they’re working on – but I think, to a degree, they’ve missed a mark here. It’s great to talk about market, but they really haven’t talked a great deal about sustainability and where we are for the future. As we go forward, I think that fisheries management needs to be grounded in good, solid science. And, as we develop more funding and more monies for market and market diversification, we have to spend some time on the science side of it. And it’s been a great working relationship that Bob and myself along with both organizations, the Lobster Institute and the Lobster Sustainability Foundation. It’s a common theme for us as to where we can work together on the science side, and I think that we have to start thinking about that. Thinking the long-term. I was in market development with the lobster industry and the overall fisheries in the Province along with working with Atlantic Canada so we wanted to work on building many markets. I spent a great deal of time in the Asian market and European market trying to build these markets. But, you know, what happens if those markets are gone? What happens if we don’t have a product to sell them… and that can happen. You’re kind of treading on light ground here because I don’t want to say the sky’s falling. It’s not. I think we’re still in very good shape but I think that we’ve got to have some of those discussions about sustainability at some point in time. I know I have my time running out. I just, one of the things is if we have a good base of science that’s out in the marketplace to defend our interest, to defend the industry, I think we’re going to be better off. Eugene O’Leary at the back of the room, he and I were talking before this got under way and we were talking about ground fish. You know, what happened to the ground fish? The ground fish are gone. And my comment to Eugene was, I said, “I don’t think they really knew it was going to happen,” and he said, “oh yes they did.” And I said “Really?” He said the fishermen knew all along, the fishermen were telling them but nobody would listen. So, on that, I’m just really pleased to be here today and I think that as we get a little bit of a groundswell going to have some discussions about science and about sustainability, then we’re in the game. We’re in the league. And I think that’s really important to keep that in the forefront. Thank you very much and I’ll pass it over to Uncle Bob. And I didn’t get a bow tie this year.

**Moderator:** And thank you, Rick.

**Dr. Bob Bayer, Lobster Institute:** I brought you one. I did.
Moderator: Before Bob gets started, I want to thank you, because to listen to both of you together and then put that in with where we were at the end of our first session... and it’s pushing us and it’s pleading with us, you know, find some way to move in a positive direction and deal with these issues that are so clearly laid out before us. Bob? Oh, excuse me.

Rick Doucet, Atlantic Lobster Sustainability Foundation: I just want to add that it’s not going to go away. It’s not going to get shoved underneath the carpet. I think we really have to bring it out in the forefront. I mean we can talk about the market all we want, but if we don’t know what’s in the water for the future, we’re in trouble.


Dr. Bob Bayer, Lobster Institute: Bob Bayer. I’m Executive Director of the Lobster Institute with the University of Maine although our roots go really from Newfoundland to Long Island Sound in New York and Connecticut. Also, professor of animal veterinary sciences but that’s another story for another day. I want to talk about sustainability – looking at it in a couple of different ways, and there are really two concerns here. One is sustainability of the lobster fishery and the lobster. And there’s also the sustainability of lobster fishing families. And I think we’re covering both in the discussions that we’re involved in today. Things that we’re currently thinking about that I’ll bring up for the sake of the discussion is lobster health. The actual health of the animal. There are a variety of illnesses that lobsters deal with. Right now we’re watching shell disease very carefully and we have been looking at shell disease for the past 20 years at various situations and iterations – and we’re also thinking about what are the outcomes of shell disease in terms of reproduction of the stock and what should be our concerns there.

Environmental interactions in lobster health. This is something that, if we can identify specific environmental inputs that are deleterious to our lobster stocks, we could probably do something about that. We have a lobster health coalition all built and ready to go and we have activated it to the point where we have baseline health data that goes back a few years. It’s one of these things where we ran out of money so we don’t do it anymore – but it’s something we certainly should get back to, and if we have the opportunity we will. Hatcheries. Rick, I’m so glad you’re here. Rick Wahle. Because the data that he’s collected over the last few years showing reduced settlement really speaks to the need for lobster hatcheries; because if there is a failure this is the way to step in and truly enhance the stock. And what we feel we need to be looking at in terms of hatcheries is, we know we could do hatcheries. That’s fine, but they’re too expensive. We have to figure out an inexpensive way to hatch lobsters for release in large numbers in the event that Rick is correct and his data is predictive – and this is certainly a concern. I hope Rick, when we get back to the discussion, you’ll speak to this and what your thoughts are on hatcheries and how we can improve the situation. Another area that we worry about particularly in Maine, not so much in Canada, is the post-harvest mortality. Huge waste that we’re seeing from post-harvest mortality and most of you are aware of this. Many of our new-shell lobsters, you land them and, if you keep them in any sort to tanks or a floating situation, whatever it is, you’re going to see a mortality and a loss of 10% to 20% in about 10 days. We can identify what’s happened. The rest of those lobsters are fine. What’s causing this still isn’t clear, but it’s something that we ought to be looking at; because that’s a lot of money that we’re losing. If those lobsters are marketed quickly as most of them are and many of them are processed, it’s not as important but, if you try to keep them, it’s a big deal. The other thing we worry about in terms of sustainability, you can’t fish if you don’t have bait and bait often runs in short supply. This is something we’ve looked at for a long time and I’m sorry Dana Rice isn’t here because he really has his hand on the pulse of the bait situation at the moment. That’s all I’ve got to say and I’m going to pass this on to Spiros.
Moderator: Thank you very much, Bob. And we will, indeed, pass it on to Spiros and pick it up from there. Introduce yourself.

Spiros Tourkakis, Vice President, East Coast Seafood/Paturel International: I don’t think I need this. Before I start, I’m going to pass around some copies that I had made for the seafood show because I’m sure there are going to be questions and you can pass it around to everybody. Unfortunately, there are not that many so you need to really circulate, but you get an idea. My name is Spiros (I won’t say my last name as it’s a tough Greek name) and I represent Paturel from New Brunswick, Nova Scotia, East Coast Seafood and Seatrade from Massachusetts, and Maine Fair Trade in Maine which we have together with our partners, Pete Daley and David Garbo. Unlike most of you here, I am an implant into the lobster business; although I’ve been into it most of my lifetime. I got into it by accident when my current partner, Michael Tourkistas had asked me to help him in a fish market back on February 18, 1981. And me and Michael are together for 52 years. We met September 20, 1962, and we’re together for 52 years and I wanted to help him a little bit. I came to America in order to study and I wanted to go back to Greece. And I remember like yesterday, October of 1982, Al Cook (passed now away) I had a meeting at his house and I said to him, I said, I’m only going to be here for two or three years. Once I finish my school, I’m going back to Greece. And I remember clearly he said to me at that time, “My son, I tell you this, once you make your pants wet, you are never going to leave this lobster business.” And he was right. Although I am an implant to the industry, I do consider myself a lobsterman. I’m not a fisherman but I’m a lobsterman because I do nothing but work with lobsters 365 days a year 24 hours a day except sleep – and I only have been on a lobster boat twice in my life. Once was in August of 1982 and the other one was ten years ago – but I still consider myself a lobsterman. I mean, I think first of all, I want to thank everybody involved for making this event year after year happen. I think it’s a great thing. I thank both Rick Doucet and Bob and their association with sustainability and the University of Maine; and I think we should all be more thankful to Darden and Mike Powers I think this year, because they have been the most consistent supporters of this event. I have a lot of things to say but I think Bob, Charlie, Rick, Sarah, Dan, Jimmy, and Gilles covered pretty much all. Especially I want to say here that I agree with the points that Charlie and Gilles, particularly, said because they are very valuable and they are coming from people who have good all-around knowledge of the industry. Because what you are lacking here is to see the big picture. I like Charlie’s suggestion to give emphasis more into stock assessment. I think it’s a great idea. I’m a big fan of promoting the product, not promoting Maine lobster or Canadian lobster. I forgot to say that I’m the only non-Canadian allowed on the Lobster Council of Canada. I have fought because they want to promote Canadian lobster. We want to promote Maine lobster. We want to promote our product. Lobster is one thing. It’s one industry. It makes me sick when I go to Europe, and which I spend quite a big part of my time there, and I go and see rock lobster in the fish markets. I only will check prices. Rock lobster 29.98 euros. Spiny lobster 24.99 euros. And our lobster, 16.99 or 19.99 euros a kilo. Now, of course we know that our lobster is the most plentiful. We know that our lobster constitutes, particularly in the last few years, over 68% of the world’s landed lobster. So, for something that you have more, naturally, you need to be able to move it. And, in order to move it into the masses, you have to have more attractive pricing. But I still think that we, as an industry, we are leaving some money on the table. It’s a variety of issues that we are facing. Like I said, most of the issues have been touched upon, but the main thing we always have to think is how we sustain a fair balance between the fisherman all the way to the consumer. And, at some point, we have to elevate ourselves and we have to be able to see the picture from 10,000 feet. Not what’s happening in our lobster tank. Not what’s happening in our backyard, but where do we fit globally. Where is this lobster we catch today going to be able to go onto a plate? Because, I’ll tell you this, Charlie mentioned 325 million: Even if you
guys catch a billion lobsters, they are still going to be sold. All the lobsters can be sold. The market is there. It’s a matter of price. I think that all of us have the majority of the issues in common. We all care about the same thing. We want the lobsters to be there. We want sustainable means. We want them to be healthy like Bob said. We want them to be available to all the customers. We want them to be there for the next generation and the generation after. So everything we have here is in common. There is only one, only one thing that separates us. That’s the price. Nothing else. Before everything else, I do believe that we all agree. I know the price is the biggest issue because it affects everybody’s pocket. But, if we could find somehow, somehow… And I’m not saying that this is easy… To find somehow, a program, a solution, something to resolve or to reduce a little bit the fight over price, I think the rest we can handle. I hear fishermen fighting fishermen. Dealers fighting dealers. Dealers fighting fishermen and vice versa. I think that a lot of this can be resolved if we were more as a united industry, which we are not. And I’m sorry to say that I’m not sure if I will see that in my lifetime. But I do believe that if we all sit back a little bit and look at the other side, I feel we will educate ourselves much more and we’d be able to achieve more things together – because Ted, actually Bill Adler said that we are in it together. And Gilles very correctly said that we are not together. And, I hate so say that, but Gilles is right. We are not together because of that one factor, the price. Everything else can bring us together and, if we balance things out, we can make that happen. But, you know, we are not there yet. I mean, obviously everybody has seen what happened in the last two or three years. I’m sure everybody questions where we’re going. Everybody says, “what’s the price going to be this year? What’s going to happen this year?” The well-thinking people are thinking of sustainability and they say, okay, we don’t want to see what’s going to happen next month or what the boat price is going to be tomorrow – we want to see where we’re going to be a generation from today. And that’s really the way that we all need to look at it. Please stop me when you think I’ve gone too far.

Laughter

Spiros Tourkakis, Vice President, East Coast Seafood/Paturel International: I see three major areas here because, to be honest with you, I just jotted some notes down while driving…

Laughter

Spiros Tourkakis, Vice President, East Coast Seafood/Paturel International: Believe me, it’s true. And I just want to touch a little bit on that because I’m sure people are going to have for the panel a lot of questions. What happened in the last… First of all, I want to say this. I want to go back to talking about the operation. I asked a guy in Nova Scotia one time his evaluation of the industry and, excuse my language, he said to me, “Spiros, we are a bunch of whores that cut each other’s throats.” And I hate to say that, but this is true. Sometimes at these fishermen’s meetings and when I want to explain to them how this industry works, here is how it works. Bob is a fisherman and he sells to Ricky for $3 a pound. Ricky takes the lobsters and he sells them to California for $3.50. Here comes Spiros and he goes to Bob and he says, don’t sell to that crook there for $3. He’s cheating you! I’ll give you $3.10. And Bob sells to me at $3.10. Then I call Ricky’s customer in California and I say, don’t buy from this guy. He’s raping you. I’ll sell you the lobsters for $3.25. I hate so say that but, at some point in time, we all do that. And the guy who paid Bob, me, gave Bob a dime more and I look good in his eyes, right? This guy’s going to raise the boat price. But guess what? I sold them to California for $3.25 and, before you know it, the boat price is going to $2.85. Unfortunately, that’s how it works at times in our industry. It works that way particularly when there are a lot of lobsters at the same time. My good friend, John Sackton, had a presentation in NFI a few weeks ago and I have a lot of respect for him. He is a tremendous thinker, a very well-prepared guy. Not that I agree with all
of it but one of the themes on his presentation was last year was the end of the cheap lobster. Because if you want to compare the previous year to last year, I think last year it was a kind of a year in which, for the most part, to a certain extent, it worked for most of the people. It was one of the rare years that fishermen were a little bit happier. In Maine, the price was up about 5.2%. Canada, the price was substantially higher. The dealers had a better year than the year before and, I think, the global consumer took the problem. Things moved last year. Overall, as an industry, it was a little bit of a better year. The previous years, they haven’t been that good. 71% of dealers and buyers in Nova Scotia have lost money or broke even in the previous years starting in 2012 and beyond. 50% of the fishermen are on the verge of bankruptcy because, on a $3 price, they couldn’t afford to pay the bills. Last year, it was a little bit more of a correction and that prompted a lot of people to say, what’s the future going to be like? Where are we headed? Then, last year, there were several things that came into play and, please correct me in some things – particularly you, Charlie, because you know the market a little bit better than me. I’m mostly the shore guy. We had several things that worked in our favor. Number one: shrimp was down and prices were higher. Rock lobster quarters, they were down. Spiny lobster, the catch was in stalemate if not down. We had tariff reductions in certain countries that favor moving lobster and we had also a very, very favorable exchange, particularly on the Canadian side. As important, I’m not afraid to say the word glut. Last year, it was different than the previous years. How was it different? What really affects how things will happen including the price to the fisherman? A lot of fishermen think that, you know, it’s the dealers that set the price. A lot of dealers think it’s the fisherman and the ________ in Nova Scotia affects the price. None of it really is true. If there was actually one sector that could affect the price the most – I know you’d be surprised with me saying that – but it’s the fishermen more than anything else. And how that works is this: When the price is conceived or is ready to be paid, an expectation is there. Meaning, I expect the boats to come in and catch 1000 pounds. That’s a 1000 pounds translated to, in theory, 275 million. If you go out as a fisherman and instead of 1000 pounds you come in with 1500, it should not take you long to figure out the price is going to be going down. If you expected to land 1000 pounds but you come in with 800 pounds, you should expect the price to go up. So you guys, you are the first point where you can judge what might happen. Of course, there are other things that factor in at the same time. Until 2012, this had been a resource-driven industry. What lobsters are coming, how they are coming, when they are coming, determines a lot of the price. Last year, if you look at the chart that I passed around….By the way, this chart is the first global landing of Homarus americanus chart that you’ll see. It’s unofficial. It’s not official. But, when you’re going to get the official results, you’re going to be pretty damned close to that. Canadian does not have the official results yet and me and my assistants, we had to dig into the Provincial offices to get the information in order to come up with these figures. But for the official figures, they’re going to come out, it’s going to be pretty damned close. If you look at this chart, it shows the catch as a couple of million pounds less. That’s not real because it’s different what is shown and it’s different what’s caught in the trap. This year, in the area 38, 33, and 34, we had equal if not bigger catches than last year – except they are not going to be formally recognized as such because at least 3 to 4 million were held by fishermen, and this inventory showed up on 2014. My personal opinion is that the catch last year was at least as good and maybe a touch more globally than the year before. It was definitely similar to 2012. What’s the difference? We did not have the glut, and these gluts play a big role when it comes down to price. Traditionally, there are three big glut periods. One is the opening of the seasons in 33, 34, and 38. One is the spring Maritime seasons, and one is the Maine opening of the season, the Maine glut. We did not have that last year. Once you have all these gluts coming all at once (and the industry is not prepared for the 42% increase since 2007 as you can see from the chart) then the only way to move the product is to use price points to get them gone. And that’s why during these gluts you see the price go down. Last year, this did not happen. The lobsters came, although there were big fluctuations,
we had $12 price in March, you had a very low price in June, then you smoothed out and you had more stability and the market was taking the product easier. That, besides the landings helped the exchange rate, the Asian market was stronger, and the main competitors of lobsters were less in quantity, spiny, rock, and shrimp. All these things helped us. Have I gone too far? You understand me?

**Moderator:** I do understand you and I’m thankful for what you’ve added and I think probably we can move right along from that good introduction and get into our discussion. And you may address the whole panel or a single member of the panel. Remember to give us your name and where you’re from as you speak and we’ll take it from there. I think Cathy’s coming…

**Dan McKiernan, Deputy Director at Massachusetts Division of Marine Fisheries:** Hi, Dan McKiernan from Massachusetts Division of Marine Fisheries. I want to just take a little bit of issue with Rick’s suggestion that we need a whole lot better science in the lobster fishery. It was 29 years ago when I started as a young lobster biologist and really all we had was sea sampling. And I remember it was in 1987 there was a volcano, Mt. Pinotubo, and I got a call from a reporter that said lobster catches are down. Is it because of the volcano? Honestly we didn’t know if it was the volcano or the end of the world as we knew it in terms of a lost year class. We had no clue. But now almost 30 years later, we have incredible data sets. When Carl Wilson spoke at the Maine Fishermen’s Forum, he showed this incredible trend in not only early settlement data (which Rick Wahle’s work has been ongoing for about 10 years or more now) but now we have ventless trap survey’s going on in uniform fashion throughout the States. Massachusetts just got money to restore that program. We lost it last year. I think we need to maintain the science and the programs that we have. I think that’s a much bigger priority. And I’m not sure if the lobster stock assessment people were here that they would feel that they need a whole ton of better assessments. I think it’s important to hold onto it. In Massachusetts, we just got ventless trap funding for this upcoming year and we are asking the legislature for a dedicated fee on all lobster permits to maintain ventless trap funding going into the future – so all the permit holders would pay a small surcharge. So, we have come so far in terms of understanding that. And when I heard Carl’s presentation, I was so impressed with how well he and his team in Maine and Bob Glenn down in Massachusetts really do have their finger on the pulse of the upcoming production. About 12 years ago before we had the ventless trap work, we saw low catches in so-called area 514 in the Southern Gulf of Maine, and the talk was we needed more regulation there. But, thanks to those surveys, we saw an increased recruitment not only in the settlement index, the very young lobsters; but then the ventless trap survey showed the same thing and then it was translated into landings. This is unprecedented that we have this much understanding of future catches.

**Moderator:** Thank you very much, Dan. Other responses? Yes… Right back there and then Rick after that.

**Ron MacKinley, Minister of Fisheries, Aquaculture, and Rural Development from Prince Edward Island:** In ’85 and I have to go every three to four years to get re-elected to my position and I know in _________ I had Rustico, a big large fishing area in my riding and Nine Mile Creek which is the opposite side of the island where I represented it for ten years. People tell me that the area that I live in did so well that I sort of lost all those areas now and I don’t have that many fishermen in my riding, maybe 10 or 15, because of the geometry of the island. But in ’85, Nine Mile Creek and all that area, they were catching lobsters and they were falling over the boats. I’m going to exaggerate a little bit coming in. In my lifetime of being a politician, that shifted back in the ‘90s to the North Side. Rustico became very heavy catches. I’m talking 1000 pounds, 1200 pounds. And Nile Mile Creek went pretty much from 1000 to
1200 to 1400 pounds, maybe sometimes they’re up to 2000 – go back to 400 and 500 or 300 pounds. And nobody’s every told me the answer yet of why that happened. But from one side of the island on the Southside which is the Northumberland Strait area to the North side and that’s over my lifetime. Now, the catch has started coming back the last two or three years somewhat in the Creek area and all that South side; but yet we don’t know why and I haven’t found any scientist or anybody ever tell me that yet.

**Moderator:** Okay, maybe you’ll get an answer but first we’re going to hear from Rick Wahle. Rick, don’t forget to introduce yourself.

**Rick Wahle, University of Maine:** Rick Wahle, University of Maine School of Marine Sciences. Yeah, I just wanted to build on what Dan had to say. I think there is a lot of good science out there now in terms of especially the time series that are building – and being able to link these time series to each other and to other environmental indices. I think there’s been really in the past 10 or 15 years, a revolution in the availability of those data. The devil is in keeping these time series supported. You know, it’s sort of like going to the doctor every year for a checkup, you know, a physical. It’s important to do. It gives you a sense of what your health is like. In the same way, we need to do that kind of stuff for our key fisheries. And it’s incredibly important and incredibly hard to keep these programs supported. I know the State of Maine struggles every year to keep its trawl survey going. Settlement index is the same thing. We’re nickel and diming everything just to keep things going, keep the data hub moving so we can use it in the kind of predictive mode we’ve wanted to. But, you know, the other point I wanted to make too is that I think we might consider ourselves being a little more in the driver’s seat than we actually are in terms of being able to control the destiny of our fisheries. I think Mother Nature has a much bigger hand in this and we can’t do much about it. What we can do something about is be sure that the brood stock is protected. I mean, that’s a basic. I think that’s something that most harvesters and certainly the management teams are on board with. They all are about the precautionary approach to fisheries that really lays at the foundation of fisheries management. But, I might argue for an adaptive approach too in that we can’t always rely on, you know, using our estimates of maximum sustainable yield and equilibrium equations as our way of assessing what to harvest every year. But maintaining these kinds of time series that keep a finger on the pulse of the health of the fishery might give us the early warning system that we can use to see how much we need to adapt. Are we over-capitalized now in terms of our fishing capacity? If so, then maybe if we have an early warning system to see which direction the landings might go, we’ll have a few years to prepare for a downturn or for an upturn for that matter. But developing the science in the direction of maintaining time series and developing these predictive tools with all the great information that’s out there is, I think, an important direction to take here.

**Moderator:** Thank you very much, Rick. I think that speaks well to Rick’s earlier concern about assessments and that needs to be worked through, those two perspectives. Now, there’s another speaker right here and then down to Laurence.

**Chuck Hillier, lobsterman, Eastern Casco Bay:** Chuck Hillier. I very casually fish in Eastern Casco Bay so I’m one of those hated part-timers, I guess. But my field is economics and it seems to me listening this morning and this afternoon to what’s going on, what’s missing is there’s no lobster futures market. I can go online right now and buy Aroostook potatoes, September Aroostook potatoes. Why can’t I go online and buy September lobsters? It benefits the farmers very much and potato chip manufacturers very much and it would clear up a lot of the anxiety that I see in the room here.
Moderator: Thank you. That’s an interesting perspective on where we might be. Laurence, I think, is next and then, I’m sorry… We’ll get back to you.

Laurence Cook, fisherman, Grand Manan Island: I don’t want anyone here to think I’m not worried about sustainability because I am. I’m a fisherman. If there are no lobsters, I’m done really quickly. I don’t have investments in other things. This is what I do. It’s who I am and I am concerned about it. However, back in the 90s when the FRCC came knocking and they wanted to know what we should change in the lobster fishery because we haven’t made any rule changes in years, I went to my grandfather who fished his entire life. Longer than most people in this room have been alive. He had no support basis. He hauled out of school in grade 8 and put out aft in a lobster boat and he retired out of a lobster boat. I went to him and I said, they’re going to make some changes. They want us to make recommendations. What do I say? And he said, it’s gotten better all of my life. It’s gotten better all of your life. Why would you change it? It’s all well and good to study it, to look to the future, to see signs of a problem; but to suggest that the management plan for lobster is somehow incorrect, that it’s not being well done, is foolish. They have quotas in other fisheries. They have bigger science budgets in other fisheries. We’ve done more studies and we’ve made more recommendations and $8 out of every $10 in Atlantic Canadian seafood product is lobster. If it ain’t broke, don’t fix it. I’m not saying we shouldn’t fund science. I’m not saying I don’t want sea studies for the future and to keep an eye out. The other thing I’d like you to consider when we talk about science and triggers for when should we do something…we’re at an all-time high. It’s not going to stay there. I don’t know a fisherman that thinks every year we’re going to catch more. It’s insane. Nobody believes it. We don’t know why they went up but we do know they’re going to go down. If you look at the long-term average of landings between Maine, New Brunswick, Nova Scotia, whatever, and do a 50-year average. Include this high time, include the low times in the 70s. Right? And say, here’s the long-term average. If you went right now and cut us in half, we still wouldn’t be down to the long-term average. What’s a sign of trouble? If you drop 10%? So what? We’re still 85% to 90% above the long-term average. I think we have to be very careful. We consider ourselves quite wise. Our scallop scientists did, too. And I’m just going to use this as an example. Scalloping two years ago, nobody wanted to do it. The price was terrible. There were no scallops. The meat quality was awful. It looked like it was on the verge of collapse. The next year, not years down the road, the next year, they were abundant everywhere and the meat quality was excellent and the price was through the roof. There wasn’t one scientist from anywhere in the Department of Fisheries and Oceans that predicted it. And, as I understand it, it’s done the same thing at the same time the entire length of the Coast of Maine. Nobody knows why. Nobody predicted it. Nobody said, “Next year scallops are going to be really good!” Because it looked like they were on the verge of collapse. If we’d changed the rules in the scallop fishery to reduce it because it looked so horrible, we’d be missing out on a wonderful harvest right now. If we’re going to base the future of the fisheries on science, it has to be extremely well funded, very good science. Half-assed science so to speak is worse than none at all. It’s a big area, the Gulf of Maine, the Bay of Fundy, clear around Prince Edward Island. It’s massive. The amount of money it would take to study it properly is huge. If we don’t know what we’re doing, then we better stick with what has worked. Thank you.

Moderator: Thank you, Laurence. Now to the gentleman there, right up there. Thank you. Identify yourself please.

Jeff Holden: My name is Jeff Holden. I think we’re very fortunate as a group to have this panel here today because you’ve got some of the most forward thinkers, big picture thinkers, in the industry here. And two major takeaways that I get out of this are supply and sustainability and science. We don’t know what we have in the water. And I agree that science isn’t perfect but
science does predict trends, and generally the science is better at predicting downward trends than upward trends. And by measuring year classes and measuring recruitment and these other things, they are able to predict what’s going to happen if we have a downward trend. If you look at the history of fisheries in New England and Atlantic Canada to some degree, the only real sustainable fishery that’s left is lobster. And I’ve seen over the last 30 or 40 years how time and time again scientists have predicted that species will be declining and there is always a major pushback from the industry to ignore that science. So, if as an industry we’re going to embrace science as a tool to manage the future of this fishery, then when those scientists tell us that there is a downward trend I think we have to, as an industry, support them to the point where, if we don’t totally agree with them, then we have to fund them further and find out just what’s going on with the fisheries. Because, if we are missing a couple of year classes of recruitment, then we won’t see that next year. We won’t see it the after or even the year after. We’ll see it six or seven years out. So, I think the need for science, the right kind of science and collaborative science, is key to keeping this industry healthy. The other takeaway I got was the supply side. This is one of the few industries that you don’t know what supply is going to do. And supply is, in my mind, always the biggest single contributor to the price. Because, as Spiros was saying and Charlie was saying, if you’ve got a program coming up and you don’t know what you’ve got for raw materials coming at you and you have too much coming at you and it comes too quickly, it’s almost like trying to drink out of a fire hose. It just spills over and it just pulls everything down. So I think some mechanism that’s designed by the industry – whether it be some type of a quota system that defines what is going to be taken every year or something that gives you some kind of an indication – would benefit the fisherman, the processors, the dealers, and certainly the end user. Because the end user could then be confident that, when they put these items on a menu, that they’re going to be able to get a steady, year-after-year product with a price that they can build long-term programs on. Thank you.

**Moderator:** Thank you, Jeff. Now Eugene over here.

**Eugene O’Leary, Lobsterman, Whitehead, Nova Scotia:** Eugene O’Leary, Whitehead, Nova Scotia. I didn’t hear all of the panel remarks because I had to leave. However, what I did hear, the science. There is science being done out there. Some good science being done out there. And a lot of the studies are being recognized. We have trouble… the FSRS, Fisheries Science Research Society, does very good science. We work with Rick Wahle. We’ve got a lot of information. We have trouble getting funding because the people who say that we need to have science don’t help fund us to keep us going. Guysborough County Inshore Fishermen’s Association. We do an awful lot of science. It’s 14 years we’ve been doing the science on lobsters. Rick, I don’t know how long I’ve been working with you but 8 years or something like that. And so there is science. There’s darn good science through every group. We’re not putting it together. We’re not using the science that we have and people are saying, “Well, we don’t have none.” Well, yeah we do and Department of Fisheries and Oceans is working with every one of us on these projects. We’ve been doing it for a long time. so let’s start using what we have and what we’re doing and it’s a different … We don’t have a quota fishery and, for a lot of us fishermen, we don’t damned well want a quota fishery. We like what we have. Let’s work with what we have. The Marine Stewardship Council is willing to work with what we have so… That’s my point.

**Moderator:** Thank you very much. We’re about at a point where we need to switch from session to session. Charles. Do you have one more comment before we go?

**Charlie McGeoghegan, lobsterman and MLA Prince Edward Island:** Charlie McGeoghegan, Prince Edward Island. I’m a member of the legislative assembly of a fishing
district and fisherman myself. It’s a great panel you’ve got put together here today, and a lot of knowledge of both sides of the industry. And I think it’s a good discussion. To address our Provincial Minister’s comments, one thing that I’ve talked to Jean and to Bob about this over the years, one thing that happened in that timeframe was the construction of the Confederation Bridge right through the richest lobster grounds that Prince Edward Island had ever seen. The highest catches ever recorded were right where that went and, within three years, went to the lowest catches and stayed at that level for over 15 years – and it’s only in the last couple of years that that started to rebound. So, if you take the level of the catches that dropped in that area, LFA24 went up exactly the same amount. So, instead of lobsters coming from the West end of Prince Edward Island and walking down through the Strait through the migratory pattern, they went around the North side and went from West to East on the North side. To address Laurence’s comments, sometimes we agree and sometimes we don’t. This morning, one of the comments he made was processing drives the price up – and, on Prince Edward Island, it has never driven the price up. If you look at Nova Scotia, and we’re fishing from me to that door from the Nova Scotia boats, and they’re a dollar more a pound and they supply traditionally the fresh market. Processing has a lot of catching up to do. And also, Laurence made some comments on profits and he seems kind of satisfied with the price. It depends where you’re fishing and, in the Gulf of St. Lawrence, most seasons are two months long; and in the Bay of Fundy and the Southwest Nova Scotia, they’re six months or more and fishing 375 traps versus 250 to 300. So that all plays into a factor that really wasn’t talked about. And also, new fishermen into the business have a lot more expense, due to license fees, etc.; and they need more out of the resource to make ends meet. Carapace size. One thing I’d like to address with the panel here. In New Brunswick through the Maritime Fishermen Union seems to want to talk about carapace size a lot and that it should increase again. But there’s never been anything on the table to offer up to make that a worthy choice. Now the carapace size has gone up a number of times in the last 20 years. The latest increase was two years ago and fishermen feel that, if they are to go up, there has to be something on the table. If buyers are serious, how come they don’t offer more money. If 72 is not the number and 74 is or 76 is, pay $1 or $2 a pound more for the bigger ones and that would send a clear, concise message that that’s what we need to sell and that’s the size that people want. But, until that happens, it’s going to be hard to sell that to the fishermen – and I think that’s a pretty fair assessment. Fishermen have done a lot in the last number of years. They’ve, like I said, increased the carapace size a number of times in conjunction with Department of Fisheries and Oceans and with Jean Lavallee; and have worked with the vet college and our Provincial biologist, Robert McMillan, and Prince Edward Island. According to Mike Chadwick and, when he was with Department of Fisheries and Oceans, he made this statement that Prince Edward Island had the best lobster science in the world. And that’s because of a program that we do where three or four boats from every harbor on Prince Edward Island have a student biologist who goes out with them and they pick one harbor and they’ll do three or four boats that day and they record every lobster that comes aboard. The undersized, the bearing females, the whole nine yards, records them into a log book, the size, structure, the whole thing. They’ve been doing that since 1997. Also, there’s a program where those same fishermen take three traps, mix them in amongst their other gear and block off the escape mechanisms so that they can record how many small lobsters are in the catch and how many are getting out due to the escape panels. So year after year, we have this knowledge that we can look back on any given year and say this is what it was doing, this is what it’s doing now; and it’s accurate, real-time data. It’s not estimates and it’s not scientific formulas. This is actual counting lobsters and recording them. Along with that, fishermen have put in bigger escape panels, biodegradable panels, reduced their number of traps, bought out licenses with help from the Federal government; and they don’t see anything from the buyer’s side on what are you prepared to do to put skin in the game. And this whole time through the economic downturn, the restaurant price of lobsters didn’t go down at all. And we know from media comments from Red
Lobster and other chains, they didn’t want to put their price down because it would take too long to get the price back up. And it, in fact, did not go down. So, when fishermen see that and yet they’re getting paid 50% of what they got paid 7 years ago, it begs the question. Now, yes, there is more volume but those lobsters are being sold. And, if we look at the mink industry and look at what they did when mink pelts were $20 a pelt, they did put a levy in place for, I think, 1.5% per pelt. And, within a few years, the price doubled; and now it’s six times what it was in the early 80s. They’re getting $120 a pelt now and there are 53 million pelts in the world where there were 26 million pelts in the world before. So they doubled the capacity, the number of pelts, and they had a 600% increase in price. So it can be done if everybody works together. But, on the fishermen’s side, at least in Prince Edward Island in the area that I represent, the fishermen have been giving and giving and giving and have seen very little on the other side. So I’d like to know from the panel from a buyer’s perspective, what can be done?

Moderator: I’m going to need to hold on this because we’ve run past our scheduled time for here. But that doesn’t mean we can’t address this, just that we do need to move on in terms of moving through our day. I have a speaker down here that, if it can be brief, we can take it now and then we’re going to shift the panel. That does not mean we cannot address these issues and that we will not be back tomorrow. The issues that lie ahead right now are handling for quality and dockside grading and marketing which is a lot of what, Charles, you are addressing and we should be able to deal with that. I’m not trying to avoid it, but rather to complete our schedule. Yes?

Gilles Theriault, Maritime Lobster Panel: Gilles Theriault, GTA Fisheries consultant, one of the Maritime panelists. I just want to talk very briefly about the importance of science and the need for more scientific work. When I started in my fishing community about 40 years ago or so, there were 100 boats fishing out of my port. We fished lobster but also we used to fish herring. And I remember guys like Mike Chadwick and these guys when they were starting out with Department of Fisheries and Oceans, they would come to the wharves and the fishermen would want to throw them over the wharves. Because they said these guys don’t know what they’re talking about. We know. We go out there every day and we see what’s happening in the water and we know. What do they know? Alright? They’re just in offices doing calculations. That’s was the attitude 40 years ago. Now when I go to meetings, I hear fishermen say, “What are the scientists saying?” And, of course, when the scientists are saying that the stocks are going to go up, everybody agrees. And when the scientists say the stocks are going to go down, nobody agrees. That’s the nature of the beast. But, having said that, I think there is more and more appreciation for the scientific work that’s being carried out; and I’m arguing that we need more. I’m arguing that we need more not just in terms of forecasting, you know, the stocks and so on. That’s very important, of course, but there’s so much to be done about protein content, about you know how long can a lobster stay alive, the kind of work that Jean Lavallee is doing. We need a lot more of that also. It’s just not purely what to expect the next year. No matter how good the science is, we know that lobsters eventually are going to go up and eventually they’re going to go down. That’s not going to change. It’s always been like that. To be able to have a better appreciation is always useful in planning your sales and in planning your fishing, so we need that; but there are so many more elements in science that we need to carry out in order to have a better appreciation of how we can maximize at the end of the day the value of our lobsters. So, in that sense, we would be wrong to think that we don’t need science. We need more science. Thank you.

Moderator: Thank you very much. And I want to thank our panel. They are still going to be here. We still can ask them questions, but we’re going to have a couple of more panelists in their
place. And, yes, Mark, I did see your hand and Charles, I do intend to have you continue that
discussion and, did I get the wrong name?

_________: Unintelligible.

**Moderator:** So do we all. It’s an excellent question. It’s just that the schedule needs to be
attended to in some way and it doesn’t mean we can’t do this. We’re meeting again tomorrow
and we have a lot of time to deal with this, but we can’t fault our speakers whom we have asked
to come to share with us. And so, again, thanks to the panel and we’re going to ask Jean
Lavallee and Annie Tselikis to come forward and take your place. And don’t give up on your
questions, Mark and Charles.

**Moderator:** All right, let me remind you that there is food and drink at either end. The heads
are downstairs and we’re going to keep on going and we’re going to get to the answers to both
Mark’s and Charles’ questions.

**Annie Tselikis, Educator:** Hey, you guys. We’re actually going to keep on… we don’t have
time for a break so while… Hey… Everybody.

**Moderator:** Yo! This is not a break time! Grab your things, come on back. We’re going to
have a break in a short time but we’re going to finish our discussion and by all means get
something and bring it back to your seat. Go down to the head if you need to and let’s continue
so we do not lose time. There are two questions on the floor that need to be attended to and we
need to hear what our presenters have to say. Thank you very much. Which of you two are
going to go first? Jean? Okay.

**Jean Lavallee, Aquatic Science and Health Services:** I’m going to start while she’s trying to
figure it out.

**Moderator:** I have just had word from Mr. Tourkakis that he will be here the rest of this day
and he does wish to answer your question and Mark’s question and he will do that. He will not
be here tomorrow so we do want to attend to those today; but I want you to know that we have
not forgotten this, okay? Jean?

**Jean Lavallee, Aquatic Science and Health Services:** Can I start?

**Moderator:** Please do!

**Jean Lavallee, Aquatic Science and Health Services:** I’ll introduce myself.

**Moderator:** If you would, please.

**Jean Lavallee, Aquatic Science and Health Services:** I’m Jean Lavallee. I’m actually a
lobster vet with Aquatic Science and Health Services, a consulting company in Prince Edward
Island. I’ve been doing almost nothing but lobster for about 18 years now so lobster health is
definitely something that I’m somewhat familiar to. At least I hope so. I agreed to be on this
panel here to talk a little bit about handing quality because that’s definitely something that is near
and dear to my heart. It’s definitely something that I’m actually very involved with. Over the
last two years, some of the stuff we’ve done … We’ve given, I want to say over 85 to 90
presentations on lobster handling and quality; and the impact of handling on quality, and we’ve
done that in the Maritimes. We’re actually in the middle of doing Prince Edward Island right
now. We have a series of ten presentations in Prince Edward Island and we’re halfway through these. We’ve done Nova Scotia. We’ve done New Brunswick. We’ve even done Newfoundland. We’re going back to New Brunswick next week. And, what we do with those sessions: these are like a 2 to 3-hour session. And I see a few faces in this room that, unfortunately have suffered through my presentation; and, by all means, if you guys think that it was good, tell me. It’s always good for the ego. And if you think it was horrible, well, tell me as well so maybe we can try to improve them and make them more interesting. But we talk about different things in regard to handling and quality. We talk a lot about actually biology. And I think it’s important that we talk about biology, that we talk about lobster physiology; because it’s always surprising to me when I meet with harvesters that have been fishing for 30-some years and you talk to them about biology and you see in their face that often there are a lot of things that you would consider or I would consider basic biology that they don’t understand or they don’t know about. So we always cover a little bit of biology and physiology for education purposes but also for, because I think it helps when we’re talking about handling quality, to understand the biology. Ao when you’re handling a lobster and, I’m not saying anybody is doing that but, if you take your lobster by the claw and you throw it 20 feet up into the air and it lands on the deck of the boat or it lands on the floor at the plant, what happens inside that lobster. Why is that lobster suddenly, because these guys are built like mini tanks, they’re going to right themselves back up and keep on walking like nothing happened. But something did happen. So we talk about biology. We cover that to try to understand what happens inside the lobster, and why those handling can cause quality issues and health issues. And then we talk about quality obviously and how to measure quality. And I think everybody would have a different definition of what quality is depending on who you are and what you do with the lobster. I have a very biased, a very personal biased definition of what lobster quality is. I don’t care if it’s soft, I don’t care if it’s hard, I don’t care if it’s full of water, full of meat. To me, because I’m a vet, if it’s healthy, if there’s no disease, to me that’s a quality lobster. But obviously, if you’re a processor, you live and die on meat yield. Ao a 25% meat yield lobster versus a 35% meat yield lobster, these are very different types of quality. So we talk about that. And then we talk about the handling practices and what kind of impact they have. And one of the, I think, one of the biggest challenges that we have when we think about handling and the impact of handling on quality is, there is not a lot of science out there to tell us what is the best way to handle a lobster. There are some studies. Every now and then, they’ll come up and try to look at one aspect or another; but, in terms of the best way to handle a lobster on a boat or at work or in a truck or in a plant or a wholesaler or retailer or whatever you are, there’s not a lot of good information to tell us what’s the best way to do it. So we have to usually rely on common sense to try to understand what are those best practices. I know, from my perspective, that’s always a little bit frustrating. Because you go somewhere and typically the first question I get is “so, should I put water or ice in my live tank?” I don’t know is usually my answer. Because we’ve never looked at it and I think that, from my perspective, this is definitely where we need to go. We need to get to those best practices. Whether it’s on the boat, whether it’s at the wharf, whether it’s in a truck, or wherever it is, we need to get to that point. And I don’t think it’s going to be, you know, one answer that’s going to fit everybody; because I’m sure, you know, maybe the first week of June, you’re better off using water in your live tank—or maybe it’s the last week of June and you should have ice. And I don’t think the answer is going to be the same thing if you’re fishing in Prince Edward Island or if you’re fishing in the Gulf of Maine. But we need to get there. And I think a good example of, well, there are several reasons why we need to get to those best practices but one of those reasons is we’re getting challenges, especially in Europe, with trying to market live lobsters. A good example would be Germany for example. It is very difficult right now for us to sell live lobsters to the major retailers in Germany. A couple of years ago, a few NGOs were able to get together and put enough pressure from the government that now the retailers are saying, “If you want us to buy your lobsters and sell them, you need to prove that the
way you fish, the way you store a lobster, the way you transport lobsters, is done in the best way from the lobster’s perspective.” And we like to think that the way we fish and the way we handle lobsters is done in the best way possible. We want to make money. It’s in our best interest that the lobster arrives alive and in good quality at the end of the journey. But we can’t show those retailers that we have the science to tell us, if it’s the first week of June or if it’s the first week of May and you’re fishing in Prince Edward Island, then you have water in your live tank. Or if it’s the second week of August and you’re fishing in New Brunswick, then you need to have ice in your live tank. We don’t have the science to show them that what we do is in the best way for the lobster. I think Annie is going to talk a little bit about shrinkage but I wanted to, I absolutely adore talking about lobster handling and quality. That’s what I do for a living and I could talk for a full day just on that, but I want to try to keep it as short as possible to try to get more interaction with the discussions. I think Annie is going to talk a little bit about shrinkage and, from my perspective, Bob mentioned it a little bit. He mentioned, you know, talking about lobster health and talking about, you know, the post-harvest losses and there are some numbers that are out there. We usually use a guestimate of about 5% to perhaps 10% of what is landed doesn’t make it to the consumer; 5% to 10% of that product is going to die somewhere in the journey. And that’s a lot of money. And that’s a lot of money that we leave on the table. And, I think, if we get to those best practices, then maybe that 5% to 10% is going to go down by 1% or 2% and that 1% or 2%... It’s going to 1% to 2% more lobsters that are going to make it to the consumer. So we’re going to get that money back. But it’s also going to be, I think, and especially in Canada because I think we’re very lucky and thank God that we have such a strong processing industry – because the lobsters that are weak, the lobsters that are near death, the ones they call damn near dead and sometimes even the ones that are dead, we can do something with that product. It’s not going to be a lot of value-added. It’s going to be mincemeat or claws and knuckles – but we can still do something with that product. And, if we get to those best practices at every level of the chain of custody, then the proportion of lobsters that are downgraded but that do make it to the consumer, that proportion is going to decrease. We’re going to suddenly have more lobsters that are going to be better fitted for the more lucrative markets. Even if it’s processed, even if it’s frozen. You know, we talk about China a lot or India or North Africa as the big emerging markets – that suddenly there are a lot more people with disposable income wanting to have a lobster experience. And, it’s absolutely true. It is there. But that lobster experience is less and less, I think, of the live lobster experience. It’s going toward processed or frozen or cooked lobster. But they’re not interested in getting a pouch of mincemeat. They usually want to have, you know, a beautiful full-quality lobster. So those best practices are going to help in that sense as well. And I think it’s very, very important. I guess the last thing I wanted to talk about… I have a list of about 170 things that I want to talk about… but I just want to share a little bit of something that… a discussion I had a couple of years ago with a gentleman who used to be in charge of all seafood buys for Loblaw’s grocery stores. And he was telling me, he said, “You know, when I was at Loblaw’s, we absolutely loved dealing with the Canadian lobster industry because it’s such a beautiful product and we love it. And we absolutely loved dealing with the Canadian lobster industry because you guys can’t get your stuff together and we can always take advantage of you.” He was saying that he would, you know, as an example, order a crate of 100 pounds of lobsters and we would put 99 pounds of hard shell, fully-meated lobsters in that crate and there’d be one pound of soft product. And he said, “Well, because you can’t be consistent, we would always pay you for a full crate of 100 pounds of soft-shell product.” And I think it shows, from my perspective (I guess I have a very naïve perspective in terms of marketing and whatnot) but I do believe that we need to get the consistency in what we do and what we deliver, and the predictability as well. And that’s going to be my plug for the Lobster Council of Canada because I think it’s a fantastic entity and I think that the Council is working on trying to get some quality grades and standards in place. And I think, once we have those standards in place and we have those quality grades in place –
whatever the grades are going to be, if it’s AAA lobster or platinum lobster or whatever they’re going to be – if I’m a consumer and I’m buying a lobster and I’m buying AAA lobster, whether I’m buying them in May or in November or whether I’m buying them from New Brunswick or from New Hampshire, I know exactly what kind of quality I’m going to get. It’s not going to be once I open the box that I see what I have. So, once I think we get to that consistency and that predictability, I think, I believe that the prices are going to go up. They can’t go anywhere else than going up. And it’s proven in other seafood commodities. And I guess that’s it. I’ll leave it there.

Moderator: Okay, Thank you very much, Jean. And Annie Tselikis has been in charge of quality lobster handling for the Maine Lobstermen’s Association among other things and go for it. Let us know who you are.

Annie Tselikis, Educator: My name is Annie Tselikis. I used to work for the Maine Lobstermen’s Association and so while, I was doing some work around… some of you guys might know me from when I was running the trade adjustment assistance program through the US Department of Agriculture through the Maine Lobstermen’s Association in conjunction with Maine Sea Grant. We were administering marketing, financial planning, quality and handling workshops, and out of that, you know, realized that there were a lot more questions about the impact that quality has on the market and about the need for improving quality and handling. And so one of the biggest things that came out of that was starting to really deal with our issues of shrinkage and mortality. Hence, the “we need to talk” slide. So you can go ahead. So, we have a got a shrinkage problem in this industry ladies and gentleman, and it’s not pretty. I’ve had the good fortune, I guess, of having a lot of dealers and processors invest a lot of time in trying to explain the impact that shrinkage and mortality, high mortality rates, has on their businesses and what this looks like. I took these pictures of those lobsters with the tail falling out of the carapace and the very weak shells and the broken walking legs and the, you know, just bad scene back in the summer of 2012. That was about July. The particular tank house that I was in that day had been sitting on product for five days and could not get rid of it. So to have somebody like Charlie Anastasia say, you know, “we were receiving phone calls from people begging us to take their lobsters”, this is what some of those lobsters were looking at. So, when the supply chain backs up, when you’re dealing with soft product, when you’re dealing with product coming off the boats that is not, you know, well tended to – you know, stuff that’s been thrown around or been dropped on the deck or been ripped out of traps – this is what it starts to look like when it gets into the supply chain. When you’re calling dealers and buyers and processors and looking to have that product taken into the marketplace, “can you please take this off our hands”, this is not a desirable product to put into the market. And there are further consequences for that. So, Cathy, if you can go to the next slide. There are major financial consequences for this. So, when people talk about shrinkage rates to 1.5% or 2.5% or 3%, they are big. We are losing a lot of value out of this industry. So, I present this for discussion and I’m also going to show a quick video. This is a big deal. It’s not just a big deal for processors and dealers and buyers and wholesalers. It’s a big deal for the fishing industry because, part of… Spiros talked about price earlier. Part of what is factored into the price that is paid to the vessel is a factor of what is going to be lost in the process. And that’s something that we need to really get a hold on as an industry… improving our shrinkage rates and our mortality rates in shipment and through the supply chain. You want to start talking about improving the price, this is a big issue for this industry. So, I’m going to just cue up a video. Jean…

Jean Lavallee, Aquatic Science and Health Services: You want me to sing?

Annie Tselikis, Educator: Yeah! Go ahead and sing! Do something!
Jean Lavallee, Aquatic Science and Health Services: I only know French songs.

Annie Tselikis, Educator: You know, Jean has a very nice voice.

Annie Tselikis, Educator: Here we go. I’m going to preface this the same way that Dave Fitzgerald did. Dave sat on a panel that I did at the Maine Fishermen’s Forum a few weeks ago. Dave works at Mazzetta down at Atwood’s. He’s Australian and has bought and sold lobsters of all different varieties and species from all around the world. He and I were having several conversations about quality and handling over the course of the summer and the fall of last year, and Dave told me about this video that he had taken at their plant. And so he offered this at the Maine Fishermen’s Forum and told me that I was welcome to show this to groups of fishermen and people in the industry as I moved around. And so Dave said, you know, there is an old Confusious saying, “Tell me and I will forget, show me and I may remember, involve me and I will understand.” So Mazzetta has been doing a lot of work especially with their folks down at Atwood’s in Spruce Head, Maine, trying to get fishermen to understand the impact that quality has in their marketplace. They are a vertically-integrated company so they’re able to really look at the whole supply chain so, Cathy, hit it. There’s not audio associated with this. It’s just footage from their plant. So, this is a crate run that’s being butchered and sorted and put into the plant. And you’ll notice that he’s throwing away the majority of the lobsters. So, when Jean talks about best practices and, you know, ENGOs, environmental NGOs coming out of places like Germany, this is a thing that people care about. They care about seeing animals, you know (not to get all scary PETA that we all experienced last year) but really, I mean, the best practices impacting our lobsters being able to make it through the supply chain. So this guy that’s on the butchering line here, I mean, you can tell that he really is like, he’s looking at the lobsters. I mean, he’s giving the tails a flip, making sure they’re actually alive or they’re dead. It’s only a minute but I just wanted to share that and sort of open up the discussion.

Moderator: All right. We’ll thank both of you and move now to discussion and remember that the prior question that Charles and Mark had asked of Mr. Tourkakis. We’ll approach that separate from this so that you have a good chance to get an answer to that. All right. Comments, questions. Laurence, you’re way up at the front of things now. I don’t know what that means.

Laurence Cook, fisherman, Grand Manan Island: I wanted to see the screen but did have something to say about that.

Laughter

Moderator: There’s a hand up right up over there. I don’t know who he is but... He looks just like a guy that was at the back of the room earlier.

Laurence Cook, fisherman, Grand Manan Island: Laurence Cook, Grand Manan Fishermen’s Association, fisher in LFA38 and I’m going to tell you an old story about quality. A few years ago, I was friends with a gentleman named Bob who later became Colin McDonald who runs Clearwater but anyway, back when he was Bob, he came and asked me to help with quality. He said, I want to do and see what we can do with quality to get shrinkage down in what we’re buying. So I put a re-circulating live well with a chiller in my boat. I built new ways to
band the lobsters so each lobster was stored individually so it couldn’t bite another lobster and they could be banded before they were put together, so nothing would get bit and nothing would get thrown. We put spring mats in the area where the guys picked the traps so that the lobsters didn’t hit a hard surface. And they were handled like eggs. My crew thought I’d gone insane. Okay, so it’s the first of the fall, we’re hauling like mad. The traps are full of lobsters and I’m saying, whoa, whoa, whoa, whoa, slow down. We’re not going to haul as much today because we’re going to get a better quality lobster and we did. The first week, I had 0.21% shrinkage, the first week in the fall. The lowest they’d ever seen by far. The second week, I had 0 because we didn’t have to move so fast and I thought, I can’t wait to see my check from Clearwater.

**Laughter**

**Laurence Cook, fisherman, Grand Manan Island:** I can’t wait because we’ve caught less lobsters, yes we have, but we’ve given them no shrink and the very best quality that we can and you know how much extra I got for my lobsters? Zero. Not a dime. When it comes to handling practices aboard the boat, remember the movie Jerry McGuire and show me the money.

**Moderator:** Thank you, Laurence. Charles?

**Charlie McGeoghegan, lobsterman and MLA Prince Edward Island:** Charlie McGeoghegan, Prince Edward Island. I’ve heard Jean’s presentation a few times although he has a new one out that I haven’t seen yet. I plan on it. About three years ago, with the help of Jean and the Prince Edward Island Fishermen’s Association, they organized three quality meetings because the processors were saying that quality was a huge issue in the industry. So, they organized the three meetings, the invitations went out from the Atlantic Vet College so that it wouldn’t seem like it was a fishermen versus processor event. The invitations went out to them all and, out of three separate meetings, three separate dates, all the processors on Prince Edward Island and I think some other ones from the Maritimes were invited, only one processor showed up to one meeting and the other meetings, none showed up. So, how are you supposed to have a conversation when they won’t even get in the same room with you? Where we fish right now, Chuck and I beside me, where we fish lobster and we’ll be starting in about five week’s time, the ice is three feet thick. You can drive your half-ton truck right out where we fish with no problem at all. And, I know this because we’ve tried with chainsaw burrs, with 3-foot burrs, and they’re not even getting through some of the ice. So, we talk about cold water and high quality and high protein and full meat… you know what we have and the meat yield is 35% to 37%. Protein was, last spring, 10% to 13%. So we know the quality is there. Now, can they be handled better? In some cases, probably yes and, in some harbors, I’d very much say so. Other harbors are already doing a fantastic job. But one issue that I see with, especially, well, only in the processing industry, is that they’re… because they know the quality that’s in the spring lobsters on Prince Edward Island and Nova Scotia and New Brunswick for that matter…because they know it’s top quality, high-meat yield, they have to find another reason to degrade the quality of the lobster. So, if they’re being handled right and they’re already top-quality to begin with, there has to be another way to make sure that that’s not a good quality lobster. So, what they do is they request that the lobsters come in with no bands on them at all. Canners and markets. And this is New Brunswick processors and Prince Edward Island processors. So, if Laurence and Chuck and I and all the other fishermen treat them like eggs but yet the processors want to buy them without bands because they’re going to dump them all in one pot and cook them all as soon as they get them, that is intentionally degrading the quality which intentionally degrades price. So, how do we fix that? Should we have a Provincial mandate that goes with the license, a buyer’s license, that says every lobster has to be banded, both claws, regardless of size before you get a buyers license? What should we do?
Jean Lavallee, Aquatic Science and Health Services: Jean Lavallee, Prince Edward Island. I feel the frustration and the same thing for you, Laurence. I know, when you do everything right and you don’t get the financial incentive, it doesn’t make sense. Having said that, maybe doing everything right even though you don’t get the financial incentive right away might still be the right course of action. For example, for Germany, just to be able to maintain some of the market access. But, at the end of the day, I’m in the same boat with you guys. If I’m going to change what I’m going to do significantly, Jerry McGuire said it right? Show me the money. It only makes sense. I was just going to touch on the three quality meetings we’ve had and only the one processor that, and it was Doug Frasier who is a harvester as well. He runs a co-op so I don’t know if he even counts as a processor, right? And that’s also frustrating. But we’ve seen a lot of changes in the series of presentations that we’ve been giving, we’ve had a lot more of the tank house operators and the plant workers that showed up. We’ve actually had some sessions in New Brunswick where we had more people from the plants than harvesters that showed up. So it is changing but that also… I understand the frustration and, I mean, I live, you know, in Ron’s riding and, just so you know, Nine Mile Creek is, I can see it from my living room door. So, a lot of my neighbors are harvesters as well and it’s something that I totally understand and I get it. I believe in Newfoundland there is Provincial legislation in place that the Provincial inspectors can look at lobsters that are in trucks and whatnot and make sure there are certain criteria in terms of holding lobsters and whatnot that are in place. I don’t know if it’s something that you could do in Prince Edward Island. I don’t know if it’s something that we could implement everywhere to make sure that lobsters are banded and, yeah, another example because we do get that. We get our processors that are saying, we need quality. And absolutely, I think there’s this perception within the industry that good quality goes to live side and the junk, the garbage goes to processors. Well, the processors are also very much interested in good quality as well. But, you know, when you hear about them saying we need quality and then you go to a place and even the market lobsters are not banded because it doesn’t go well. Or I’ve seen on the north shore of Prince Edward Island, a buyer who said, I don’t care what you do. I don’t want… Land your lobsters in a burlap sack and I’ll still buy them from you. So you’re moving backward a little bit. Can we put some sort of regulation in place to have some minimum standards? I think it would be a fantastic idea. I don’t know if it would be feasible or possible or even legal to do. I don’t know. I would love to see it, absolutely. And I would love to think that it would translate into a higher shore price down the road.

Moderator: Annie? Did you have a comment? Introduce yourself, please.

Annie Tselikis, Educator: Annie Tselikis. I think one of the greatest things about this meeting is the ability to pull people together from different parts of the sector. You have some of the biggest and most important lobster buyers in North America in this room right now who all obviously care about all of these issues that we are discussing. Jean is absolutely right when he says that processors care about quality. Having visited several different processor plants in Maine and throughout the Maritimes, you care about product. Product differentiation. There are a lot of different products that come out of processing plants. Whole frozen lobsters, meat, claws, tails, all of these different products require quality. The lowest quality lobster has not option other than to be meated out. The highest quality lobster can be whole frozen and can go to anywhere in the world. So processors absolutely do care about quality. I think processors care about quality because they’re in this room and they’re, you know, participating in the discussions that we’re having today. I don’t know what’s going on with your… I know that you’re trying to get everybody in the room to participate in the training that you’re doing
throughout the Maritimes which I think makes absolute sense. To be able to have conversations like this throughout your training is fantastic and I hope that people do start to participate across the board. To get to Laurence’s point of “show me the money” I get that too; but, again, part of what you’re dealing with your shore price right now is the fact that this is factored into that stuff. So, you know, I get what you’re saying. I get what everybody, the harvester sector is saying in terms of, you know, show me a better price and I will improve my quality. Well, that remains to be seen from the buying side as well and I would be happy to hear from some of the buyers to some of these points if any of them are willing to participate in this conversation.

Moderator: Okay, I’m going to go first to Laurence. He had his hand up. And then we’ll see if there’s someone who wants to pick up on your query.

Laurence Cook, fisherman, Grand Manan Island: Laurence Cook, Grand Manan. I’d just like to address what she said about, you know, I’ve heard it said before, “Let’s lift the quality up and the price will come after a while.” Okay, the system that I put in my boat in the fall that I was talking about cost me $16,000. I caught 30,000 pounds of lobsters that fall. It cost me 50 cents a pound to improve quality and I didn’t get a penny. Not a cent. It’s all well and good to esoterically talk about let’s do something to improve it down the road somewhere but, if you talk to Charles Anastasia or any of the other buyers in the room and say you’re now going to lose 50 cents a pound and hopefully someday down the road, you’ll gain it back, no thanks. Nobody is going to do that and you can’t ask fishermen to do it. You’re talking about the rate that they haul traps slowing down. You’re talking about the rate the crew can get through the gear. Our business, like any business, it has to be efficient. That means I have to haul all of my gear, get it done so it costs me less fuel and less time and less man hours to handle that gear. Now you’re going to say slow down. Don’t do it as fast. Become less efficient. And we’ll give you nothing more for it and hopefully down the road some day, you’ll get a pay check. It isn’t going to happen. If you want to grade lobsters and say, if you handle them in this manner, I’ll give you 50 cents a pound more, I’ll do it. If you’re going to say grade lobsters and hopefully someday you’ll get something more out of it, I won’t do it. And neither will anyone else. You know, if you really believe in this program and I’m speaking to the buyers and the processors in the room, if you really believe it, offer the price. Say if you put them all together in one crate and they’re not banded, here’s the price. If they’re in a re-circulated water system, here’s the price. If they’re handled like eggs, here’s the price. If they’re hauled at a slower rate of speed, here’s the price. Sure, sign me up! No problem. But to do it and hope someday that he’ll feel like giving me some money, it is not going to happen.

Moderator: Thank you, Laurence. Annie, did you want to comment to that? Annie Tselikis?

Annie Tselikis, Educator: I mean, a lot of the things that we’re talking about, that Jean and I have talked about with fishermen when we have gone out and done quality and handling training and workshops with people and having these discussions, it’s not about investing $16,000 in your vessel. It’s about doing things within your own means. For a lot of people, it’s about not dropping them on the deck. Not throwing them into the crates. It’s about a lot of, as Jean said, very common sense things. And so, I mean, when I was going around and doing these trainings with the Maine Lobstermen’s Association this past fall, I was not asking fishermen to make major, major capital investments in their vessels. You know, I was testing the aeration in their tanks and showing them where they might have weak spots, you know, and they sort of have responded. I see weaker lobsters coming out of that part of the tank or just being able to have that conversation with people so that they understood what the productivity was on their own vessels. But that was never part of the request that I was making. If Clearwater was asking you to make those investments, that’s a completely different conversation, I think. I mean because … I’ve
been on John Williams’ boat. I know how well John handles his lobsters but I also know that there are guys that fish right along side him and sell to the same wharf that land crap, frankly, and treat their lobsters like crap. And they all, unfortunately, end up into the same marketplace. So, until we’re able to kind of all deal with this issue either wharf by wharf or groups of fishermen by groups of fishermen, I think we’re also going to have another fundamental problem within this industry. And I don’t mean to get into this back and forth but I’m just trying to offer you what I’ve seen in going around to different wharves and working with different groups of fishermen and having very similar conversations with Jean.

**Moderator:** Bill Adler and then Charles.

**Bill Adler, Massachusetts Lobstermen’s Association:** Thank you, Bill Adler, Massachusetts Lobstermen’s Association. I’ve noticed a couple of things over the years down our way with regard to price and quality. The last couple of years with a price around $2.50 for soft lobsters or whatever you want to call them. I asked the dealers, “Why do you buy them?” “Well, you know, we can get a nickel more by selling them to the processor or something.” I said, “Well did you tell the guys not to bring them in?” “Well they bring them in because they’re working on volume,” they said. Whatever the thing is…A 1000 pounds come in at $2.50, they get a check. But, of course, the 1000 pounds is processor grade. They go, if you bring in 300 pounds of good stuff at a higher price even, according to the fishermen, it doesn’t add up to the same thing that the 1000 pounds at $2.50 brought in. So, it’s like they’re shooting themselves right in the foot because they’re bringing in the stuff that has to go to the processor. And then another thing I’ve noticed is when we do have a lot of soft shedder lobsters that come in and the dealers say, “what am I going to do with this stuff”, and then the processors call and they go, “Hey, Yank? Got any stuff for me?” “Yeah, come on down. I’ll bring them right down with my truck.” And they come down with the truck and they go, I’ll take it all off your hands. Your culls and your soft… Stuff you can’t really push and I will pay you… And he drops the price. It’s take it or leave it. I’ve noticed that the boat price immediately falls to that number. And, unfortunately, we go back to the quality handling arguments and discussions that we’re having right now. But this is what happens. I don’t know how to tell the fishermen don’t bring them in, although we’ve got some fishermen that go just tell that guy not to bring them in. It’s ruining everybody. And then you say, well, tell them not to bring them in. Well, I’m not going to tell them not to bring these lobsters in and he’s not going to be too happy here. And then you go over to the processor, I mean, over to the dealer and you say, well, tell him … Tell the dealer not to buy it. Now there have been a few dealers down our way that have said, don’t even bring the stuff in if it’s this way. I don’t know how you grade it. I know my dealer buys straight price and I don’t know who determines well that one gets this price and that guy… It’s done but I don’t know how. But this is the problem we have down our way where sometimes they’re shooting themselves right in the foot – down goes the price, processor wins, and the price doesn’t seem to jump back up again very quickly. And it goes a long, a long way. Thank you.

**Moderator:** Okay, we have two comments, Bob and then …

**Dr. Bob Bayer, Lobster Institute:** Bob Bayer. It’s clear we’ve got a problem and I think this is a good chance to think about and talk about what are we going to do about it and this is the group to start making suggestions – and what are we going to do about it?

**Moderator:** Charles? Thank you, Bob. Would you introduce yourself, please, Charles? I got him just after he got a cookie.
Dr. Bob Bayer, Lobster Institute: Well, I can tell a joke…. Again, we’re looking for action items from this …

Moderator: This is Bob Bayer’s joke for the record.

Dr. Bob Bayer, Lobster Institute: I’m not going to tell a joke, don’t worry.

Laughter

Dr. Bob Bayer, Lobster Institute: Cathy’s looking and she worries whenever I say I’m going to tell a joke. So, I won’t. But, again, we’re looking for action items, things that we can do something about. We’ve got a problem so let’s start talking about what are the possible solutions… Charles.

Moderator: Charles and then Charles. We’ve got two Charles. Did I miss you? I’m sorry.

Charles Anastasia, President, Orion Seafood Group: I think it’s easy to throw rocks when everybody is all upset and isn’t getting what they want, or things aren’t going their way, but that’s not what this forum’s about today. This forum is about… today there are certainly discussions around sustainability, discussions around management, discussions around cooperation, and I want to talk about the cooperation part. Because there’s not a quota and because we don’t know exactly when the lobsters are going to come, there are challenges that are going to arise. And I think what needs to be done in the future is to have more communication and a more open link between live dealers, processors, and fishers on how we’re going to tackle the issues on a week by week basis as we go through these seasons. I think, if you want to throw rocks at processors, you can do that. I think that if you sent any one of the top accounting firms in North America to any processing plant in North America, they wouldn’t be impressed with the bottom line. Processors are not making a lot of money. On the dealer side, the only dealers that are making money are some of the dealers in Maine that are passing stuff to the processors. Oops, I threw a little bit of a rock there, sorry. But overall consideration of where we are is, you know, there has to be cooperation, communication. And we need to understand from the fisher side what you’re seeing, you know; and from our side what we’re seeing and also our issues. Gilles Theriault said we can’t build a church just for Sunday, as far as your plants are concerned. We have times at our plant, there was eight weeks last year we didn’t even run. And meanwhile we have to take in foreign workers on the Canadian side and that costs a lot of money. We have to pay them whether they’re there or they’re not. Quality of lobster varies all over the place. There may be a time when the situation is absolutely perfect – you get 45 days of beautiful weather in a row and we just have to ask you to slow down and stop for a few days. Come on into any of the plants and see what the workers look like when they work 45 days in a row. It’s not pretty, and there’s no productivity. So we all have our challenges. But, my point now is that it would be interesting to find a forum that we could talk together and resolve the problems at hand, because we are going to have issues as we go along. And we want… We that are on the buying side want you as fishers to make a good living; and we want to find a balance in all this so that you’re, I wouldn’t say happy, because I don’t think fishermen are ever happy. I was a fisherman myself. Sorry. But at least feeling like you’re getting a good day’s pay out of what you’re doing and a fair day’s pay. And that, from us on our side, that we can deliver a product to the marketplace. And we don’t mind pushing the customers – they get over it – but we don’t mind pushing the customers. Sorry, Mike. But find some balance in this whole equation so that everyone can make out and everyone can make a living. And we’ve had some challenges the last couple years and I think there’s better ways to meet them outside of throwing rocks back and forth. That’s all my point.
Moderator: Thank you very much, that’s a very important thing for us all to hear and, of course, that backs up in just slightly different words what Bob was saying, that this provides us the opportunity to put together that group that can begin to find those routes of communication and help. Charles was first and then Gilles and then back over here.

Charlie McGeoghegan, lobsterman and MLA Prince Edward Island: Charlie McGeoghegan, Prince Edward Island. After last spring when 3000 boats tied up at once in the Gulf, the first time ever in history, it confirmed that there’s a huge problem in the industry. And, as Charles asked, what are the fishermen seeing. Well they’re seeing a price that went from $6.50 a pound to $3.50 a pound; yet the meat price, the whole frozen price, and the restaurant price either stayed the same or went up. That’s what we’re seeing. So, what are fishermen supposed to do with that? Getting back to quality to talk about what I mentioned earlier, I refused to sell my lobsters without bands and I band the cannors and everything. Where I fish, we don’t hardly get many cannors; it’s 90% markets. But, I band everything because I refuse to degrade the quality even though the price is in the tank. And that absolutely has to change. But it is a slap in the face when you follow all the rules and do all the best things to get the best quality and you don’t. I agree with Charles on getting paid fairly. Fishermen need to, and it’s definitely not at that point right now. If any of the processors or dealers are shipping to Italy or France and the price of fuel goes up for shipping by either plane or whatever, they tack a fuel surcharge on and that makes up the difference. How come the fishermen can’t put a fuel surcharge on? They’re not allowed to. So maybe that should be changed. In the video that was played, that was taped by a processor. We didn’t get to see where that lobster came from, how long it was in the plant, or how long it was in the truck, if the truck had ice, if there was a reefer. We didn’t get to see any of that. Fishermen could make a video too but how would it be credible unless you’ve seen exactly where it came from all the way through? So, what I see to guarantee quality and to try… We’re here and we’re talking about solutions and not throwing rocks, but how do we fix it? If Jean has… I think he has enough experience to put a piece of paper together says here’s ten things you need to do on the boat to guarantee the best possible quality. And also a similar type sheet to the weigh master on the wharf, the truck driver, the plant owners, everybody that touches that lobster has to go through a certain protocol. And to go along with that, every fishermen’s log for the lobsters would be marked with either his name or a number that represents his name right to the plant. And if his lobsters are coming in all top quality, all alive and kicking, and I asked the guy on the truck that bought my lobsters all last spring, he said there wasn’t one lobster in my whole catch for two months that was upside down in the crate and that wasn’t alive and kicking – and I specifically asked him. He said they were the best ones he bought from all year. I take pride in that. But, again, like Laurence said, you should get paid for that. So if everybody’s crate was marked and, when they get to where they’re going and they’re inspected or they’re inspected on the wharf by Jean or one of his staff, he signs off on it and says, yes, these have all been treated properly, then we have something to go by – and then that lobster is followed all the way along. He should get paid for good quality. And, if the guy fishing next to him is bringing in junk as the lady mentioned, then he might get paid half. But I could tell you one thing, he’ll pull his socks up the next day and he’ll make sure his hired man is treating them a lot better and that can be fixed inside of a week. The whole industry could change. So, if we really want to sharpen up the pencil and talk about quality, it can be easily, easily fixed and fixed fast. You just have to have a specific protocol and mark the crates. But, there has to be pay on the other end of the table.

Moderator: Thank you very much, Charles. That’s very important. Annie, can you hang in there? Okay. Gilles had a comment and then I wanted to get back to Annie and then I…
Annie Tselikis, Educator:  Can I just say one thing, though?  It’s Gilles.

Moderator:  Gilles, I’m sorry.

Laughter

Gilles Theriault, Maritime Lobster Panel:  Just a quick word on this issue.  It’s a very important issue and we tend to minimize it.  We talk about it, and we talk about but we don’t seem to be getting anywhere on it.  I like Bob’s comments.  I like Charlie’s comments that we need to figure this out.  We need to figure a way to sit down and make it work.  And we can do it.  I think… I don’t see any resistance from the processors or from the buyers and certainly not from most of the fishermen on moving forward on this so the challenge is up to us.  Let’s not point fingers here.  It doesn’t do any good.  Everybody benefits from better quality.  From the fishermen to the processor to the buyer to the consumer, really.  In the cases where we’re losing, in our case in New Brunswick when we did our lobster… Maritime Lobster Panel study, we estimated the value of our fishery, lobster fishery, to be a billion dollars.  Well, if there’s 10% loss, you’re talking about $100 million here.  You’re talking about a lot of money that could go into everybody’s pockets, not just in the fishermen’s pocket.  It needs to be paid accordingly to market conditions.  In our panel, we talked about price determination mechanisms.  We’re not talking about negotiating a price in terms of confrontation.  I’m talking about paying for lobsters according to market conditions.  In that process, everybody gets their share.  The buyer and the processor, he gets his margin, and the fishermen, but you’re paid according to what your product is worth.  The way it’s operating now basically, the guys that bring in the high-quality lobsters are paying for the guys that bring in shit.  That’s how it works.  It brings your price down because, in order for a processor or for a buyer to be viable, not to make a lot of money but just to be viable, he has to take into consideration the shrinkage, the losses, so therefore, what it means is the higher-quality price has to cover the cost for some of that lower quality price.  So right now what is happening … We have a tendency the way we’re organized to bring the price down instead of bringing the price up.  This is one thing that can be fixed and I think we need to follow up on some kind of a process to sit down around a table to work out a mechanism by which we can move forward on this.  Thank you.

Moderator:  Thank you very much.  Did you have another point other than correcting my pronunciation?

Annie Tselikis, Educator:  Yes, I did!  Sorry, for somebody whose last name is Tselikis… You know, pronunciation is important to me.

Laughter

Annie Tselikis, Educator:  Back to lobster, to Charlie’s point.  To talk about tagging crates, I mean, tagging crates is usually sort of like the policing.  It’s not something that’s usually done, at least in Maine, that we’ve seen as something that’s proactive.  It’s done when the quality really takes a downturn and so there are wharves that are now tagging crates on a regular basis instead of just tagging them and saying, you know, guys, I want to find out where the problem is.  And there are also a lot of wharves that are providing information back to…  Or buyers that are providing information back to the wharves instead of just saying, you know, we have a shrinkage problem.  We have a mortality problem, these are your actual rates.  These are the days that we have a hard time.  This is the period of time where we have a hard time.  I think more information is better in this industry right now.  I think that more communication is better.  I think that, you know, as we’re trying to figure out a lot of these things, as we’re trying to not
point fingers at each other, being able to ask the tough questions of the people responsible for buying the product and providing information back to the people that are putting the product in the market at the first point of sale at the wharf – we’re going to be able to start to deal with some of the issues that we’re facing in terms of our big shrinkage rates.

**Moderator:** Thank you, Annie. You had a comment earlier and I failed to get back to you.

**Jeff Holden:** Jeff Holden. As far as the shrinkage thing goes, it is a huge problem and it seems to always occur when the catch first comes on; and the catch exceeds the ability of the industry to handle the product. And it’s not uncommon, particularly in Maine, to see 8% to 10% shrinkage at the processor level. We’ve got a soft lobster. It’s 75 to 80 degrees that they’re transporting product in. Some lobsters get transported in the back of pickup trucks from the docks to wherever they’re going. So there are all kinds of thing that can happen that contribute to shrinkage, but it can be a big enough factor in Maine processing so that the processor can work for nothing until they can get a hold of what the problem is. And, if they can’t get a hold of what the problem is, then it always results in a lower price. Another big thing that contributes to lower lobster prices in processed products is the lack of capital. There are only a handful of companies in the entire industry that are really properly capitalized. When product comes in, the fisherman gets paid either every day or every week and then that processor will take that product and process it, send it to cold storage and, if he has a sale for it, then he’s 30 days out on his money. If he doesn’t have a sale for it, which is mostly the case when a lot of product is coming in, then he could be 6 to 9 to 12 months by the time you turn that investment back into a sale. So that’s a big reason why there’s so much fluctuation and so much discrepancy in lobster price in the processed market. I just wanted to say one more thing about processors. The processors would always rather have higher quality lobsters. Not the lowest quality, lowest priced lobsters. They’d rather have a higher quality, higher priced lobster because you get a better yield; and by getting a better yield, they get more out of the product.

**Moderator:** Thank you very much, Jeff. Eugene, did you have a comment? And then I’ve got to turn to a question… Okay, I’ll give you a chance and then I’ve got to get back to an earlier question.

**Eugene O’Leary, Lobsterman, Whitehead, Nova Scotia:** Eugene O’Leary, Whitehead, Nova Scotia. I’m going to put a plug in here for my buyer and I’m not going to get a penny out if it. However, Kirk Nickerson is who I sell through, K&N Fisheries. We’ve been now marking… He’s had an issue with some lobsters coming in. We’ve been marking our crates for five years now. His issue went away. He is finding that he’s getting great quality. It works.

**Moderator:** Thank you very much, Eugene. Jean and then we’re going to go back to your question.

**Jean Lavallee, Aquatic Science and Health Services:** Jean Lavallee, Prince Edward Island. I just wanted to, I guess, address one of the things that Charlie mentioned with a list of ten things to do on the boat to improve quality. I’m looking at John here because my understanding is that some of the guys in Stonington last year had a best practice program where they had a list, I think, of six things to do on the boat. Handle lobsters like eggs. When you put them in the crate, align them. Don’t dump them by, you know, into the… Monitor the water circulation tank. So nothing that kept the guys out on the water any longer and I don’t know if anybody can speak about this program because I wasn’t part of it or anything but my understanding is that those six things that they did, they tried it for, I think, for four weeks, resulted in a difference of about 70% in the proportion of the downgraded lobsters at the wharf. So it works. It absolutely works.
Moderator: That was done, I think, through Penobscot East Resource Center and through Holly Eaton and you can address Penobscot East and they’ll send you a DVD that goes over that stuff. Okay, Rocky and then I’m going to get to Charles and to Mark and we’ll answer that question.

Rocky Alley, President, Maine Lobstermen’s Union: Thank you, Rocky Alley, Maine Lobstermen’s Union. To do with Annie’s quality of lobster, I’ll tell you one for instance here. I have two, but one… Where I sell my lobsters, we had a problem. I sell to my brother so I know how it went down. He told me the inside scoop on what he was going to do. He tagged everybody’s crates of lobsters and never told them. They unloaded them. Sailed off. He tagged them and put them in the water. It took two days. He found out who the culprit was that was selling him the bad product. He went to that fisherman when he brought his lobsters to the dock the following day and he said, look, you either go through your lobsters and sell me the good product now or I’m not buying any of them. You can take them someplace else and I’m going to call everyone in town and tell what you’ve got for a product. Well, it didn’t take him long. He went out culled through his product, brought the good product in, never had a problem again. That’s how easy it’s solved. Another thing, I was setting at Dysart’s Restaurant in Bangor having lunch one day and, when I left the restaurant, I walked by a bunch of tractor trailer trucks. I’m not going to say the names on the trucks. I walked by them and there was water running out the back of them but there was no reefer running. The temperature was in the 80s that day on my truck gauge. I said, geez, there’s something wrong here. I don’t know. Somebody’s probably gonna be missing a job there. There were two trucks sitting here. No reefers running. Water, salt water, running right out the back of them. I mean, and it continued to run. I went inside of the restaurant again and I went over to where the truckers were standing there and said, “Any idea who’s running these trucks?” Well one of the gentlemen was standing there. He said, yeah, I’m one of them. I said, well you might want to go check you reefer. If you don’t you might have some boiled lobster for dinner tonight. He went out and sure enough. The reefer had been shut off now for almost an hour. Well, it doesn’t take long to cook a lobster in a hot box. Yet, who got the bad credit for the lobsters? Chances are the lobster fisherman. Not the truck driver. Not the reefer unit. But the lobster fisherman. It all trickles downhill. That’s the way it’s always been in this industry. Every part of it. That’s right. Another thing… You showed that video of Mazzetta’s plant down in Spruce Head.

Annie Tselikis, Educator: Nope, that’s in Canada.

Rocky Alley, President, Maine Lobstermen’s Union: Oh, it’s in Canada. Well, okay. Just the difference. It don’t matter. I’ve been to the facility in Spruce Head. I got invited there. I went through the whole facility. I got a nice tour of the place. They spent a lot of money in that place. It looked really good. And then I come onto a pile of lobsters that they’d been grading. There were two crates setting there on the floor of dead lobster. And I… This fella that was giving us the tour, I said, well what are these? What are you going to do with these? Are you going to throw them away? Compost, something, what? And he said, oh no, we’ll sell those. I said, you’re kidding me. One of the other fellas with me on the tour picked up one of the lobsters… I mean, it had been dead for hours and hours. I mean. I said, you’ve got to be kidding. You’re going to process that lobster meat right there? And he said, that’s right. So there ya go. I mean…

Moderator: Okay. Thank you, Rocky. That’s a story that tells a story. Okay, we got a story now that’s been holding for a little bit and we want to get to it. We’ve got to end pretty quickly and I also hear that there might be somebody who’s interested in some of the door prizes and
that’ll come right after this. But, Charlie and Mark… You wanted to hear that response. Anyway, would you restate that and Spiros is stoking himself up with a good chocolate chip cookie there and he’s got an answer all ready for you. Give it to Charlie first, please. Would you give it to Charlie, please? And, as brief as possible but we do want to get…

Charlie McGeoghegan, lobsterman and MLA Prince Edward Island: Sure, I’ll make it as brief as possible. Just one further comment on the quality issue. I actually requested my buyer to mark my crates so that they would be separated from everybody else so that he would know whose lobsters mine were. And, to go along with what Rocky said, there is a plant in my area and the plant workers have told me the same thing. That they open up the back of trucks when they come in and both from US and Canadian product that have been in the truck too long and they’re processed anyway. So that might be a food inspection problem and maybe that needs to be looked at. Again, the quality protocol on the boats, the scales, the trucks, and the plants affects all that real fast. To get back to my original question and I’ll boil this down pretty well to one, I mentioned again the number of things that the fishermen have done over the last number of years to make sure that the stock is healthy and that the quality is the best possible and there are number of them and I won’t list them again because I already did that but. With the prices for processed product, meat, last spring, we were getting $3 for canners, $3.50 for markets and to buy a pound of meat at any of the plants to Prince Edward Island, knuckle and claw meat, was $25 a pound. Now, at 37% meat yield, that’s less than 3 pounds of lobster which would be approximately $9 for that product. There’s $16 there and I don’t think it takes $16 to get that out of the shell. And, again, the restaurant prices never went down. So what, and I’d like if Spiros can answer it and also Charles too, what are you as buyers prepared to do to put skin in the game to make sure that more money comes back to the boats… because this ain’t working.

Moderator: I’m glad you’ve asked that because this comes up every single meeting we have and it’s an important question and it’s good to get an answer.

Charles Anastasia, President, Orion Seafood Group: If you’re asking me… I don’t need a microphone. The skin I’ve got in the game is that I’ve got my house, I’ve got everything in my whole life guaranteed to the bank. I don’t eat the damned things. There are millions of dollars… You have to carry millions of dollars of inventory. I’ve got everything in my life guaranteed and tens of years of work. So I’ve got plenty of skin in the game. But, you’re talking… I understand your frustration. I understand you want to make more money. I understand you want to make a presentation for your constituency but, at the end of the day, I mean, we’ve got real problems that we have to address. You’re misquoting a lot of things Charles. You’re putting a lot of things out of context. I mean, I’m sitting here taking it. You know, you give it out all time. You give it out in the press. I’ll let you get through the bullshit and we can sit down and we can talk real stories.

Charlie McGeoghegan, lobsterman and MLA Prince Edward Island: That’s why we’re here, Charles.

Charles Anastasia, President, Orion Seafood Group: Okay, that’s fine let’s talk real stories. If you asked Spiros…If you want to look through any of my books, I never sold CKL meat for $25 a pound, I can guarantee you that. If I got $14 or $15 for it, that’s about what I got. You want to see what we’re getting for product? You want to know what it’s all about? You want to know what we’re up against on the market side? Let’s sit in an open… We can develop an open forum. We can develop some platform that we can communicate with. But for you to sit back and take things out of context and throw rocks, that’s baloney. I mean, we don’t need that.
Moderator: Okay.

Charles Anastasia, President, Orion Seafood Group: It doesn’t do anybody any good.

Moderator: Okay, I want to thank you, Charles, for that last few sentences there. We need to find a way to talk about this in a workable and hopefully productive fashion and so, excuse me, go ahead Spiros.

Spiros Tourkakis, Vice President, East Coast Seafood/Paturel International: I don’t think I need this but we can try it. I sit here.

Moderator: Introduce yourself.

Spiros Tourkakis, Vice President, East Coast Seafood/Paturel International: Yes, Spiros. East Coast Seafood/Paturel…

Moderator: Good enough.

Spiros Tourkakis, Vice President, East Coast Seafood/Paturel International: I want to take the liberty and say that I speak on behalf of the processors and dealers that are here and, if they disagree please correct me or please express your opinion and the people that I know are here are Charlie, Peter, Jeff, and I don’t know if there are other dealers here. But I’m going to try to answer the question, the good questions that Mark and Charlie asked representing our sector to put it that way, although, like Charlie said, he’s really right. We have to be all united here and we shouldn’t throw rocks at each other. I’ll go back to Annie’s questions. Annie’s question and to Laurence which said that, why don’t we get more money for the good quality lobsters? There are three things to look at here. Number one, you guys are correct. This is one of the failing points in the industry, and as dealers we have not found an applicable mechanism to compensate for the quality. I personally, I’m sorry, I don’t mean to be rude… I don’t care what everybody says, but we as an industry and particularly I point the finger to the dealers, we have not found a mechanism to reward for quality. Unfortunately, that’s the reality. Point one. Point number two. There has been a small degree of compensation for quality but it’s not happening on the boat level. It’s happening more on the area. For example, Maine lobsters are more soft shell, more abundant, lower price. Nova Scotia lobsters are a little bit better, higher price. So, it’s happening to a small extent – not to the right extent due to our failure to admit it – but only in general areas, only as a group of areas, not as an individual fisherman which we admit that it should be but we have failed. We don’t have a mechanism. We don’t know how to do it. We’re losing track of when we get millions of pounds of lobsters at once and we can’t distinguish the good from the bad. Let’s admit that. That’s point number two. Point number three. It’s not so much that we do not value or we don’t pay the extra for the quality lobsters. We have been overpaying for the poorer lobsters. In other words, the way the system that we have in the lobster industry (which is not the best and a lot of people call it broken but I wouldn’t get to that point. I’d say that’s what we’ve got to work with) it pays pretty much the same price for everything. One of the reasons for that is because no one wants to lose a supplier. So what we do is they elevate the poorer quality lobster and pay the same price like the good lobster. So it’s not that the price is here and the good lobsters should be here. The poor lobster it brought up there. And I know this is a little bit difficult and maybe I’m not explaining it right but really though that’s what’s happening. It’s not that the good go with the bad, it’s the bad go with the good and we end up paying more for product than we should have not. That’s for competition reasons. So these are the three things I wanted to make to Laurence and Annie’s questions. Now, back to Mark and Charlie’s question. They had three questions and I’m going to answer
two and I will ask…. I don’t know if Charlie is here to answer the question on the canners. Number one, question from Charlie is, you guys did a lot of things and I want you to know that I appreciate your approach. I think you presented them to use the way it should be approached and, although it seems to us like an attack on the dealers, I don’t take it that way. I think you put it in a very civilized way and you’re right what you said. But this is part of the big scheme that we don’t know each other. Dealers don’t know what the fishermen do and fishermen don’t know what the dealers do. Your first question was the fishermen did a lot of things in caring about the lobsters on a quality issue. What do we do in the last few years to help the industry. I don’t know if you guys have the chart that I passed around. We have done a lot of things, a lot of effort. Let’s not say a lot of things. We have done a lot of effort. We’ve had a lot of meetings. We tried to bring the industry together. Unfortunately, most of this unsuccessfully. But, Charlie, to answer directly your question, I can tell you this. Look at the chart. 2007, 187 million pounds landed. 2012, 295 million you threw at us and, please don’t get me wrong, I’m just making explanation points, you threw at us in a matter of six weeks, 110 million pounds of lobsters without warning, without preparation, and you said, here’s your 110 million pounds of lobsters guys. And, on top of that, and again, I’m not trying to be negative, you complained on top of that. Well, guess what we did? We took your lobsters, we paid you for the lobsters, we found a market for it, and, if we had not done that with 110 million pounds of lobsters, you would be facing $1.50 or $2 price instead of, yes, I agree, still low price that you got recently. So, what we did as dealers is we managed the most important thing, okay? Because we failed in other things that we did. We managed to find a home for a 42% increase or the 110 million pounds of lobsters that the fishermen sector and, I’m not distinguishing here, threw at us without warning – but we managed to buy them and pay you for them. I don’t think that you could have done any better job on that end. Charlie, Pete, please correct me if I’m wrong, or Jeff. So, the second point that you made was the processors have not helped on the price. The last lobster that will be sold on this Earth if there was one left, it would be live. It would not be for processing. The reason being is because there is some billionaire that, if there is one or two lobsters left, they would pay more than what the plant would pay to process it – which we would not be able to do it successfully or efficiently anyway. What I’m trying to say with that is that the live, the live market has been the market that has been driving this industry for years but things have changed recently. The processing sector has done a tremendous job but we need to see… Just to give you a recent example, the reason that the price in Maine last year was higher than the year before is because of the processing sector, not because of the live. The reason the Nova Scotia boat price was $4 in November of 2013 versus $3 in LFA3, $2.75 in 2012, is because of the processing sector, not because of the live sector – which the live sector has been lackluster at best in recent years. Also, since we have some Prince Edward Island fishermen here, I want to say that the reason that the boat price in Prince Edward Island was wrongly $5 in May of 2012, was because of the processors, not because of the live dealers. So, I think that the processing sector will set the minimum price but, because it will not set the high price, you will not be _________. Like, if you didn’t have processing, I mean, in general, if you didn’t have processing, the price would be much lower. I could go to the 1988 or 1990 before …Charlie, you should give him more credit that actually he gets really… when the first door opened and brought Maine lobsters into Canadian and introduced them as North American tails. I think that, besides the general thing that without the processing, we would be facing a much lower price, which I think everybody knows that, I think the processing sector has done specific things to help it. But, because the processing sector sets the bottom price, not the top price… okay, like in March, right now, the processing sector is not a factor. The live business is $7 or $6.50 or $6 boat price because of the live demand – because there are no Maine lobsters of course to process around. The live will set really, the high price but the processing sector will set the bottom. But it will never be seen. So I can assure you that the live market will not have raised the boat price in Maine 5% like it did last year and it would have not set the boat price in Nova Scotia at $4
while the fishermen expected $3.50 in December in Nova Scotia. They got $4 and actually they said that they didn’t expect that. It was because of the processing sector. So the processing sector has done a lot of things. It’s just because it sets the minimum that is not going to go lower, it’s not being seen. But really, guys, the majority of the things that happen are because of the processing sector. We just do not see it and, believe me, I think that’s the reality. I mean, any other of the dealers can, if they have another opinion, they can speak up.

**Moderator:** Okay. Do you, Pete or Charles, want to say anything at this point?

_________: Do we need more processors? Is that what I’m hearing? You just said you shut down for eight weeks.

**Moderator:** Okay, we need to move along. I’m going to bring this to a quick conclusion here unless I get something pretty quickly here and which we don’t need to do. This is the cliffhanger that makes the people tune into the show the next day.

**Laughter**

**Moderator:** And tomorrow we’re going to continue this and it’s going to be on marketing. And you’ll want to be here and we’ll take it on from here but, my orders are to end about 20 minutes ago or half an hour ago. Charlie, how quickly can you speak? One sentence…

**Charlie McGeoghegan, lobsterman and MLA Prince Edward Island:** Okay, first of all, I want to say I’m glad you’re here, Charles. I’m glad you’re here and this is how we get the conversation started – and Spiros and the other dealers that are here, too. There is a lot of gray area in the industry and anything that I said I can back up as far as numbers. There is a specific processor that was selling meat last spring while we were fishing for that price. It’s not something I’m just running off the lip at. And I understand that you have personal guarantees and everything. Every fisherman in this room has everything leveraged right to the wall. Credit cards, lines of credit, loans, everything. And maybe Laurence has his Chevy Silverado paid for, I don’t know, but there’s a lot of guys in here that don’t.

**Laughter**

**Charlie McGeoghegan, lobsterman and MLA Prince Edward Island:** So…

**Moderator:** Well, there may be a Silverado amongst these gifts that are being given away here in a minute. I don’t know.

**Charlie McGeoghegan, lobsterman and MLA Prince Edward Island:** There might be. I know I was at a pound near Halifax last summer and there was a brand new Bentley, a brand new Audi, and a brand new Mercedes outside and they all come out with logos from the company that it was parked outside of… To get back to the point, as far as constituents, Charles, there’s only one of my constituents in the room and he’s a fisherman. I’m not trying to stand up to make a point of that. The co-ops…

**Moderator:** You’re running past your one sentence.

**Charlie McGeoghegan, lobsterman and MLA Prince Edward Island:** Yes…

**Moderator:** We really need to move along.
Charlie McGeoghegan, lobsterman and MLA Prince Edward Island: The co-ops are obviously a part in this whole process. But the quality thing can be fixed. That’s a tangible thing with the help of Jean and there has to be a price attached to that.

Moderator: Okay.

Charlie McGeoghegan, lobsterman and MLA Prince Edward Island: And we can continue the rest of it tomorrow.

Moderator: Thank you, Charlie.

Charles Anastasia, President, Orion Seafood Group: _______ issue anytime. You’ve got my card. _______. Call me. We can sit down any time and maybe we can create a little forum and talk about it.

Moderator: That sounds like a good idea. Thank you, Charles. I’m going to give you over to Cathy now and you’re going to learn how you can win these fantastic prizes. As I say, I’m not sure there’s a Silverado amongst them, but there might be. Who knows.

DAY TWO

Jean Lavallee, Aquatic Science and Health Services: All right. Good morning everyone. Welcome back, welcome back. I hope everybody was able to have a fun evening last night and enjoy Portland for those of us that are not from here. So we’ll get started right away. If there’s anything that you wanted to add from yesterday’s discussion… which I thought the discussions yesterday were fantastic and I think the Town Meetings are always a fantastic venue for these types of discussions. So if there’s anything you wanted to add you’ll have a chance to do that in a little bit, but we’ll get started first with a session on marketing. I think there’s been a lot of effort on marketing on both sides of the border, on branding and that type of activity. So I think it should be a very interesting discussion. After the session, we’re going to open up the floor for the open discussion and then we’ll break into working groups and we’ll explain a little bit later on what we’re going to do with those working groups. I’ll just turn it over right now to Ted to guide us through a fantastic discussion.

Moderator: Thank you, Jean. Here we are. The second morning. Everybody’s here. We’re ready to go and I just want to remind you that we’re still recording the session and remind you also, when you want to speak, just get your hands up and make sure that I see it and then wait for a microphone, introduced yourself, and we go on. Again, the reason for introducing yourself each time so that we can make sure that, when we put a script to this, we can tell who’s been doing the talking and make sure that you are responsible for those words as they go. We are going to be talking about marketing, as Jean said, and we’ve been leading up to it. We’ve been leaning on it, we’ve been pushing over the edge time and time and time again, so that it’s good that we get here. All of this leads us on to the other session that Cathy will be leading that will look for ideas on where to go from here and how to do it. And we want to keep that in mind as we talk about marketing and finish up this session. Beth Casoni of the Massachusetts Lobstermen’s Association who coordinates their Commonwealth Quality Program will be on our panel this morning and Sarah Cotnoir is going to be here in place of Pat Keliher, the commissioner for the state of Maine, who, I guess, Washington decided he ought to stay a bit longer. But that’s the way Washington does. Sarah, we’re glad you’re here again and Stewart
Lamont of the Tangier Lobster in Canada will be our third speaker and we’ll just go directly into it. Have you decided who’s going to go first? Ok. It looks like Stewart. You’re it. Introduce yourself and the floor is yours.

Stewart Lamont, Tangier Lobster Company Ltd: Thank you very much, Mr. Chair. I am Stewart Lamont, managing director of Tangier Lobster. So I got a call from Bob Bayer. I saw on my call display it was area code 207 and he called and we had a little chat and he said Oh, by the way, are you coming to our town hall event? And I said I would love to. I have it penciled in to my agenda but I’m not sure yet. And he said well we’d like you to make a presentation. We’d like you to talk about marketing Canadian lobster. And I’m thinking this is a bit surreal. This is the home of L. L. Bean. This is the home of Dunkin Donuts. It’s the home of the “Burt and I’ tapes that I grew up on. It’s the home of the Bugaboo Creek Steakhouse. How could I possibly add anything to a discussion on marketing? But I persevered and I said, “Bob, What is the theme of the event?” And he said, “It is We’re All In This Together.’ Well, I said, give me 24 hours and I’ll see if I can be in this as well but I’d really like to do the event. So I came back to him the next day and I said, I’m in. And just by virtue of the first 24 hours thinking about it, I had the first two points that I wanted to make. The first point is you’ve got to be there to answer the bell when that call comes. I only waited 34 years for Bob Bayer to invite me to the United States of America to talk about marketing. So I’m very proud that I was there when the call came and I answered it. And the same principal applies to marketing lobster or marketing anything else that you might want. You better be there when that call comes. And we all tend to have market opportunities on the company side around the world and we don’t always follow up and we don’t always answer them. So, I was very pleased to be able to do so in this case. The second point is, when all else fails, it doesn’t hurt to tell the truth. So I want to rebrand as of this moment your theme of this session. It is no longer We’re All In This Together. It is now We’re All In This Mess Together. Because there is a very big difference. And I am, reluctantly I would say, …we are in a mess in the lobster business more often than not. Let me just go onto the next slide. I’m on the clock so I’m going to… I’ll go on regardless and we’ll see how we make out. So, having been invited to present here this morning, I thought, what exactly should be the themes of my discussion. So, somewhat like a theme, stop and smell the roses, I have a speech that is, take time to smell the tomalley. If you don’t like that one, I have another one. I do a hot seat session in Canada. It’s quite popular because I sit in the middle of the room, everybody asks questions, I say take your best shot and make me squirm. That can be exciting. And, if you don’t like that, lobster marketing is nothing more than a shell game. Why can’t we ever trust a lobster dealer? And, for those who have a sports perspective, I have a sport presentation. In 1986, the worst year of my life thanks to Bill Buckner! I’ve been following the Red Sox since 1967 and it has been a bit of a rollercoaster.

Laughter

Stewart Lamont, Tangier Lobster Company Ltd: And finally, my last speech option is more Canadian gold in Olympic hockey. We are winning so many medals, should we build a piece on to store them all? That’s a bit provocative and I won’t go there.

Laughter

Stewart Lamont, Tangier Lobster Company Ltd: Fortunately for me,

__________: It’s a love-love story…

Laughter
Stewart Lamont, Tangier Lobster Company Ltd: I’m provocative too. Fortunately for me, the content of every one of these presentations is identical so I don’t care which one we choose. But my marketing point number 3 is we should always consider the audience. We should always consider our clients. In the lobster sector, we tend never… Not never… 97% of the time, we don’t consider our customers, we don’t consider our clients, we don’t figure what would be best or better for them. So, I’m going to make every effort this morning here to consider what is helpful for this group. One of the things I do whenever I talk about lobster in any setting whatsoever is to remind myself and remind everybody in the room that lobster is one superb product. It’s one of the great food offerings in the world. I think I am very, very fortunate to have spent 34 years marketing Canadian lobster, but I know harvesters in this room from Canada. I know stakeholders from America in this room. I consider us very, very fortunate to be associated with and market a product as appealing and top-end as lobster is around the world. Admittedly, the last five years have been a rough go. Lobster has been down on its luck. But we are associated with a product that you can’t easily trade. I mean, we could be in Des Moines, Iowa, making widgets, you know. We’re not. We are in the lobster trade. So we should consider ourselves very, very fortunate. If we acknowledge that we’re in a mess, how did we get in the mess? What is the mess all about? Well, it’s really about a number of things. It’s about the economy since 2008 in America. It hasn’t been great, arguably the worst stretch since the thirties. In Southern Europe, it hasn’t been good. Thank goodness for Asia because Asia has meant a wonderful opportunity, which has offset some of the challenges in other parts of the world. Secondly, quality variables. In Canada, we’ve had some quality issues with our lobster that has made it much more challenging. If you’re going to call a product a celebration food, which is what I call lobster, then you better have something to celebrate – and that better reflect some quality issues. We have had variable quality, no worst case than this particular winter. And so we’ve challenged our market and our client with top prices and marginal quality in many instances; in part because of Mother Nature but in part because of things that harvesters and dealers have done to ourselves. That isn’t satisfactory. The catch. The catch has doubled in the last 10 years. I call it a bountiful catch. You will never ever hear me use a word that begins with G L U. We have a bountiful catch of lobster and we’re very, very pleased and happy to have that; but to market double the catch over 10 years in the worst economy since the thirties, that’s been a challenge. And finally, in Canada, our issue has been the exchange – because we built our business and our business model not on quality, not on brand association or telling our story – we built it on one single thing and that was our exchange dynamic with the United States of America. We had a 10 to 15 year period in which the exchange rate was anywhere from 130 to 155. So we could pay in Canadian funds $6.00 to a harvester, sell that lobster $5.00 USD, and make a 15% margin without falling out of bed. Nothing could be easier. For the last five years, we’ve had a par dollar which meant that we had to pay a real price on the shore; we had to charge a real price in the market in a challenging economy. That’s not been a lot of fun. One final point on the challenge side, we’re missing that slide, but, what I wanted to tell you was, this has been complicated. The lobster sector in Canada is incredibly, incredibly complicated. We have a whole range of stakeholders. There we go. We have a whole range of stakeholders. Nope, that’s the slide. Yes. We have a whole range of stakeholders. We have a whole range of variables. We have special issues that require consideration: like Canadian vs. American lobster, live versus processed lobsters, spring versus fall lobster, in-shore versus offshore lobster. We have a variety of products, 15 or so in the live trade, 25 or something in the process to trade. We have variable markets, variable customer profiles, variable currencies, and variable logistics. So we should cut ourselves a little bit of slack. This is a complicated, complicated industry; and making it juggle on a year-round basis is a challenge in both countries. My surprise is not that it doesn’t go well. My surprise is that it goes as well as it does. Very, very quickly on the solution side, what can we do to actually make things better? I’m a guy that markets lobster in 19
countries around the world. We have 50 or 55 clients. They aren’t all buying from us at the same time but we get a feel for what the market wants in 19 countries around the world on a year-round basis. What could we do as a group in both countries? In particular I speak to Canada. Number 1, we could fish smarter. If we want to prove that we can land every lobster in the Atlantic Ocean in the first ten days of December, we pretty much can do that. Unfortunately, it will depress pricing incredibly and we will do ourselves more harm than good. With the information technology that’s out there today, with the ability to communicate the way we can today, and to manage and micromanage an enterprise if we saw fit to do so, we should be fishing much smarter and trying to supply the volume of lobster that the market can absorb without tremendous surplus. If we did that, guess what? There would be a better price for everybody in the food chain. Number 2, quality grading. I call lobsters a celebration food. It is a celebration food. There is nothing worse than having an occasion in which you celebrate and the product that you’re consuming is lackluster. And I’m being kind when I say it’s lackluster. We had tremendous volume of Canadian lobster this winter that were marginal shell quality, low meat yield, and would not provide a good dining experience. We have to get to the stage very, very quickly in Canada where we grade for quality. And if you’re going to grade for quality and search for quality, it means you have to reward quality. I can’t ask a harvester, I can’t ask a dealer, to give me a better quality lobster, the absolute best of the best, unless I’m prepared to pay more for it. So the notion of matching quality grading to better pricing is pretty much axiomatic. Collaboration. I’ve been involved in this round table and lobster council session and Canada. We’ve created the Lobster Council of Canada. It’s an inclusive activity in which stakeholders are all at the table together. Harvesters, dealers, exporters, processors, government, lobster science. We’re all at the table together trying to figure out a better way to add value. There are many lobster council members in the room this morning. My vision is one of collaboration: that before a season would start, we would target a price for lobster. And if the season goes better than we anticipated, we would have money in escrow that would be shifted from the dealers to the harvesters. It would be an immediate reward in a collaborative model where harvesters would get more money because the season went well. The market absorbed higher pricing for whatever reason. Conversely, if it goes poorly, money would come out of escrow away from harvesters and back to dealers to compensate them for either lack of profits or losses that they incurred. In other words, you would create a model which leads straight into marketing because, if we were building the pie together on a collaborative basis, then on the market side, we could give price predictability to our customers and we would be all in the same game together. The confrontational approach we’ve tried in an awful lot of years; and it really, really doesn’t work. Number four, cheap selling. I talk about that a lot because there are companies in our country and there are companies in America who make their mark by selling under legitimate pricing. I don’t know why but they wake up in the morning and say, I’m going to sell for 75¢ or a dollar lower than the market. Well, in a world in which information is shared very, very quickly, cheap selling is poisonous. It’s absolutely poisonous to take away the value from the sector and the resource. So I say we should out cheap sellers. If a company is consistently selling under the market, and there are many that are, out them. Harvester should know about them. Harvesters shouldn’t be selling to cheap sellers because they are ruining their own future. Finally, branding. I’m a big believer in the Canadian brand and I have to acknowledge the Maine brand in this instance is just superb. I can’t think Maine without thinking lobster. I think Swiss, I think chocolate. I think Canadian, I think hockey. It’s not good enough.

Laughter
Stewart Lamont, Tangier Lobster Company Ltd: We have to ride our Canadian brand. We have fine tuned it recently on the Lobster Council of Canada. We are going to promote our Canadian brand and we will see you in the marketplace. Thank you very much.

Applause

Moderator: Thank you very much, Stewart. We’re glad you were there to get that phone call from Bob and that you called back the next day and that all the rest of this has happened. A great report. We’re going to turn to Beth now and if you would get the mic and introduce yourself and the floor is yours.

Beth Casoni, Massachusetts Lobstermen’s Association: Good morning. I’m Beth Casoni. I’m the Associate Director with the Massachusetts Lobstermen’s Association and I am the coordinator liaison with the state’s Commonwealth Quality Program. This program is a true grassroots effort for marketing locally-harvested lobsters. And, in 2009, the Department of Agriculture came up with this to promote cranberries, forestry, and dairy. When I heard about it in 2010 and I said, well, fishermen are farmers of the sea and I contacted the coordinator and sold him our bill of sales and he included lobster in this. So the Department of Agriculture has been very ingratiating to the Massachusetts lobster fisheries. And what the Commonwealth Quality does is it promotes sustainability, quality, and safe practices. It’s a true way for the fishermen to get their product out there with a higher standard. They take pride in quality. And it’s not for everyone and that’s one thing that we’ve had to deal with. You know, we started with four members in 2010 and now there are 18. It doesn’t sound like a lot but there are 18 fishermen selling anywhere from 1000, 2000, 3000 pounds that the dealers don’t have to find marketplaces for. So we look at it as the public has a tool to buy direct from the fishermen. It’s humanizing an industry where, in our area, people come down, they look at the boats, and they say, “Oh, they’re pretty. They’re quaint. They’re New England.” But we look at them as businesses. And the consumer, they get to meet the fishermen and talk with the fishermen so they’re not just buying the lobster from a lobsterman. They’re buying it from Dave Casoni, Steve Holler, Rob Martin. These are product ambassadors that have worked with us for the past four years on this program. In developing the program requirements, that was, you know, it took about a year or so in the collaborative effort with the Department of Agriculture, the Division of Marine Fisheries, the Massachusetts Lobstermen’s Association, and the Commonwealth Quality. So the BMPs, those are pretty much what the fishermen are doing now that are regulated, but they take extra care in handling the lobsters. You heard about that yesterday with the quality of the lobsters so they take time to place the lobsters. They don’t throw them. They ice them. They refrigerate them. So it’s that extra bit of quality that, at the end of the day, these are fishermen that are getting anywhere from $1 to $3 more a pound ex-vessel for their product. I just have to add one more thing to that. The Division of Marine Fisheries has been really good with our industry, and they created a retail boat permit so the fisherman has the permit. They have to pay for it. It’s $65 and it allows them to sell direct to the public. So that’s part of the requirements for them to be involved in the program. They have to have all the permits, and I internally monitor that and I check who’s got their permits. So we had our program kickoff in 2010 at the Statehouse—right in front of the Statehouse in Boston—and it was great. We had all of the sectors there. We had the cranberries, the apple growers, the dairy farmers, and the lobstermen. State officials were there. It’s really, it’s a grassroots effort and it’s taken off. It’s taken four years but, as anything that is State run, State funded, it’s a slow go. And, you know, Rob Martin is one of our product ambassadors and he’s great and he got up there and spoke. And, as you know, if you’re a fisherman, fishermen aren’t eloquent speakers generally by nature. Nobody is. So, I said, just get up there and talk about what you do and he did a great job. And the fishermen that are involved in it, they talk more than just about the lobster. They talk about
the industry, what they’re doing, whale-safe fishing practices. So, for this in Massachusetts, it’s working well. So then we had our launch, the official launch. We had Commissioner Mary Griffin. We had Commissioner of the Department of Agriculture. That’s Steve Holler on the far left. He is a product ambassador. I put lobster consumer, some lady that just happened to be randomly there. Myself, Mary, Dave. So this program took it’s really flight in 2011 and it was well received. The public at this event (it was held in the Four-Points Channel area of Boston at our local food festival) and people were just...they were elated. For marketing purposes to be able to buy direct from a fisherman – and, you know, it really kind of irritated a few of the dealers down our way because we were, you know, trying to take their product and sell it direct and circumvent them – and, you know, we politely explained to them, it’s just one more way to get lobsters out there. In talking to the public, they like the idea of being able to go buy from Steve or Dave or whoever’s in the program. In all of these pictures of boats, these are all CQP members. Here’s a young guy that fishes out of Mattapoiset area, you know, he’s, I’d say 20-nothing. Maybe he’s 26, 27, he’s a young guy and he’s making it and he just opened up a fish market. He fishes and he sells – so he’s hustling it. And this program is going to give the tools to market his product on a wider…on a shoestring budget basically. The benefits. This is another member. This is Sukie Sawyer. He’s up in Gloucester. What the program does. That’s the logo up on the far left. Each harvester has an individual ID number and it’s on a tag that goes through the knuckle – so that, if you come across a tag, you can go to a web site, put that ID number in, and it will bring you to the harvester. It will give you their information. We’re having pictures uploaded because, quite frankly, I said, if I was, well, I am a woman…

Laughter

Beth Casoni, Massachusetts Lobstermen’s Association: And, if I’m going to go meet some shady fisherman down at a dock, I want to know what they look like. So, they’re like, yeah, that’s a good idea. So, we’re going to put pictures up there. You know, some of the guys aren’t too happy about it, oh well. They have to do it because it’s just one more way to humanize an industry. They get a quick reference code. That’s a QR code. If you don’t know what a QR code is, they’re coming. They’re here. They’re going to supersede the bar codes. So, people in today’s world can take their smart phone, scan this QR code, it will bring you to the harvester’s page, they’re going to have a media suite. Some of these guys, they’ve have lines. Steve Holler is here and he’ll talk after we’re done. He has lines. I went and saw it. They wait for him to show up with his boat, with his catch. And these are just more tools for them to get the information out there. We actually, I’m proud to say, we have a…the coordinator for this program because it’s a State-run program, I want to say that, one coordinator finally got a full-time employee about a year ago – and we have half a leg in the lobster industry. It’s a ten-hour a week part-time position but we have a 10-hour a week person that’s able to call the fishermen and get all their information. And, again, it’s a grassroots effort on marketing. And how to find CQP participants? There’s a website. We have that logo on our website, Lobsterman.com. It’s linked to the State’s page and it is a very slick website. You could look at the map of Massachusetts. It has probably 1000 of those little icons. You can narrow it down by sector. The lobstermen, they’re there. You click on it. It tells you all their information. You can call them. You can email them. And it’s one of those things that’s user friendly. And that’s another thing. In today’s world of technology, fishermen… technology, Facebook, twitter, Smartphone, I mean, they look at you like you’re speaking Greek. But, this is the way it’s going. Marketing. Using social media, too. There’s a Facebook page for Commonwealth Quality because it’s grassroots. I use Facebook for the Massachusetts Lobstermen’s Association. It’s probably one of the best marketing tools you can have. I throw a picture of a lobster roll out there on a Friday afternoon and ask everyone where the best place to get a lobster roll is… You would not believe … 200 comments. Everyone’s got an opinion. Some might go, okay. Delete. But, you know,
it’s one of those things that’s just… getting people to think lobster, buy lobster, eat lobster. And I just want to say thank you to the State of Massachusetts for funding this. The Division of Marine Fisheries and the Massachusetts Department of Agriculture and the Massachusetts Lobstermen’s Association. I mean, this is really… We see it growing. Every year we get two more members, three more members, and it’s one of those things where you don’t have to market on a grand scale. It’s just getting the education and the information out there to the people.

**Moderator:** And we thank you, Beth. And now we’re going to turn to Sarah who is taking the place of Pat Keliher today. And Sarah, introduce yourself and the floor is yours.

**Sarah Cotnoir, Department of Marine Resources:** Good morning. My name is Sarah Cotnoir and I am the Lobster Resource Management Coordinator at the Maine Department of Marine Resources. And I actually talked to the commissioner late last night wondering what actual state he was in… if he was in DC or in Maine. And, at that point he was not home yet, and he sends his regrets for not being here and was hoping that he could be here this morning. One other thing he wanted me to add is you can let them know. “I don’t even know if my children will recognize me or if I will recognize them.” He had started at the seafood show and he’s just been, you know, going steady all week so… I apologize that’s he’s not here and that you get to see me for a second day to talk about marketing now.

______: Unintelligible.

Laughter

**Sarah Cotnoir, Department of Marine Resources:** Well, everybody wants to see the commissioner so… That said, the commissioner is actually on this new board so anyone that actually watches what’s going on in Maine will see the commissioner is one of the board members. So, to give a little bit of history about what’s going on in Maine… to look at our landings in 2007 we were in the 60-million pound range, and six years later we’ve doubled those landings. Are we doing anything different to move those lobsters? I know dealers have their own branding that they do and they’re, you know, trying to find markets. But, we had the former Maine Lobster Promotion Council that was funded by harvesters and dealers, and we have a nonresident landings permit so those are the folks that were actually funding that council. And, in January of 2012, our Lobster Advisory Council said we need to be doing something differently. We have doubled our landings and, you know, we’re doing the same thing and now we need to move more product. And, Ted, as I said yesterday, serves on that Lobster Advisory Council. And it was a long, long discussion. There were some folks that said, “Why would I put more money into a program that really had very, very limited funding?” They had, you know, approximately $400 thousand to move hundreds of millions of dollars worth of lobster. So, after you pay for operations, there’s really not much left to move the product as far as programs. So, what kind of came out of that is, okay, if we were going to fund this program more, how would we do that? And the harvesters would say, I bring in the product. It’s not up to me to market my product. One example I had heard at the Forum a couple of years ago is the person had paralleled it to a steel worker for Honda and said, “I’m just a steelworker. I’m not Honda. Honda should be branding my product.” But, that is the final product. It’s the steel. The lobster is the product. So, then it was how is it going to get paid for. You know, is it… If the harvesters are paying the lion’s share, are we going to actually see any benefit back to the boat? So, as Ted probably remembers and those folks that go to those meetings, it was a very iterative process to say, well, we could assess something on trap tags. We could say… And it would kind of be more proportionate …and we had heard from some of the harvesters to say yes, because I’m the harvester that buys 200 tags. It would be, presumably my catch might be less than the
guy that is buying 800 tags and his catch would presumably be more so he should be paying more for the marketing. We went to Machias and... I don’t know if Ben Crocker is here... he’s not – and we heard pretty loud and clear at the meeting that we had gone to to talk about this that tags is not the way to go. They said, we don’t want to see another charge on our lobster tags. And so we had heard from folks, well how about landings. If I’m the harvester that lands 20 thousand pounds of lobster, you know, I would be paying my portion and, if I’m the person that lands 100 thousand pounds, I would be paying more to market my product. In the United States, we’re not allowed to do that as far as we collect landings information. We cannot assess a tax on that landings information. It has to be used for management purposes and other things but not for tax purposes. The next way to perhaps fund that would be through licenses, which is where we actually landed. When we looked at the number of harvesters that would be contributing to this fund and then we looked at the number of dealers, it was now, how do we make this somewhat equitable and not be a huge cost for one person and not another – or one sector and not the other. The way that the bill went in last session was that it was going to be a 75/25 split. So 75% of the fund would be... the harvesters would be putting 75% of, what was striving for a $1 million, $2 million, $3 million budget. It went back and forth. What would it look like if it was a 60/40 split? What would it look like if it was 50/50 split? And I think the difficulty is that we have more harvesters than we do dealers. So, for the harvester side, it was, you know, as I sat down and kind of did the math to see how this would work out, it was a little bit easier to kind of make movement within that sector; but, when you look at the dealers (and there are 350 dealers roughly in Maine, you’ve got Garbo Lobster. You’ve go Cozy Harbor. You’ve got, you know, you’ve got these bigger dealers) and how does that kind of correlate to the guy that has, like I said yesterday, three boats. So, you know, should he be paying the same amount to market his product based on the scale of his operation versus a larger operation. And so that was... I think that some folks here, Patrice and Joel, I mean, there were a few folks who had gone to many of those work sessions with our legislature. And it was a long, long process to figure out how we could actually do this and not have, you know, an exorbitant $10 thousand fee in year one for a small dealer. In the end, we did come out, it was a 68/32 split, I think is how it turned out, 68% for harvesters and 32% for dealers and processors that would be contributing to this fund. That was something also that was new. With the processors before, by the virtue that they had to buy a lobster dealer license in order to process, they were already contributing to that. So we also established a new processor surcharge; and, again, that was based on the scale of operations. You know, upwards of... If you processed more than a million pounds, you would be assessed a certain fee, and under a million pounds, another fee. So, just to check my notes to make sure that I didn’t skip anything because it was quite a process. I know that back in... John Suave are you in the room? There you are. In June of 2012, when we went out and talked with industry, I think there was some skepticism, again, on should we be doing more? I think it was kind of on the heels of 2008 also to say, you know, the price had kind of tanked – and here we are four years later in 2012, it really, from their perspective was not much better. Like, we should try something. We need to be doing something. The law went into effect in October of 2013, so that’s not really too many months ago. The commissioner had appointed new board members to this new, what they call collaborative. It’s our new Maine Lobster Marketing Collaborative. And, I think when we had talked about what should the name of this new council or board be, I think collaborative was really, it really resonated with everyone. It was going to be a board made up of four harvesters that would represent the zones throughout our coast. It would be two dealers and it would be a third dealer that also was in the processing sector. It also has a, I’m trying to think of the council composition. There are also two commissioners, the Commissioner of Marine Resources and the Commissioner of the Department of Economic and Community Development; and it also has two public members. And the public members could be, you know, someone that had a marketing background or it could have been someone that had both a harvesting and marketing background. But essentially the harvesters were put forward by
their zone councils. We have seven zone councils in Maine. And so, where we have seven councils but we were looking for four members, it was kind of tricky; so we had to have some geographic representation. The dealers were put forward by the Lobster Advisory Council. And so what we had done is we had sent out kind of a blast to say, you know, “who do you think should be sitting on this new board?” The public members were also selected by the Lobster Advisory Council and, actually, they were recommended to the commissioner and then the commissioner ultimately made the final appointments to this new board. One thing that I think there was some reluctance about was the accountability of the former council. People wanted to know where their money was being spent, what was being done with it and, with this new board, they not only have to report back to the Marine Resources Committee, they also have to report to the Lobster Advisory Council annually. And they also have to have an annual kind of presentation to industry, harvesters, dealers, and the like. And, I think, this past year that was done at the Maine Fishermen’s Forum; and I think going forward that will be the sector or the venue that they will use. But, nonetheless, it was a place for industry to hear what’s going on with their money. It’s also a place for them to give feedback and suggestions and just to say, you know, this works, this doesn’t. Have you tried this? Have you tried that? And then the increased funding, the way that this had kind of worked at the legislature was, like I said, they were striving for a $1 million, $2 million, $3 million budget. In the end, after going through the budget so to speak, it ended up being $750 thousand in year one, $1.5 million in year two, and then $2.25 million in year three. In year three’s funding, that would also carry through to year four and year five. We’ve heard, what are the benchmarks? What are the objectives? What are we going to get out of this? And we hear boat price a lot. I don’t know if Mark’s still here. There you are right in front of me. We hear boat price a lot. I think there are so many moving targets – I mean, looking at your slide #12, I mean, there is so much. I mean, it was a very impressive slide. It almost blows your mind when you think of all the variables of what’s going on with this product. So, I think in year one and year two, what we will kind of see is, is this working? Is this not working? The good thing about this bill is that it has a sunset on it. In year five, when we report back to the Marine Resources Committee following our audit, if this isn’t working, if the commissioner was here, he’d say get rid of it. If people are not happy with this, if this is not what people thought that they were going to get out of this, whatever people’s objectives might be, if it’s not working, get rid of it. If it needs adjustments or amendments or additional funding, tweaking of programs, whatever it might be, then to kind of move it forward. So, I think there’s that little safety net that October of, I think it’s 2017 or 2018, that, if it’s not what harvesters and industry wants, then it will go away. I think in listening to Beth and to Stewart, whether it’s US or whether it’s Canada, who ever it is, I think we have very similar challenges in front of us. I think I was talking to somebody last night that, if you go down through the list of lobster itself, we have very, very similar problems, advantages. We have quality issues on both sides of the border and I think that this administration does want to brand Maine lobster. I think he wants to brand Maine. I mean, whether it’s potatoes or blueberries or whatever it might be. He does want to brand Maine lobster. That said, Canada is branding Canadian lobster and Massachusetts is doing their own program but we’re all doing our own kind of generic branding. If we’re getting people to buy more lobster, it’s good for all of us. So I think collectively, if we can move more product, make more money for everybody, I think, in the end, hopefully we’ll all be successful with this.

**Moderator:** Thank you very much, Sarah. And I think you’re right. To go back to Stewart’s comment, We’re In This Mess Together, and it’s our task to try to make some sense out of it. We’re going to move now into a time where we can open up for discussion and direct to the panel as a whole or to individuals. I see one hand way at the back there. If we could get a microphone. Remember to please identify yourself, who you are and where you fish, and then we’ll move from there.
Marc Hoffman, M. K. Hoffman Associates: Hi, I’m Marc Hoffman. I don’t harvest lobster, I don’t sell lobster, but I do eat lobster. You folks have mentioned several times the economy and why the economy is down and everything else. There is a major reason why the economy is down and not recovering – and that is because Morgan Stanley, with a little help from Goldman Sachs, is manipulating oil prices. They have been since Katrina. They were before that but they were stealing nickels; and then, after Katrina, they realized they could steal dollars. I’ve been fighting for a long time going head to head. I had a screaming match with the Department of Justice. I caused an investigation by the Commodities Futures Trading Commission in 2010 and my contact down there several months later said, ‘We got ‘em! We got ‘em! It’s coming! It’s coming! We got ‘em!’ I was feeling pretty good about myself. Nobody was buying me dinner but, you know, when shaving in the morning, it’s really easy to look myself in the mirror. Walking down the street, there’s a little spring in the step and every now and then for some unexplained reason, there was a grin on my face. After a couple of months, I realized I wasn’t hearing anything. My friends on Wall Street weren’t hearing anything. So I called this guy back and I said, “So, when is it coming?” “I don’t know what to tell you. It’s up to the bosses. There’s nothing more I can do.” It turns out that Gary Gensler, the commissioner of the Commodities Futures Trading Commission, quashed the investigation. He also happens to be a former Goldman Sachs partner. I’ve been trying for a long time to get somebody to stand up in Congress or in the Senate to stand up and say, “I want an investigation into why there is manipulation of the oil prices and why this investigation was quashed.” But, as one person, it’s just one nut calling. If people would call their representatives, your congressman, your senator, as soon as they get three calls on one subject, all of a sudden it gets their attention. And this is global. What you will see… I don’t know if you remember in 2008 when oil fell from $147 down to $32, that was because Morgan got caught up in the mortgage collapse that they helped create. That was proof that it wasn’t India and China raising your oil prices. That was Morgan. But you will see your demand for lobster increase probably 20% globally and you will see your cost of harvesting drop. You’ll see fuel prices drop to the $2 level and less.

Moderator: Okay, Thank you very much. Dan. Over here, mic, and then back. Up here and then back there.

Dan McKiernan, Deputy Director at Massachusetts Division of Marine Fisheries: Thank you, Dan McKiernan from Massachusetts Division of Marine Fisheries. My question is for Stewart because Maine obviously is investing a lot of the harvesters’ and some of the dealers’ resources into marketing. Massachusetts is on the verge of doing something similar through our legislature. I’d like to get a dealer’s perspective because, at the end of the day, they’re not buying the lobsters from the government. The consumers are buying them from dealers. So, I’d like to get Stewart’s perspective of what he would expect, or any other dealer in the room, what you would expect to see as the benefits of a government-promoted marketing scheme.

Moderator: Thank you, Dan. Again, identify yourself, Stewart.

Stewart Lamont, Tangier Lobster Company Ltd: I’m Stewart Lamont. I think we need to do some serious, serious promotion of lobster in all its product forms in both countries. I celebrate what you’re doing. I am very confident we will do some similar programs. I think the benefits will be substantial. I come from a coastal environment in which we still know how to deal with natural products on a regular basis. But, if you look in national and international market (and I would focus right here in North America, in both the United States and Canada) the extent to which we’re not really familiar with how to deal with a product like live lobster, for instance, to me is amazing. I can go to Toronto down Young Street, the major street in Toronto and, if I do a
survey of 100 people, I bet five might have ever consumed lobster out of the 100 – and one might have actually cooked it. If we go to Kansas City, Missouri, we’re going to discover the same thing. So, I think there’s a desperate need. And I don’t turn just to government to fund it. I think our industry should fund it. We have a penny-a-pound concept, which we are trying to talk all our stakeholders into in Canada – to get an inclusive, embracing approach to marketing our product. But expose a consumer once to Maine lobster or Canada lobster or Massachusetts lobster, forgive me...

Beth Casoni, Massachusetts Lobstermen’s Association: Thank you!

Laughter

Stewart Lamont, Tangier Lobster Company Ltd: And they come back. They come back again and again and again, but they’ve got to be exposed to it; and the way to expose people to things is to market them.

Moderator: Thank you. Yes, and then we’ll get back here.

Ron MacKinley, Minister of Fisheries, Aquaculture, and Rural Development from Prince Edward Island: Ron MacKinley, Minister of Fisheries in the Province of Prince Edward Island. Yeah, I’ve been preaching marketing for over 2-1/2 years. All you’ve to do is look at General Motors. All you’ve got to do is look at Toyota, Ford. Think of what they spend on marketing. I love lobsters myself and, at one time, years ago in the Province, we got them in the spring of the year. But then all of a sudden, we found out we could get them in Nova Scotia. So we started getting them in from Nova Scotia. So we’re having lobsters, somebody like me that really loves lobsters, are having them probably a lot in the summer and probably five or six times or seven time through the winter. Like your New Year’s, your Christmas, whatever. And, your Maine lobsters are good too because I think that ________ down through the country and that. And you’ve got to market it, though. Let’s take a look at this. I came here and what did I see coming in? Cabela’s. ________ wild but I came back with a lot of dollars to Cabela’s. The last time I spent any money at Cabela’s was in Connecticut and some people told me where the Cabela’s store was because I didn’t know where it was. But look were they have their stores. If you look at Tim Hortons, it not big in Prince Edward Island, maybe Starbucks, is big here but Tim Hortons. Every corner. They go for the corners. If you go and look at marketing, the storekeepers went to your corners. And, where is it, in Massachusetts, the fishers are selling a lot of lobsters. I noticed you have female fishers in Massachusetts too, don’t you?

Beth Casoni, Massachusetts Lobstermen’s Association: We do.

Ron MacKinley, Minister of Fisheries, Aquaculture, and Rural Development from Prince Edward Island: I just didn’t notice any on the board but maybe I was ….

Beth Casoni, Massachusetts Lobstermen’s Association: They don’t partake in the program yet.

Ron MacKinley, Minister of Fisheries, Aquaculture, and Rural Development from Prince Edward Island: Anyway, on Prince Edward Island, we have a lot of fishers. We have a Future Fisher program where young people can come up. And we get probably just as many females as we have males. And it’s nice to see young people get into business, because older are wanting a place to go. But you’ve got to market. I’m 100% behind this levy. I hope the Province fishers support it. Early indications of the North side, 75% voted in favor of it, 25% against. Well,
being a politician man, anytime you get those numbers – that’s really good numbers because you always get 25% of the people in this room are probably against what we would decide to do. That’s just life. Another question for you, Beth. I noticed there… So you have a lot of people selling out of the boats. Is that correct, in Massachusetts?

**Beth Casoni, Massachusetts Lobstermen’s Association:** There’s about 18 that partake in the program.

**Ron MacKinley, Minister of Fisheries, Aquaculture, and Rural Development from Prince Edward Island:** Now, when they sell out of the boats …say somebody’s driving through, they go, they buy off the boat…Do they get a receipt for that when they buy out of the boat? Or do they get the name of the person on the bag and the telephone number? Or do they just get it in a plastic bag, pay with cash, and go?

**Beth Casoni, Massachusetts Lobstermen’s Association:** That’s up to the individual harvester. I know Steve’s here and he could answer that. But, if they ask for a receipt, I know they could give them a receipt. They have stickers available they could put their ID number on. They have business cards. They have pamphlets. They have tags on the lobsters that have their ID number on. It’s all traceable back to the individual harvester.

**Ron MacKinley, Minister of Fisheries, Aquaculture, and Rural Development from Prince Edward Island:** Yeah, and that’s what I’m looking at, just the traceability. It’s very important and I know, from being a potato farmer myself, my son put himself through high school and into college by having a roadside stand. And we were packing potatoes in the warehouse for $1.10 a bag, a 10-pound bag, and he was putting it out at the road for $2.66. And all of a sudden I couldn’t even get him to work in the packing house anymore on Saturdays. He was into my potato pile selling them out at the road. But… No, it’s very good to have traceability. But I think marketing… You’ve got to market. The biggest problem we’re in is, yeah we’ve got a recession, but we’ve got to remember, a few years ago, we were 150 million pounds. We’re 300 million pounds between Canada and the US. And, if you’re a broker, it doesn’t really matter too much if it’s Canadian or American. When they’re buying for their stores, they’re looking at price and being able to get a continuous supply. And we’ve got a big job there. And I want to give you credit in the US for starting the marketing thing in Maine there.. I guess it was. LaPage and your commissioner … and that out of Maine made a tremendous job. I know I came out supporting that in the paper as the Province of Prince Edward Island Minister of Fisheries. The first thing my fishing critic did was come out and say, “What have we got a Minister of Fisheries doing here trying to support Maine lobster?” Well, do you not get it? The more lobsters that are eaten when you’ve got 300 million pounds, the price is going to go up. More people have got to eat it. Thank you very much.

**Moderator:** Thank you very much and we’re glad to get these different comments. You started out talking about GM and Toyota and I trust you know that they’re in a little bit of trouble now about quality…

**Laughter**

**Moderator:** And that’s been a part of our discussion.

_______: Unintelligible.

**Beth Casoni, Massachusetts Lobstermen’s Association:** Nice.
Moderator: Okay, we’ve got another comment back here. Your name, please.

Steve Holler, Quiet Storm Ocean Ventures, Massachusetts Lobstermen’s Association: Steve Holler, Massachusetts Lobstermen’s Association, President of the Boston Harbor Lobstermen’s Association. I think most of the fishermen over here will forgive me if I talk in this way…. obviously the Commonwealth Quality in Massachusetts will not work for the fishermen just for the shear volume you guys do. If I go fishing, I pull 400 traps. If I get 400 pounds, I had a good day. 400 pounds at $3 a pound – $600 overhead just for fuel, bait; and help and add in rent, insurances and everything else. So we are on a shoestring margin. So, we started this, I started it, then Beth founded Commonwealth Quality… Boom boom, we got it going. A couple of little things, when we say advertisement. You’ve got a lobster. It’s a bug. You cook it. Boom, boom, boom. I think lobsters have been advertised to death to the point where people are sick of them. What you have to advertise is yourselves. People don’t know where they come from. When I first met my wife, she worked for a multi-million dollar company, we’d go to the Christmas party. “What does your husband do?” “He’s self-employed.” I’m like, why is she saying self-employed? I’m a fisherman. And I’m very proud of being a fisherman. Deadliest Catch came out. What’s your husband do? “Oh, he’s a commercial fisherman.” “Really? Holy cow!” All these people were fascinated by what I do every day, getting up and busting my ass and everything else. The people have to see what’s behind the lobster. What comes in and everything else. I was talking to a few fishermen the other night and everything else and you guys are all great people. If I offend anybody in any way, I apologize. It’s just a different realm of your fishing versus mine. We were talking with some people, Facebook. Get your 11-year-old daughter or son, have them set you up a Facebook account.

Steve Holler, Quiet Storm Ocean Ventures, Massachusetts Lobstermen’s Association: Throw pictures up there, okay?

Beth Casoni, Massachusetts Lobstermen’s Association: Right. Seriously!

Steve Holler, Quiet Storm Ocean Ventures, Massachusetts Lobstermen’s Association: On my site, I get new clips from things that are going on in Canada and Maine and I apologize. I always equated Maine and Canada as one thing because all we hear is lobsters are coming down into the market. 90% of our lobsters get shipped out right away. It’s replaced by Maine or Canadian lobsters. It’s just the way the things work. So, I’m working on 10% of the market that’s out there. On the topic of dealers, I heard some people say, well you’re hurting the dealers and everything else. When I first started, dealers were pissed at me, throw me out, you’re taking business away from me. I have one dealer that says, “Go do whatever you want to do. That’s fantastic. You’re not flooding my tanks.” When the lobsters are plentiful I’m taking maybe 400, 500, 600 pounds for two days a week, three days a week, out of his tanks that he doesn’t have to try and sell and worry about when it’s the doldrums of July and stuff like that. Then he’ll say, “I’ll take whatever you’ve got left because I know you’re targeting good lobsters that are going to the public.” Another thing, on perception of fishermen and a lot of people don’t know… I get news clippings from whether it be Maine or Canada, whether it be about the price and what fishermen want, this, that, and everything else. Your last impression of a good meal, you will never hear anyone in a restaurant say they got a good meal but they will always remember the
bad one. Because, everyone tells them, “oh don’t eat there. I got a bad meal.” You might have eaten there 50 times and it was great but you had one bad one. That’s the one that everyone’s going to say. I see new clippings and everything else, and I’ll go on the comment pages about stuff that’s going on in Maine and Canada and everything else. And I have to say, if there are 100 comments in that comment section, 95 of them are all very nasty and negative toward the fishermen. “Screw you guys. You know, you’re making millions of dollars and everything else.” And it’s not that you are. It’s that people don’t know. You have to get it out there. You’ve got to put a face on it, you know. And, like I say, the Commonwealth Quality, and the scale, will not work for you guys because of the sheer volume you do, you know. Fundraisers in your neighborhood? Donate six lobsters. Show up. I’ve got now my two little knuckleheads are 11 and 13 years old… My daughters, I’m sorry, my daughters…

Laughter

Steve Holler, Quiet Storm Ocean Ventures, Massachusetts Lobstermen’s Association:
They come down to my boat when I tie up, they come on my boat, “Dad, we want to work.” So I just pack the lobsters up, I give them to them, tell them how much it’s going to cost and they go to the people, “That’ll be $30 please.” They take the money and everything else. People love it. Absolutely love it. Get the family, get the kids involved. My two daughters now, God bless them, they got the entrepreneurship in them, wanted to open up a lemonade stand in the driveway. I go, that’s great kids. They go, “But Dad, we want to sell lobsters.”

Laughter

Steve Holler, Quiet Storm Ocean Ventures, Massachusetts Lobstermen’s Association: I did two trial runs on a Sunday. My two daughters are going to make in three hours, $200 each; at 11 and 13 years old, you know. God help, they want to buy Justin Bieber tickets but …

Laughter

Steve Holler, Quiet Storm Ocean Ventures, Massachusetts Lobstermen’s Association: It’s the marketing of the fisherman. Get yourselves out there. Like I say, Facebook. When you go out in the morning guys, take a picture of the sunrise and the wives that are in the room and everything, I want to apologize up front, they will get marriage proposals. I mean, really guys.

Laughter

Steve Holler, Quiet Storm Ocean Ventures, Massachusetts Lobstermen’s Association: It’s the public’s perception of what you are and what’s going on. Not that you are anything that they say but, for some reason, that’s what they figure. So, again, I apologize for taking up the time.

Moderator: Okay, Thank you very much, Steve. I’m going to get right back to you in a second here. I hope you noticed that we have… The push for collaboration and finding ways to work together and then we have ways of working as individuals and getting ourselves out there. And we need to think this through as we move through the rest of this session today, how we could go. Annie. There we go, we’ve got a mic.

Annie Tselikis, Educator: Annie Tselikis. So the last time that I was in this room was about a year and a half ago. Some of you were here. Patrice was here. My brother and my cousin both grew up in Southern Maine. My brother is from Cape Elizabeth. We’re from Cape Elizabeth. My cousin’s from Scarborough. Both graduated from college. My brother entered the medical
device sales industry and my cousin moved out to Los Angeles and entered real estate. And the two of them got bored with what they were doing professionally and started thinking about starting their own business. So about two and a half years ago, they started thinking about starting some sort of lobster business out in Los Angeles. And that lobster business became one lobster roll food truck and they got picked up by an on-line marketing agency called Gilt which is sort of like a Groupon for higher quality products. Gilt advertised them one day and then the producers of Shark Tank found out about it. So Shark Tank went after my brother’s business and said, “Would you guys apply?” Long story short, they end up being on Shark Tank and get an investment of $55 thousand from Barbara Corcoran for 17% of their business. Barbara’s investment helped them get a second truck. They’re about to put their third truck on the road. So they’re all around Los Angeles and Orange County and Southern California selling lobster in a market where very little lobster hit the market before. This business was started in the middle of this great recession that we keep all referring to. And so there is a lot of product moving into places, and in different product forms, that didn’t exist before. So I just want to put that out there. You know, to hear all this sort of negative side of everything that’s been going on in the business, there are some really good stories out there. Luke Holden who’s also another kid we grew up with. Luke’s dad, Jeff, was here yesterday. Luke owns Luke’s Lobster in New York City, Philadelphia, and Washington, DC. I mean, Luke has consistently been steadily on the rise in his business. There are a lot of people, not only the dealers and the processors and the fishermen in this industry; but other people who are marketing the product in different parts of the country that, you know, weren’t on the scene five, ten years ago. This product is moving and there are some really exciting things that are happening in the industry in the consumer, retail, and restaurant side of the business. And I just wanted to address that, and I think that there is a lot of opportunity. I mean, to hear Stewart say, you know, that the housewife in Toronto or the housewife in, you know, Kansas or Missouri or wherever, trying to get the product into places where it is not currently entering the market right now – increasing distribution, and diversifying our product forms is very important for us as an industry.

Moderator: Thank you, Annie. I need to go back to Stewart and then to Beth.

Stewart Lamont, Tangier Lobster Company Ltd: I just wanted to comment very quickly on Steve’s…

Moderator: And you are… Stewart, you want to introduce yourself. I’m sorry.

Stewart Lamont, Tangier Lobster Company Ltd: Stewart Lamont. I didn’t realize Steve was a presenter here this morning.

Moderator: Well, there you go.

Beth Casoni, Massachusetts Lobstermen’s Association: They call him Hollywood.

Stewart Lamont, Tangier Lobster Company Ltd: I know that once you get me started, you can’t get me to stop but I think I got trumped! I just wanted to make one point, Steve; and I agreed with 97% of everything you said. The one point I don’t agree with is when you suggest that lobster has been advertised to death. It has been advertised to death arguably in New England. But it has not in the Midwest. It has not been in the South. It has not been in Western America and Western Canada. We have whole… Europeans are far more familiar with the quirks and idiosyncrasies of lobster that North Americans are. Asians trump us both. Asians… We have issues in terms of branding and explaining what Canadian lobster is versus Boston lobster and all those kind of things. But, in terms of pure appetite for the product and
consumption of the product, the Asians are the most capable, the Europeans are the second, and North Americans, Americans and Canadians, are a very distant third. So, in terms of marketing efforts, I think we should start at home.

**Moderator:** Thank you. Yes, Beth, introduce yourself, please.

**Beth Casoni, Massachusetts Lobstermen’s Association:** Beth Casoni. I just wanted to add something to the Midwest part of the country. You can go 30 miles from a coast and you’d be hard pressed to find a lobster tank. In the town that I live in, Marshfield, it’s on the coast. Take a walk through the seafood department. I personally wouldn’t eat a lobster out of the tank so, you know, the Midwest, you might as well keep going straight across the country. I mean, it’s not just the Midwest. It’s 30 miles from any coast. Take and look and see how many lobster tanks you come across. And then I just wanted to add something. The Commonwealth Quality Program is not for every fisherman because some of the fishermen say screw that, I don’t want to deal with the public. They fish for a reason. And we understand that so it works for some of the fishermen like Steve that like to talk…

*Laughter*

**Beth Casoni, Massachusetts Lobstermen’s Association:** No! That’s what you have to do, and it’s a personality thing. He’s selling himself, he’s selling his product, and quite frankly, by the time they’re done, there like, “Here just take my money!”

*Laughter*

**Beth Casoni, Massachusetts Lobstermen’s Association:** No, but it works. It does. It works for some.

**Moderator:** Thank you very much, Beth. And I think it’s good to bring that out and, again, that pushes us back to the, “How do we collaborate together? How do we make this all work for all of us?” Over here.

**Annie Tselikis, Educator:** I have a question for you, Beth. Sorry, Annie Tselikis. I went to the National Seafood Marketing Coalition event at the Seafood Show down in Boston, and I’m curious about what you guys are doing in terms of your State marketing agency; and I was wondering if you could just sort of talk about that a little bit. And I don’t know where Dan went but if he wants to…

**Moderator:** Okay, Beth.

**Beth Casoni, Massachusetts Lobstermen’s Association:** Beth Casoni.

**Annie Tselikis, Educator:** Oh and one other thing. What is going to happen with the Commonwealth Quality Program sort of in the context of that or if they are still going to be mutually exclusive things.

**Beth Casoni, Massachusetts Lobstermen’s Association:** Beth Casoni. I’m glad she brought up the National Seafood Marketing Coalition effort and, for those of you in the US, if you have not heard about this, please see me afterward and give me some contact information. This is a national effort. It’s going to take an act of congress. I spent a week ago Friday at the JFK library researching the early days of the Saltonstall-Kennedy Fund and, right now, this coalition
has been active for ten years. The Massachusetts Lobstermen’s Association has been involved for five years. I know the Maine Lobstermen’s Association signed on right after and, quite frankly, what it’s seeking is funds that should have been coming back to the industry to help promote product development, educate, and market US wild-caught grown seafood. And this is coming from taxes and tariffs. And, unfortunately, the money’s been absorbed by NOAA to help put fisheries, you know, science data, all that stuff. So this coalition effort is really key for marketing in the US – and product development, value-added. You heard it yesterday. You know, who brings home a chicken and plucks it. Nobody. A lot of people wouldn’t know what to do with a lobster. So, value-added is where it’s going. The younger generation, it’s a microwave generation, unfortunately, or it’s a to-go… You know, what can they buy already ready at the grocery store. So we’re very actively in that. And then Massachusetts right now has legislation filed by Senator Tarr out of Gloucester and it’s a start. He’s seeking $250 thousand for seafood marketing, which is a drop in the bucket of marketing but at least it’s a start. And we’re very actively gaining support for that. And, from what we were told at the Seafood Show, Senator Tarr came and spoke on behalf of the coalition and also the marketing bill that he has filed. It’s gaining support and hopefully it will pass this year coming, and that will be held under our Division of Marine Fisheries. And it was brought up that, why would you want the agency that is managing your resource to market it? Well, the Massachusetts Lobstermen’s Association works well with the Division of Marine Fisheries. They’re very transparent. They’re very open. They’re very receptive so, quite frankly, keep that relationship going. I guess, years ago (I don’t know, Bill might add to it) there was some tension between the two I guess. I don’t know. But right now, it’s in a good place and we’re comfortable with the Division of Marine Fisheries doing that. And what was the other thing? The Commonwealth Quality Program, that will stay in place. That’s under the Department of Agriculture so we like that. We’re actually going into the State House. This is one thing that the Association does. We’re going into the State House next Wednesday with the Department of Agriculture. They have a big day at the State House. Farmers come from all over the State, you know, and bring samples. We bring lobsters. Well, we give it to the school that cooks it and prepares it. So, it’s another way to get to your legislators. We have our own lobster day at the State House. We bring… we have a 39-1/2-pound stuffed lobster we bring and it’s really pretty cool. And we give the little… I call them the cubical seagulls, you know, all the aides come down and try the lobster and, you know… Oh yeah, it’s great. But the legislators come too and it’s nice, you know. It’s just, again, it’s getting that out there. Because people that live in Massachusetts that live 100 miles from the coast, they might think lobster once in a blue moon – but we want to keep it right in front of them.

**Moderator:** Thank you very much, Beth. Charles and then Bob.

**Charlie McGeoghegan, lobsterman and MLA Prince Edward Island:** Charlie McGeoghegan, Prince Edward Island. I think all the presentations were good this morning, very informative. I agree, too, that in some of the Western or Southern States that there needs to be more advertising. I mean, my grandparents went to Arizona for years and I used to drive them down there. You could hardly find a lobster and, if you did, it was so high priced that nobody could afford it. Texas, the same thing. My brother married a girl from Texas and the same thing there. You can’t hardly find a lobster in most places. St. Louis, Missouri, the same thing. British Columbia inside our own country. Alberta. Most of Alberta, the oil workforce is from the Maritime Provinces and most of those all eat lobster but, try to find lobster there. And, if you do, it’s very high priced. So, there needs to be more, I think, both promotion and lobster directed to those areas as well in real time. The Boston Seafood Show this year, which Chuck and I and our wives were there for a few days, and you could count on both hands the number of lobster booths – and there were something like 1000 booths there. There were only a few that sold lobster or were trying to find new markets to sell lobster. You could buy imitation shark fins but
there wasn’t… You know what I mean? I mean, anything under the sun you could find it there – octopus and raw octopus (and Chuck didn’t enjoy those too much but, anyway) we have a second-to-none product, a AAA Kobe beef-style lobster, and I don’t think it’s being marketed as such for the most part. I know Stewart really emphasizes on quality. I visited his operation last summer and I went actually after our fishing season. I started in Prince Edward Island and went right to Portland, and then I went back home and then went to Cape Breton, and started there and went to Yarmouth. And Stewart has probably one of the best grading quality protocols that I’ve seen so far. So I know that when he talks about quality he means it. One thing that I noticed at the Boston Seafood Show was that, because of the lack of booths, it seems that most lobster dealers just want to deal with the same old people they’ve always dealt with – whether it’s brokers or end-users from all over the world. And that’s why they’re not at the Boston Seafood Show trying to branch out and find new markets. And I’m not quite sure why that is. Maybe Stewart could touch on that. But, yesterday in our discussions, we talked about quality in-depth, and some solutions. And we offered some solutions but it seemed like, both with Spiros and Charlie Anastasia, that they didn’t seem to want to jump right on board with marking crates and making sure that there’s a protocol followed – and that they knew from each boat. I mean, you could fix the problem inside a week. If somebody’s bringing in all good quality lobsters and you’re getting no deads, if they’re getting $5 or $6 a pound and the guy that’s bringing in 10% to 15% weaks or deads is getting $3 a pound, well I think he’s going to pay attention, pull up his socks, and make sure that the protocol is followed – and that his hired man is following that protocol, too. So, inside of a week, that problem would be fixed. And, if that’s followed all the time, it’s a pretty easy way that doesn’t cost any more money to address that situation – and that takes that argument off the buyer’s side. So, maybe if you could talk a little more on that Stewart. There just seemed to be some reluctance. It’s an easy thing. There are dealers that are doing it now, and I’m sure you’re one of them. And it doesn’t cost anything to do, and it makes fishermen accountable, and it makes sure that the best quality product gets there. Now, like I mentioned yesterday and I’ll just finish with this, there are buyers in New Brunswick and Prince Edward Island that are buying both canner and market lobsters with no bands on them because they’re just going to dump them all in the same pot and cook them to process them. Fishermen feel that they’re doing that on purpose to intentionally degrade the price or the quality; which, in turn, degrades the price. So, how do we fix that problem when there are dealers that want to buy them when they’re all chewed up?

Moderator: Okay, Thank you very much, Charlie. We’re going to turn to you Stewart and then Bob and then we have another speaker at the back. Go ahead and respond to that if you would.

Stewart Lamont, Tangier Lobster Company Ltd: So, I’m Linda Bean….

Laughter

Stewart Lamont, Tangier Lobster Company Ltd: Sorry, sorry, wishful thinking. I’m Stewart Lamont.

_________: You’re better looking!

Stewart Lamont, Tangier Lobster Company, Ltd: There ya go.

Laughter
**Beth Casoni, Massachusetts Lobstermen’s Association:** Wait, wait, wait, state you’re name first. That’s on the record!

**Stewart Lamont, Tangier Lobster Company Ltd:** Charlie brings up some very interesting points, one of them being, and I’m guilty of this so I’m anxious to have a chance to defend myself. Why aren’t there more dealers at the Boston Show? Why isn’t lobster more visible? I didn’t even go to the Boston Show this year. My enthusiasm was 20 times to come to this event as it would have been to go to the Boston Show, because I think we can have, hopefully, an effective discussion. But I’ve been to the Boston Show 26 of the last 29 or 30 years so I’ve literally been there and done that. We have relationships. I’m in the relationship business. I just sell lobsters on the side. I’m in the relationship business and I have relationships with customers in key markets right around the world. Other lobster exporters do in the same sense. So, if I set up a booth at the Boston Show, I like to micromanage my environment. I can’t do that. I have to be receptive and talk to whomever comes to my booth. So, if six people come from Atlanta, Georgia, I have to talk to all six. If I already have an existing relationship with someone in Atlanta, Georgia, it’s really awkward to say look, I’m here, I’m promoting my business, but I already have a partnership in Atlanta. I can’t talk to you. I’ve been dealing with it for the last two months with regard to South Korea, because I have an exclusive relationship in Seoul, South Korea. And I’ve had six or eight inquiries from Seoul so I’ve passed them on to other dealers who may not have that relationship, so they can begin something. In a trade show environment, it’s very, very difficult to control whom you deal with and whom you do not. And, if you already are well established with a mature business, it’s a real problem. So, in defense of Spiros and 50 other dealers, that’s part of the reason. On the quality grading piece, it’s complicated because we have huge production at certain key times. The first ten days in December and the first ten days in May, in Canada anyway, we will get some, you know, 50% of our year’s production in those two ten-day periods. How do you slow down the process such that individual harvester’s quality is sorted and you get back to them the extra price that they need? Take away those two ten-day periods, and it’s a whole lot easier. What I’m in favor of is harvesters doing the initial grading. In Canada, I think we will come out with a hard shell, soft shell, cull trifecta. Harvesters can grade their product into those three categories. Will it be 100% the same as what I would do? No. But that’s not the point. Right now we’re not doing a blessed thing in that regard. So, if we can make a dramatic improvement on quality grading that’s initially done by harvesters and verified by dealers, we’re much further ahead.

**Moderator:** Thank you very much, Stewart. I’m going to go to Bob and then to the speaker back here and then we’re going to remind you that we’re going to then open up for open discussion and we’ll get to you Beth. Do you need to respond to this specifically?

**Beth Casoni, Massachusetts Lobstermen’s Association:** I just want to clarify a couple of things actually.

**Moderator:** Okay, but then I do want to get to …

**Beth Casoni, Massachusetts Lobstermen’s Association:** You can go to those two first.

**Moderator:** Okay, Bob.

**Dr. Bob Bayer, Lobster Institute:** I’m Bob Bayer. A couple comments, I think, by way of reminder. The United States is the largest consumer of Canadian lobster and Canada is the largest consumer of the American lobster and I just thought that was a worthwhile comment just to remind us that we are all in this together. We do a… Changing subjects, we do an
educational program called Lobster Academy and it’s meant for people that are in the lobster consuming business, lobster business around the world. We’ve had supermarket chains from virtually every continent represented. And one of the things that we’ve learned is that lobster tanks, getting to Beth’s comment earlier, are very expensive and they tend to be a loss leader – but it gets people into the store so they’ll do it. The smaller chains, many of them can’t afford to do it anymore but the large ones do it anyway. What you’ll notice related to this, in the US, no matter where you go, the band may say Product of Nova Scotia but it’s a Maine lobster. It’s viewed by the supermarkets and I think by the general public, if it’s a clawed lobster, it is a Maine lobster. Kind of like Kleenex and Scotch tape.

Moderator: Thank you very much, Bob. Now, we’re going to go back here and then we’re going to go to Beth.

Brian Guptill, President of Grand Manan Fishermen’s Association: Brian Guptill, President of the Grand Manan Fishermen’s Association. Stewart is on the track. You can advertise your product and push your product all you want but, when the person in Los Angeles, Calgary, or Las Vegas puts out big money for a lobster, they want a full-meated lobster. If we have to come up with a grading system so that, at those locations, you’re going to have a tiered price system, more or less the same as the beef industry, there are different grades and you pay for premium and an educated consumer pays for what they’re… they’re willing to pay for what they get. If you want to pay less money, yeah you can get one that you open the tail and some water runs out or you can get soft shell. So, we’ve got to get to that kind of a system. And, in that, I don’t want the buyers and shippers to be responsible for all the grading – but, as fishermen, we know when we’re landing shit and when we’re landing good stuff. And we should be paid, graded and paid, at the dock for that product. I think that’s the overall thing we’ve got to get to. You can try and sell a product all you want and you can advertise it; but if, in the end, the consumer receiving it does not figure they’ve got their money’s worth, it’s all for naught.

Moderator: Thank you, that’s a good thing to bring forward, Brian. We’re going to, as I say, go through this session and then we’re going to have some time to have an open mic and then Cathy is going to focus on how can we do something about this. How can we move there? What mechanism do we set up collaboratively to move toward some of these goals that we hear articulated again and again? That’s very important. Now, Beth’s on and then Laurence and then up here. Go ahead, Beth.

Beth Casoni, Massachusetts Lobstermen’s Association: Beth Casoni. I just want to clarify something. The National Seafood Marketing Coalition fund, that’s going to be set up so that anyone in the US in this room could apply for any of these funds… The $20 millions would be divided between five regions in the country – and then 80% of the $20 million would be divided up equally – and then the remaining 20% would be divided upon volume. So, depending on what your state or your region lands, it’s volume based. But I just wanted to get that out there so, if you’re sitting in here and you’re a harvester or you’re a processor or a dealer and you have product ideas, you could apply to this regional board for funds – and it’s a 50/50 match so you have to have skin in the game. You know, if they look at your idea and say, yup, great, the funds would be awarded. And then I just wanted to also add that, for all the dealers that we might irritate with our Commonwealth Quality Program, I get phone calls. People say, “what do you do?” I say, yes. I answer the phone and you just never know what’s on the other end of it. I got a phone call last week. Somebody wanted 4000 pounds of lobster meat. Did I call Steve Holler and say, hey can you give me 4000 pounds of lobster meat? No. I called the dealers that are members of the Massachusetts Lobstermen’s Association. So, for every one dealer that might have been a little irritated, I get phone calls that I give to the dealers; because I know that the
harvesters can’t produce 10 thousand lobsters for an event or 4000 pounds of lobster meat. And then I just want to throw one more thing out there for marketing because I guess now we are in like the reality TV world here, and the Nat Geo producer contacted me and they’re looking for any fisherman that’s interested in Man versus Water. So if there’s anyone in here that’s interested that’s a fisherman or might know someone, I’m just putting a little plug out there. It’s getting it out there. Thanks.

**Moderator:** Thank you, Beth. And just to follow through, if you’re interested in getting some of that $20 million and you forgot to write down how to get there, go back and see Beth. Now back to Laurence and then we’ll come up forward a little bit.

**Laurence Cook, fisherman, Grand Manan Island:** Laurence Cook, Grand Manan. Everybody knows, Ted. A couple of things. One, in Canada, there’s a program called This Fish and this This Fish is similar to, I think, what Massachusetts is doing in that the tag, the band on the lobster carries your tag on it. When you buy that product, you can punch it in and it will find the fisherman who caught it, the boat – prove that they’re licensed and fishing under, you know…it’s not some bootleg product. So there is a program for that in Canada for any Canadian fishermen that don’t know. And secondly, Charlie said on the quality issue, if you got a couple or $3 more, everybody’d be excited. And they sure would. But I don’t think that’s a realistic number. And I was wondering, Stewart, you mentioned earlier about the 10-day rush and how you’d like to see that spread over a longer time. To me that means less efficient fishing, which means less money for Laurence in the end; unless I get more money from Stewart for higher quality. Now, what is your idea? You spoke about rewarding quality, too, but I’m thinking you and I had this discussion once and I believe the number you threw out on the table was a quarter. It wasn’t $2 or $3; it was 25 cents. Now, I’d just like to know Stewart’s opinion because I certainly didn’t hear Charles Anastasia say anything about it and I didn’t hear Spiros say anything about it – but I’m just wondering, Stewart, can you tell me what you think that higher quality reward should be? Because I’m thinking it’s probably not the $2 or $3 Charlie was talking about.

**Moderator:** Stewart?

**Stewart Lamont, Tangier Lobster Company Ltd:** Stewart Lamont. Laurence, you and I started talking about this 20 years ago so it’s gotta be ramped up for inflation.

**Laughter**

**Stewart Lamont, Tangier Lobster Company Ltd:** I mean, it all depends. That’s the bottom line. It all depends, because every… where I think we get in trouble is when we generalize. We will make broad generalizations about the Canadian sector or the American sector or about a given fishery or a given time of year. I’ve come to the stage in our business where I do relatively little planning. Yes, we have a big picture that we’re trying to achieve, but in terms of trying to look ahead… For example, this spring, we have so many variables that are going to impact upon quality, price, and catch in the next 30 to 90 days, it’s just staggering. So, rather than anticipate this and find I was sadly mistaken in how I saw it, I tend to react. Specifically, we’re going to do one for sure and maybe two pilot projects – and the pilot projects will be absolutely transparent with the harvesters. They’ll know what we’re getting. They know what we want in terms of quality and the makeup of the catch – and we’re going to try to reward them. In a realistic world, its about 50 cents now at the best of times – the reward that we can pay for a better quality lobster. And that’s if you allow me to pay a different price for the undesirable. Okay? I want to reward the good and I want to penalize the bad or, more accurately, I’m a total, total opponent of
the shore price model. The shore price model, which says one price fits all, just doesn’t fit 2014. Let’s start reflecting the nature and quality of the catch relative to the market conditions, relative to the price we pay. So, I mean, it’s a long-winded answer. I’m looking for a little wiggle room. 25 cents is a gimme. 25 cents is easy to pay for better quality. 50 cents or anything higher than that and you really have to have the right circumstances. But I’m not looking to get 50 cents tomorrow for harvesters and for myself. I’m looking to make progress. I’m looking to get out there a model that people say, “Okay, this is sure as hell better than a shore price system that treats the best and the worse equally just because it’s simple.” I mean, we don’t tend to be very good with calculators in the seafood sector and that’s unfortunate.

**Moderator:** Thank you, Stewart. Right up in the front row now.

**Mike Chadwick, Atlantic Lobster Sustainability Foundation:** Thank you. Mike Chadwick, New Brunswick. The one element that I’ve been waiting to hear about is the green movement in the world and the ability for our industry to defend itself with regard to harvesting, transport. Talk about tanks, cooking. You know, these are all being challenged and Germany’s already sort of put up a red flag that they won’t allow tanks in their supermarkets – and the ability to defend the industry – and this is why I’m really an advocate for working together and having one brand and then having a fund that we can defend ourselves. Because right now, if we’re so fractured, we’ll get beaten because there are forces… We’ve already shut down our Canadian seal hunt and we’ve got more seals that we can know what to do with. And now we can’t sell them and that’s going to apply to all. It’s a big issue and it’s not over, and it’s getting worse and I just want to point that one out. Because I think maybe the way forward is focusing on this new challenge and that brings people together and then the other stuff comes along. Because right now we’re trying to, you know, even this price thing is kind of a divisive issue and it’s complex. We’ve seen all the reasons why. But one way around when you’re managing a group of people is you focus on a challenge that everyone agrees is a challenge and then you go at that and the other things will follow. If you are collaborative, then the other problems get resolved along the way. Thank you.

**Moderator:** Thank you very much, Mike. John Williams over here.

**John Williams, lobsterman, Stonington:** Hi, John Williams. We’re the best managers and we’re the best ambassadors of seafood. Anywhere you go, like Steve said, everybody wants to talk to the lobster fisherman in the room. We’ve done it all over the country. We went to Florida and went to a cookout. People found out I was a lobster fisherman. There were 30 people coming from around the country on the Fourth of July to our house to have soft-shell lobsters. They’ve never eaten one. They wouldn’t eat one for any reason, they said. I’m going to proved to them that they’re going to order them from now on. So we can push our own product. Anybody you talk to will help. Something else, if I can read my own writing. Marketing isn’t just advertising. You have to educated the public too because they don’t know what to do with a lobster. We catch soft-shell lobsters. We admit that. They’re the best in the world to eat. But, if the public doesn’t know what to do with them, they’re going to get them frozen. That’s going to be okay. I mean, they’ve got to realize that that’s how they’re going to get their lobster. So, it’s education too. Thank you.

**Moderator:** Thank you, John. Bruce and Beth did you have anything to add?

**Bruce Fernald, lobsterman, Cranberry Island:** Bruce Fernald, Cranberry Island. I just want to tag onto what Annie said about small businesses doing their own thing. It’s happening more and more, and especially a lot in the last four or five years. For example, our co-op, we’ve hired
an ad agency. We spoke to a PR group. We’ve gone to the Small Business Administration. We’ve done all kinds of things to help see if we can get our price up. And it’s just something that we’re paying for. We also have to pay to the Collaborative. But we think it’s worth investing and that’s what our feeling of it is. It’s an investment. And there are all kinds of ways to talk to people. I did a Skype call one night for a business in Florida, a catering service. I met him on a plane, the owner, coming back from Cleveland. I’m not a very good speaker so, excuse me. But, I asked him what he did for work and he said, “I’m a caterer. I have this business in Florida. “ And I said, do you sell lobsters and have it on your menu? And he said, Florida lobsters but I want to promote Maine lobsters with a story. And I said, I have the lobsters and I have the story. So he called me up later and said would you be willing to do a Skype call with a dinner I’m putting on? So I said, okay. So he called, we got it connected, and I did a dinner. I did the call for this dinner for 16 women; and they were asking me questions about my lifestyle and my fishing, how I fish, and it was a great thing. So there are just many ways to reach the public. So, that’s one little example.

Moderator: Having dinner with 16 women at a distance…

Laughter

Moderator: Okay, Beth and then over to John.

Beth Casoni, Massachusetts Lobstermen’s Association: That can be real dangerous. I just want to add… Beth Casoni… I want to add to John’s comment about new-shell lobster and also Bob Bayer made mention of the Lobster Academy. I had the pleasure of attending the Lobster Academy last year. I started eating lobster in Vinalhaven and I landed up through Canada through the Lobster Academy up to Prince Edward Island. And I tell my friends, you know, I ate more lobster in one week’s time that, by the end of the week, I’m like give me a cheeseburger, please! But, to get back to the new shell. You know, you hear these words and I’m a word person. I hang on words. Soft shell to me is not a good thing to talk about when you’re talking about lobsters. It’s a new shell. It’s fresh. Soft shell means something’s wrong with it. It’s like a bruised apple. Do you eat a bruised apple? Well, you cut the bruise out. Back to the new shell… I like the new-shell lobsters because we do a lot of educational outreach through the Massachusetts Lobstermen’s Association and people ask us what kind of lobsters do you like? And I like the new shell. It’s easy, it’s fresh, it’s sweet. Some of them, the meat is sweeter. But when I ate the new shells in Maine and I landed up in Prince Edward Island, by the time I got to Prince Edward Island, I was almost embarrassed. I couldn’t crack the shell and I’m not a lightweight. And I’m sitting there and I’m like… I’m having dinner with Charlie and his dad and I’m like, oh my God, I can’t get into this shell. And I’m thinking, wow, this is a hard shell. And I’ve eaten….

Stewart Lamont, Tangier Lobster Company Ltd: This is the best advertisement we’ve ever had in Canada. Is this being captured? It’s so hard shell, we can’t get into it?

Laughter

Beth Casoni, Massachusetts Lobstermen’s Association: Right! Well, there you go! You can’t get into it. So I mean, you get out a hammer and you break into it.

Laughter
Beth Casoni, Massachusetts Lobstermen’s Association: We can agree to disagree. But, back to the new shell. We have the marketing media kit through the Commonwealth Quality. We had a delegate’s meeting Wednesday night and I asked the delegates, because it was asked to me, if we would want to create a new shell piece of literature to give out to people. And I asked the delegates respectfully because do you really want to talk about this, promote it? Because it’s one of those fine things where, is it a quality? It’s a great lobster. It all has a marketplace. So we’re going to have now a handout to give out to people to talk about how to eat new-shell lobsters. There’s nothing wrong with them. When you open it up, yes, it looks like you’re getting ripped off but I tell people, you could pay for the hard shell and you throw it away. So it’s a win-win, you know. I just wanted to add that.

Moderator: John over here and then we’ll get…

John Nicolai, Lulu, Inc, Bar Harbor: John Nicolai from Bar Harbor. I just wanted to comment on Laurence and Charlie yesterday. They put on a clinic. It was good stuff. I think we’re often talking about a crisis in the lobster market. I don’t see it. I think we have an identity crisis. We’re getting away from an image of putting out a luxury product and we’re cheapening it. We’re putting too much on the market. We’re not marketing it properly. We don’t have enough markets out there to accept the lobsters we’re fishing. Laurence mentioned seasonality and it’s true. It’s the nature of the beast. So we have a lot of it at one time of the year. It doesn’t mean we have to sell it cheap. It just means it’s only available for that time of the year. And, if you go into produce and other products, that’s how it works. We’re no different. I often make the analogy between the wine market in France and what we do here in Maine to sell our lobsters. In France, the sell Beaujolais nouveau and, when the Beaujolais nouveau comes out, it’s shipped all over the world by 747s and they’re getting a premium price for this stuff. And, to a wine connoisseur, a Beaujolais nouveau is a green wine. It’s not a high-quality wine, but they’ve managed to market it and make a lot of money doing so. I think you can’t disassociate marketing with education and that’s one thing we haven’t been doing very well. I think a lot of these marketing entities or marketing arms are often not listening to people that may have good ideas because they’re not in the business of marketing. I think it’s important to have talks like we’re having right now and have a bunch of people express maybe their ideas, and listen to them. Most of the ideas will not be good. You can discount them. They think they’re inventing sliced bread, the best thing since sliced bread, but they’re not. But there’s going to be that one idea, that one innovative idea, that we should take notice to and give credence to – and maybe take that idea and give it a little bit more attention. Something that’s out of the box. Because right now we’re thinking a lot in the box. I’m looking at Red Lobster right now. They’re blanketing the airwaves, television ads left and right. Red Lobster’s in trouble. Is their tactic working? Well, if you read the economic news, not so well. Now, on the other hand, the restaurants that are advertising on the Internet – they’re using mass media, social media, to market their products – they’re doing very well. In fact, they’re doing so well that amongst the family members of Darden’s, they’re separating. Capital Grille is doing well. Darden’s isn’t. Olive Garden isn’t. So, I think there are new techniques coming on the scene that maybe we should be paying more attention to. But I think the marketing world should be more inclusive to letting people from the outside come – maybe to give their opinions, maybe to give their ideas, and see if some of them may fly. Because, sometimes they’re caught in their own bubble and they’re thinking their own way of thinking, and they’re not letting people from the outside that may have that one innovative idea that may make a difference in marketing.

Moderator: Thank you very much. We’re going to hear from Cranberry Isles over here.
Dave Thomas, lobsterman, Cranberry Isles: Dave Thomas, Cranberry Isles. Bruce and I helped start a co-op in 1978, Cranberry Isles. And we’ve been pretty successful ever since. We’ve paid a dividend every year except the second year and we were trying to match price with the dealers on the mainland. And, if we tried to do that the third year, we’d have been washed out to sea. That would have been it. To add a little bit to Bruce’s story about meeting the gentleman from Florida on the plane, we were returning…we had the opportunity to go to Cleveland last Father’s Day. The company that we sell some of our lobsters to, they had shipped 3300 lobsters to the supermarket chain in Cleveland and we were the front people. The people that we went with said, “Bring your oil clothes.” Well, I brought them but I’d be damned if I was going to wear them in a supermarket in Cleveland. But, if I were to go again, I would put my oil pants on and I would sit there and I would put my hand out to every person that came along. Of those 3300 lobsters, 60% of them were cooked in-store and sold at the same price as a live lobster. Meanwhile, we have these high-quality, first of June lobsters and, in their seafood display over here with all the fish from all over the world, is a tray of the nastiest looking lobster meat that had been picked last fall sometime, six or seven months old, that somebody had a fire sale and they got rid of it. So we’re in front of the store, beautiful lobsters, and there’s this slushy meat in the seafood tank. So, some place there is a disconnect between what a good-quality product is in both aspects of the processing and not processing, the live market. But, as Bruce said, when I come in and sell my lobsters because we’re a co-op, I’m selling to myself. If there’s a quality issue, there’s nobody to blame but me. And, if we sell our lobsters and we have dead ones, it’s coming out of my pocket, it’s coming out of Bruce’s pocket, and the rest of the members. So we feel that we do a very good job with quality. We sell to two places. We get a list back. Every lobster we sell is graded. That’s 2-1/2 million pounds combined over the last two years. Except for those times when there is that over-supply and they just get loaded on the truck and they go to wherever. But we feel that handling and quality and marketing are part of the evolution of our business. When I started, I didn’t have a radar. I didn’t have a chart plotter. I didn’t have wire traps. I didn’t have a lot of things. Everything has made it a little bit easier. The last few years, our price has been stagnant to down hill and…I’m not too smart but I’m smart enough to want to invest a few pennies into trying to make a nickel or a dime more based on the quantity that I catch in a year.

Moderator: Thank you very much. Let me just break for half a second and say that we have about a half an hour or so to talk and we have two speakers already lined up here but be thinking of anything else that you want to get into the discussion and it’s fair game at this time. So, if you have anything that you’ve been holding back and wondering when the right time to put that in, after we get to these next two speakers, that might be the time to begin. Charles first. Excuse me. Okay, alright.

Ron MacKinley, Minister of Fisheries, Aquaculture, and Rural Development from Prince Edward Island: Ron MacKinley, Fisheries Minister in the Province of Prince Edward Island. I think the meeting’s turned out really good. There’s been a lot of discussion here. I think it’s very good knowledge that’s important. But I was just looking here. A lot of stuff that we’re discussing here, summary of lobster report….Oh, there goes my cell. Get rid of it. I’m still an old-fashioned politician. I answer the phone even at 3 o’clock in the morning if you wake me up. Summary report on the lobster workshop: Marketing vs Selling, a system approach, Charlottetown, Prince Edward Island, March 29, 1995. Very much the same discussions are taking place here as took place then. But when you get into marketing, one of the biggest problems I saw in my trips was, especially in Western Canada, when I first became Minister (I’ve only been Minister now for probably 2-1/2 years. I was highway Minister before that,) was everybody in the room, they laughed at me when I was asked about cooking lobster. I know how to cook lobsters. Everybody here in the room probably knows how to cook lobster. The
vast majority of the public don’t know how to cook a frozen lobster tail. So, your processors ship boxes of frozen tails and they’re frozen green tails – and then the store puts them, like Winn Dixie, whatever it is in the States, puts them in little trays and they look nice – but nobody knows that you’ve got to boil them, or how to thaw them upside down in the refrigerator, or boil them, or how much salt to add to them. So I brought the processors of the Providence of Prince Edward Island in and I told them this. So they started sending out the boxes with directions on them that the stores can put in. The consumer is always right. It doesn’t matter what we say here. The consumer makes the final decision. And, if they get a good product… And I’ll tell you a little story about Western Canada. I went out there and my deputy said to me, “What are you going out there for? They don’t fish out there.” I said, “But there are a lot of islanders and a lot of Maritimers out there that like fish.” And right today after two years we formed a partnership with Sysco, one of the largest food distributorships. They came to us. We formed a partnership. Now when we put on our demonstrations or whatever, they pay 50% of it, which helps the pocketbook. I’m a liberal but I’m very conservative when it comes to spending money. But, out there, my son is an agent out there for a company and his next door neighbor is from Newfoundland. Big fishing. So they got lobsters on the menu. 260 people came to eat lobsters at the company he works for and it was a disaster. They were only half cooked. They didn’t know how to cook them. I’m just telling you. We know all how to do this. But it’s education, education. Then all of a sudden, I cook out lobsters on Prince Edward Island and my son near ate the shells. And, I believe, they might have been Nova Scotia lobsters because we weren’t producing them at that time. I didn’t tell them that. But, anyway, it was in the fall of the year and it was late in the fall. One of the neighbors said, “I’ve never tasted lobsters like that.” Well, how do you cook them? “Oh, I roast them in the oven.” She gets them frozen, she puts them in the oven, and she roasts them because she doesn’t know. So, you just think of…there’s got to be at the end… and we have no control over these supermarkets and what they do with them once they buy the product from you. So, but to educate the supermarkets and get that on there. Another thing we’ve done, is I like fresh versus frozen. We have done consumer tests on that. Fresh lobsters versus the frozen lobsters. They’re all good. But the fresh comes out on top. So, in the Province of Prince Edward Island, I went back to the drawing board. And we haven’t released it yet, but we’ve developed pasteurization of lobster in the shell. We’ve gone through the taste tests and that’s through the Department of Science… what was it… the Food Technology Center. We went to the Food Technology Center. We’ve got a pasteurizing machine sitting there now and we can send lobsters. It’ll take about a year because you’re bringing a new product on the market. We don’t want any mistakes because one mistake and that could kill that product. Anybody in marketing knows that. So that’s… Instead of flying live lobsters to Alberta, we’ll be able to put them out by tractor trailer. A 25-days shelf-life, and we know we can get 32. We just didn’t want to spend the extra money to go to 32 days, but we have 25. I talked to people from France. They’re going to fly in from France whenever we get the lobsters out – in May sometime – in Prince Edward Island. They’ll fly in. They want a week’s notice and they’ll fly in with their chefs and that to taste the lobsters. They think it’s a durability of 25 days, six days on the ocean from Prince Edward Island to get to France. Sysco wants sole rights for it for Alberta. So those are the things you’ve got to look at. You’ve got to look at what we did before and what we’re doing in the future and the consumer is always right. They have pasteurized in Deer Island, was it Deer Island? Where did we try to get them pasteurized? Deer Island. There’s another thing, Deer Island has pasteurization advertising on the Internet. But it’s lobster meat, not in the shell. People wanted the shell. In our studies and everything, they wanted the shell. They wanted to break the shell and open the lobster. But we haven’t been able to get any of their pasteurization out of Deer Island. We haven’t been able to find out where we could even buy it when we were in the States, so there is a question mark on that one. But new markets. New ideas, and the new consumer. You think my daughter or my son (my daughter’s a teacher and my son’s a _________, his wife’s a nurse) you think they’re going to
come and go and buy lobster and cook it. They want to come home and get something quick, and they want it right on the plate. It’s just the way things are. You talk about the computers and iPads. Well, I’ve got an iPad here. But guess what? It took me a little time to learn it and I’m still learning actually… But it’s a great way, Facebook and that, to get your message out. Thank you very much for giving me the opportunity to talk.

**Moderator:** Thank you. We’ll go to Charles now and then over here and then back down and we’ll get around in a circle. Remember it’s open mic. Sarah, okay…

**Charlie McGeoghegan, lobsterman and MLA Prince Edward Island:** Charlie McGeoghegan, Prince Edward Island. Like I said earlier, we’ve just come back from the Boston Seafood Show. And another fisherman from Prince Edward Island flew there, he and his wife, and they were sitting beside a gentleman from Korea; and they had a great conversation. And, come to find out, 80% of the live lobster that this gentleman buys, he buys from one of the dealers on Prince Edward Island. Now there are two reports just on the Maritime Panel Report which Gilles Theriault, I’m not sure if Gilles is still here or not, and then there was another independent report done. Both of them talked about having to study the fact that Prince Edward Island lobsters… to see if they’re shippable and this kind of thing. Well, come to find out, this guy’s been buying live lobster from Prince Edward Island for years. Now, again, it comes back to proper handling on the boat and on the scales and on the wharf. But, when that’s done, we know it’s a top-quality product. They’ve been shipping them. ______ McKay shipped them to Florida by tractor trailer for years and years. There was a co-op in the harbor that I have… where I fish out of for 80 years; and they held them live until they got enough to put on a train and shipped them live to Boston by train for over 60 years. So I don’t think we need any more studies. We know that the quality is there; but, again, that was a ploy from the dealers to try to suppress the price. On the Red Lobster issue, I’m not sure if the gentleman from Darden is still here or not. Maybe he could clarify if he is. Our wives wanted to go to New York for a couple days so, after we left the Boston Seafood Show, we went to New York and walked about 10 thousand miles. And we both got blisters on our feet from following them around shopping but anyway… They wanted to go to Red Lobster. So, we went to Red Lobster and the lady that brings you to our seat, I said, I heard a rumor that Red Lobster was in trouble. Is that true? She said, no absolutely not. And I said, oh, that’s funny. That’s not what we’re hearing. She said, yeah, there was a rumor out there but the Darden chain is having some difficulties in some areas with some restaurants in the chain but Red Lobster is by far the high performer of them all. So, the shareholders wanted to separate Red Lobster from the rest of the chain. The fastest and easiest way to do that is to put Red Lobster for sale because they’d have to separate it in order to sell it. So they put Red Lobster for sale, put a price tab of $4.9 billion on it for 1600-1800 restaurants with no intention of selling it – but put it for sale so that they can separate it. And then the shareholders will be able to keep all the profits inside of Red Lobster as a single entity. So, we went upstairs to the third floor and got seated. Then, when the waiter came, we ordered our food and I asked him the same question to see if the answer would be the same – and it was. So, the dealers on Prince Edward Island and around the Maritimes have been saying all winter, well, there are still problems in the industry because Red Lobster is in trouble. I said, well, in 2008 when the price dropped, everybody said, well, Red Lobster didn’t put their price down and Red Lobster came out in the public and said we didn’t because it would take too long to get the priced back up. And then the dealers this winter said, yeah, well that’s why they’re in trouble. Come to find out, according to employees at Red Lobster, they’re not in trouble at all; but yet the dealers are using that as an excuse to suppress the price. So, I think it would have been nice to have him clarify that. But, according to two sources inside of Red Lobster, that is the case. And maybe everybody already knows that. I found it quite interesting.
Moderator: Thank you very much, Charlie. Right across the aisle there. Identify yourself, please.

Kathy Heansler, Conary Cove Lobster Pound: Kathy Heansler, Conary Cove Lobster Company in Deer Isle, Maine. Going along with what Stewart said, the people nowadays want instant food. And I’m wondering if we should, the University of Maine would be good at that, is I have some great lobster recipes. And Bob can tell you that. But, there must be some way we can fast-freeze some meals that are reasonable and have plenty of lobster in them; especially when the off-season and we need to promote lobsters, to get them into the marketplace. There are all kinds of dinners that you can buy in the frozen food sections and this would be a green product. A sustainable product. I make a lobster couscous: add some seasonings and lemon juice and lots of stir-fried lobster meat, and people gobble it up. In fact, you can’t even hear….they don’t talk. They just eat. And I make a haddock stuffed with lobster and make a Newburg sauce for it and my father just goes “yum yum.” He doesn’t say anything the whole time he’s eating. There are all kinds of things you can do with lobster. And I think we need to explore that and see what will freeze and how long we can keep it. Because I think there’s a market out there for that—because people don’t want to bother with lobsters. They don’t know what to do in the cities with all the shells. And there are some things I think…there are some alternatives.

Moderator: Thank you very much, Kathy. If you need anybody to test that recipe, you call me up and I’ll come give it a try.

Laughter

Moderator: Just a second, I want to get to Sarah first and then I’ll get over here.

Sarah Cotnoir, Department of Marine Resources: Sarah Cotnoir, Department of Marine Resources. When I was just listening to John Nicolai talk about what he just spoke about a few minutes ago, I had a lot of things running through my mind at the same time – kind of thinking what John does for work. Going back many years ago when my son was a very young child and I told him I had to go to a Lobster Advisory Council meeting and it was probably going to be two or three hours. He said, “How can people possibly talk about lobster for two or three hours? What are you talking about?” He must have been 8 and it really struck me as an interesting question. There is a critter that’s this big, however big your lobster is from wherever you come from, and it can get this many people together for years on end. And it’s such a complex, complex fishery from marketing to dealers to fishermen to science to enforcement to the critter itself… and the quality… and it’s just blows your mind. And what I was thinking about what John does and what Lucky Catch does in Casco Bay, Maine.


Sarah Cotnoir, Department of Marine Resources: No, no, I said what you do and what…there’s another gentleman in Casco Bay, Lucky Catch, Tom Martin. People come to Maine, they get on a boat, and they say, “Show me how to go lobstering.” Go out… I mean John has a demonstration license in Maine and they want to come and they want to learn how this lobster actually makes it onto their plate. There’s a trap. There’s a buoy. Someone asked me recently that’s not from around here or New England or Canada – asked me how does the harvester know when there’s a lobster in the trap? Does the buoy pop up? I mean, is that…. You know, and it was just like, really?
Moderator: That’s coming next, I think.

Sarah Cotnoir, Department of Marine Resources: Yeah, and let’s not talk about whales here. But, it was just like, talk about, I mean, the education that needs to happen about this product. And it was just like, “Does the buoy pop up?” That’s how they… No! No, it doesn’t pop up… And so I just find it very interesting what little information people have about lobster – to complex discussions such as these – that we can’t kind of wrap our heads around, like how do we do whatever, you know, quality, marketing of our own product. So I just thought it was interesting, kind of circling back to this critter and the complexity of it and the education and outreach that really does need to happen. Again, it was my own kind of thinking as I’m sitting here listening for the last two days and just saying out loud… and it’s a challenging, challenging, industry.

Moderator: It certain is. Thank you, Sarah.

Keith Flett, CEO, Open Ocean Trading: Keith Flett, Open Ocean Trading. Some of you guys know about what we do and everything. I’m not going to plug the company at all but I’ve been here, and in the industry in the mid-supply chain for 14 years now, and I might still be one of the youngest people in the room. And before that, my uncle was a commercial fisherman so I have some roots in the industry. But I’ve been at this discussion for the past four years, I guess now, and I was here eight years ago as part of this discussion. One of the things as a young person that I’m really truly disheartened by is, it’s the same discussion. It’s the same exact discussion. It’s the same exact discussion. We can’t ignore that fact.

Moderator: Yeah, we know that and that’s why we enjoy it.

Laughter

Keith Flett, CEO, Open Ocean Trading: You know, and it’s the same people getting up and talking. It’s Charlie. It’s all the people who probably know about what we do. But, you know, these are all great ideas when it comes to the marketing, it comes to traceability, it comes to sustainability, you know, education… all of these things are great ideas. But we can’t ignore that this industry is driven by economics. Period. End of story. Stewart wouldn’t be in business if he wasn’t making money. The lobstermen, although through tough times, they’re still able to scrape by right now. And, everything is linked. When you look at the education part, the marketing, the distribution channels, you know. Look at that diagram that Stewart had up. That’s all true. This is a complex system and it takes a very systems approach to looking at how you can drive the economics in it, to show the fishermen the money, to affect change. And, if we’re really going to have something come out of this, we can’t be looking through every single microscope we all have. We have to be looking through a broader telescope that shows us all about what we’re trying to do. And it would be really nice if, for once, out of this discussion, we come up with some actionable ideas that lead to something. Not just on a one by one thing. Not just marketing. Not just education. Not just distribution. Not just grading. Not just awarding the fishermen more money for their catch. How would we actually affect change, get all of these players together, get all of these people to collaborate, and actually give them economic incentives throughout the entire value chain to actually drive the change that everybody’s looking for. And this isn’t just in lobster, you know. Look at ground fish. That’s something that we’re very active in. Scallops is on the other side of the scale because it’s actually doing well right now. You know, the projects in Indonesia that we’re currently looking at where, you know, the WWF and the Indonesian government are trying to figure out how they can actually put regulation into tuna fishing – and they need economic incentives for these little villages to
actually come together and say, yes, we will fish less because you’re giving us more money. So, if we actually just took that aspect and we started looking at things a little bit broader, I think we might actually be able to affect change and maybe next year we’ll be talking about how well we did instead of the same thing.

**Moderator:** Thank you very much, Keith. And that’s just a reminder that we’re coming forward to sessions where we can talk about those actionables and maybe craft some way of putting together the questions and some of the answers and perspectives. And we’re fortunate to be here with the Lobster Institute who is willing to take whatever we come up with and be the agent to move ahead and make some of the things happen. So that lies ahead just in the next hour or so. We’ve got time for another comment. Do I have...there we go. Who is that guy back there? He’ll give us his name.

**Laurence Cook, fisherman, Grand Manan Island:** I’d like to echo the comments the gentleman …

**Moderator:** You’re who?

**Laurence Cook, fisherman, Grand Manan Island:** Laurence Cook. I’d like to echo his comments. It’s time to do something because we’ve talked about it enough. Stewart said a minute ago, he and I have been talking about “are you going to pay me for my quality” now for 20 years. He’s never offered to pay me and I’ve never offered to increase the quality for him. It’s about time we stopped talking about it all and started doing some of it. And I think we’d be further ahead to spend our time discussing how to put in action what’s in our heads than we would trying to find new things to talk about. Really, we’ve talked enough. It’s time that collectively as an industry that we got up and did something. Now, we have to trust each other a little bit to get that done and that’s going to be tough. You’ve heard Charlie. You’ve heard me. You know, I’m the guy that a few years ago that said leaches, lobster buyers, and other vampires. But we have to have some level of trust between us in this industry, the processing side, the live shippers, and the fishermen. And we have to be willing to stick our neck out and step forward. I’d just like other people in the industry to comment on that. Do you see us setting up a grading program? Are you going to trust me to grade? Because I can tell you that there is a difference in a hard shell lobster and a hard shell lobster. As a fisherman, if I’m taking something to my mum, those are primo. That’s a higher grade than I’m just going to say is hard shell and I’m selling to Stewart. Right? And a lot of buyers couldn’t find a hard-shell lobster in ten crates. Right? There aren’t any. They don’t exist. So we have to... Somewhere in there, we have to have some sort of a standard that we can all agree on where I can sell Stewart three crates of grade A and five crates of grade B lobsters and, when he goes through them, he says, yes, that’s three crates of grade A and five crates of grade B lobsters. Then we can start moving forward. But I’m not sure you can just say to any given fisherman, I’ve got an idea. This gentleman down here I was speaking to yesterday fished a lot of soft-shell lobsters. His idea of a grade A hard-shell lobster and my idea of a Canadian off-shore hard-shell grade A lobster probably aren’t just the same, because we don’t fish in the same area at the same time of year. So that’s a thing that’s in flux. I think if we could straighten out a grading system, be paid for the quality that we landed, and the buyer could have some confidence that he was buying a high-quality lobsters, then we could start moving forward on having tiered pricing like the beef industry and like other industries do. I’d just like to hear other comments from people in the industry on that. Thank you.

**Moderator:** Thank you, Laurence. I’m looking for the hands popping up here. Yes, Stewart and then we’ll get back over to you, John.
Stewart Lamont, Tangier Lobster Company Ltd:  Stewart Lamont. I’m going to make history here and say I agree with Laurence 100%.

Laughter

Stewart Lamont, Tangier Lobster Company Ltd:  I wasn’t sure this day would come for either one of us. Grading is not rocket science. I mean it really, really isn’t. The issue is the nature of the catch and our unbelievable commitment to a short-price model that doesn’t help anybody – but it is not rocket science. Laurence and I in our plant in 20 minutes, could come up with a protocol that I would say, Okay, Laurence. Go fishing. Bring me the ten crates. You’re going to have eight of the good ones and two of the undesirables. We’ll reward you for this and that. It would be simple. Okay. We just haven’t gotten there in the big picture. And the only way I know how to focus on it is in the small picture. And I’ve done a pilot project with partners in Newfoundland last year. There is a very good chance I’ll do an additional pilot project this year. I’m open to talking to virtually anybody anytime about a pilot project. I don’t like talking about pilot projects because I’m a little bit superstitious and I feel like we jinx them. But I want to see some success. There is no reason, no reason on God’s earth that we can’t be on the same page and bring value to all parties which is obviously the game.

Moderator:  Thank you, Stewart. Again, going to Cranberry.

Dave Thomas, lobsterman, Cranberry Isles:  Dave Thomas. We’ve had, at our co-op, we’ve had a little bit of experience with trying to grade lobsters at the boat level. Lobstermen are people. Some people have a higher opinion of themselves than others and some people have a higher opinion of the lobsters they catch than the guy that they’re fishing right beside that set his traps the same day, used the same bait, and is catching the same lobsters. I’ve had a real small side line, I said yesterday, of shipping lobsters around the country. So I’m shipping them – they die, I’m responsible. And so when I ship something, I want it to be the highest quality. We traditionally, we have a hard-shelled price and then we have a soft-shelled price. And you go further West in Maine and then there’s a hard-shelled price. And there are always two or three guys at the co-op that are moaning and groaning and complaining that we don’t get that price. So, we tried it and it’s like jumping off the Empire State Building. Oh, boy, I’m making more money until the dealer gets them; and all of a sudden, geez those hard shedders weren’t so hard as a lot of guys thought they were. And it’s easy to tell, because if two guys come in with eight crates and they’re fishing right side by side and one guys got 25 pounds of what he considers hard shedders and the other guy’s got 200 pounds, you know where to look. So that experiment failed miserably of trying to sort lobsters right on the boat right at the dock. Now, if you have Stewart and Laurence have a protocol and there are some guidelines to go by that may make a difference…. I don’t know but I’m quite skeptical.

Moderator:  Eugene.

Eugene O’Leary, Lobsterman, Whitehead, Nova Scotia:  Eugene O’Leary, Whitehead, Nova Scotia. I have been listening to the conversation here this morning and it’s been excellent. We’ve been discussing ways that we can market our lobster, have a great quality, do all this. The Lobster Council of Canada is putting forward a lobster quality, price-for-quality system in Canada. Let’s damned well do it and stop complaining about what’s going to go wrong and what’s going to happen if you do this and do that. Let’s do it and find out. We’re not getting any better for what we’re doing now so let’s move ahead. I’m sorry I’m blunt but let’s damned well do it.
**Moderator:** There you go. Okay, right across the aisle. Yup.

**Patrice McCarron, Maine Lobstermen’s Association:** Hi, Patrice McCarron with the Maine Lobstermen’s Association. Through all this discussion on marketing and education, one thing that we haven’t really touched upon is the amount of free marketing and free media. The press loves the lobster industry and I really want to challenge everybody in this room to remember that this is the room for airing your dirty laundry. This is the room for bitching. This is the room to really, you know, sort of say what your issues are and get it out. When you talk to the media, you need to be proud. You need to not talk about the boat price. You need to not set the bar down and drive us into the ground. I get a lot of calls. I do a lot of damage control. And I really think, you know, we have to think first: “do no harm”. Let’s stop shooting ourselves in the foot and just put on a good face. Sell yourself, sell your quality, sell your pride. Stop talking about everything that’s wrong. You’re really, really hurting us. So let’s keep those discussions here. Thank you.

**Moderator:** Thank you, Patrice. And right behind you, Cathy.

**Brian Guptill, President of Grand Manan Fishermen’s Association:** Brian Guptill, Grand Manan Fishermen’s Association. It still seems to me that, in this day and age of electronics and all the wonders that they bring to the world, why we can’t come up with a machine electronically that you run a lobster across instead of and with computers scan it for size. And I would think lobster meat and water weigh different amounts and the shell weighs different amounts – they should be able to tell pretty close how much meat or what the condition of the lobster is by running it across those scales. And all the stuff happens in a microsecond. I mean, you could run through a lot of lobsters. So, when somebody comes in, brings their catch in, the buyers tag the crates, take them up, run them through the machine, and the machine grades them. No person, so it’s unbiased. It seems to me that with something like that it’s going to take the fight out of what’s hard, what isn’t. It is what it is and take it. Buck up and bear it. It seems to me that that would take all the fight out of this.

**Moderator:** Thank you, Brian. Yes, Beth.

**Beth Casoni, Massachusetts Lobstermen’s Association:** Beth Casoni. I have to agree with Patrice. The media is a great tool. We get a lot of phone calls in the office. I’m sure…I know they do, too. Just last week, I got a phone call from a reporter Public Broadcasting Radio. She was doing a story on the spiny lobster in California and she wanted to hear about the lobster here. And they have a problem on the West Coast that you guys would probably love to have. It’s $23 a pound but, to the locals, they can’t afford to buy it. So people in California love this lobster and they can’t afford to buy it. But utilizing the media, I mean, I know Bill Adler’s on the phone with all kinds of reporters. And different people call and I send them to Steve. I send them to the guys that will talk and talk pro-industry. Pro fishing. You know, yeah the price is hard but these guys are representing the industry, not just for Massachusetts, but for Maine, New Hampshire, and Canada. And the other thing too, to go back on, you know, to get together and I agree with Keith too. Talking about this and talking about it, but something needs to be done. You know. I hear from the fishermen, you put four fishermen in a truck, you’re not going to get three of them to agree on where to get a cup of coffee let alone 11 thousand. That’s it.

**Moderator:** Thank you, Beth. I’m going to take this as a good moment for us to conclude this open discussion, and I’m going to turn it back to Cathy who will help us take these ideas and find ways to do something about it, which is what you’ve all been pleading for in one way and another. So, Cathy, here you go.
Cathy Billings, Lobster Institute: Thanks, Ted. Certainly I’m not going to take all your ideas and make them work but what we do want to do is try to get you all to tease out some of the topics that we’ve discussed and go to the next level. Give us some input on how we can put in place the systems you’re talking about for grading. How we can promote more scientific research. All the topics that we’ve gone through. How are we going to get the education out about the lobster and all of its qualities. So, what we’d like to do is break you up into probably four groups. We’re going to let you pick out one or two of the topics that we’ve covered in the past day and a half here of great conversation, the two that you feel maybe are the most important that we can take action on, and get you to discuss those a little bit more in-depth as to the hows. The Lobster Institute is willing to facilitate any projects that are feasible as Ted said, but we’re also willing to share all this information that’s been gathered today with any other appropriate groups that have more expertise than we do in particular areas and so forth. So, also in your discussions if you have any particular associations that you want us to share this information with, any Universities, any management agencies, whatnot, you can also take the opportunity to bring that up. We want to get as many people involved in this work on your behalf as we possibly can. That includes the Atlantic Lobster Sustainability Foundation which is our partner in this event and any other organizations. So, what I’m going to do is ask you to break up and I’m going to give each one of you, I don’t now if you’re familiar with these old blue books from college. We’ve got a bunch left in our cabinet. I’m going to ask one of you in the group to sort of be the recorder on behalf of the group – to get down the one or two ideas you think are most important and any steps we can take to make your ideas work. So, if I could ask probably this group of gentlemen right here to joint that section over there, circle up. Bruce and forward, if you could go join the group over here. Ask this group to circle up. Ask you all here to circle up into a group, please. And this back section here.

[Time is taken here for group discussion – and then return to share points of interest.]

Neil Perley: Our group talked about a number of things, from education to marketing to pricing. One of the things that we realized is that, you know, it’s great that we all get together every year to talk about the issues. But everybody’s saying, well okay let’s move forward. One of the things that we thought could be done in these areas is to have the Lobster Institute coordinate smaller working groups that would focus on the various topics that basically we’ve covered over the last two days – from marketing and education, to handling , to pricing systems – because, as a bigger group, we don’t seem to come together enough. We don’t have enough time. We don’t have enough agreement. But, in a smaller group, if they’re coordinated, they could work on ideas and solutions to present to this group or a bigger group, items that need to be looked at. What type of marketing do we need to be doing? Is it education? Where do we do it? Who’s involved? With the pricing system, what drives it? Where can we get a higher price for the lobster fishermen – and, as Keith said, it’s cost plus. It’s not the price and then driven down. Things that benefit all aspects along the way. So you have to get people involved at every point; and, having this large group, you can’t focus on that. So you need to have the Lobster Institute kind of say, okay, we’re going to have a quarterly meeting or a semi-annual meeting of this pricing group to come up with some solutions for next years meeting saying, you know, what models could work. And then do a presentation here and say, this is what needs to be done. That’s our thing is to have the Lobster Institute coordinate working groups to address the issues that are brought up here.

Cathy Billings, Lobster Institute: Was there any discussion on who should be included in those smaller groups?
Neil Perley: Yeah, a bit and I guess it would be determined by what aspect you were talking about. I mean, if you’re talking about marketing, you know, then it would be like the Stewart Lamonts. It would be the Jeff Irwins. It would be the person in Maine that does, if there is a group in Maine that does marketing. It might even include different levels like the fisherman, I think his name was Steve. I think he had great ideas. So, you really have to draw from whatever aspect you’re looking at. So, if you’re looking at marketing, then you grab those people. If you’re looking at pricing, well, you’re going to have to grab some fishermen, some dealers, brokers, people along the supply chain. So, it just depends on really what avenue you want to go for. And maybe it’s this larger group saying well, out of those four items that we talked about this Town Hall Meeting, then maybe we could focus on these two items, marketing and pricing, or whatever.

Cathy Billings, Lobster Institute: Great, thank you. Just quickly, if you haven’t started filling out your pink evaluation sheets, you could certainly start doing that. We’ll be collecting those afterward but let’s move over now to, I think, Emily, you were the note-taker? Okay, passing the buck to Patrice. Thank you.

Patrice McCarron, Maine Lobstermen’s Association: I was just elected without any time to prepare. I think the real driving discussion behind our group was that our fishermen are frustrated that they’re not getting paid what they feel they deserve for the product. And they’re at the table and proud to be here which is great. I think Pete rightly pointed out that if we don’t put some tools in place to improve the price, we’re not really going to do anything. That’s a pretty elusive thing to solve. So I think the common interest in this group was to add as much transparency through the supply chain as we can by having people at the table – and also pointed out, I think, how we talk to each other, how we communicate with each other really impacts our ability to do that. So, I guess I don’t feel like we have anything sort of laser sharp for action other than really to continue to re-iterate this concept of transparency. Because we feel like, I guess, the harvesters feel like they’re being lied to, the dealers feel like they’re being blamed, and we need to get beyond that to try to begin to solve that pricing problem so fishermen feel like they’re getting their fair price. Is that okay? I just made that up.

Dan McKiernan, Deputy Director at Massachusetts Division of Marine Fisheries: I brought up one point toward the end and it had to do with handling practices – and I think this is a good opportunity for the Institute to sort of step in and figure out what is common among all these various groups that are now trying to spend a lot of money on marketing and promotion. Let’s not reinvent the wheel. And so, if the Institute could sort of look across the borders, States, Provinces, Countries and say, “You know what? You don’t need to do your own video in Maine about how to cook a lobster tail. Let’s do this under the umbrella of the Institute so it can go on the Massachusetts website, the Rhode Island website, the Prince Edward Island website.” We’ve got to figure out as we promote this lobster, this Northwest Atlantic lobster, how we don’t have this real parochial approach to marketing. And Steve Holler’s got the right formula for Boston because he’s got a million people watching him unload, but that’s isn’t the perfect model for more rural locations. But as we try to promote this product, I was especially struck by the conversations earlier about people not knowing how to handle this new processed lobster product. Factually speaking, it just arrived in Massachusetts this year or the end of last year. So, when I get home at 6 o’clock at night and my wife’s going to be home in 20 minutes (because I have the app on the iPad, I can see her phone) I want to cook it now. And so I go the iPad and I want to say, “how do I cook a frozen lobster tail?” I want that right link because I’m going to nail that really quick. I think that’s sort of the modern cooking technique. So my challenge to the Institute is figure out a way to coordinate all of this promotion and marketing
you’re seeing about to take place, and try to get the member organizations not to duplicate their efforts.

**Cathy Billings, Lobster Institute:** All right, thanks, Dan. And again, these summary points are certainly going into the transcript, but we will be pulling action points from all of the discussion that took place during this past day and a half as well. The final group? We’ll have Mike summarize for us, thank you.

**Mike Chadwick, Atlantic Lobster Sustainability Foundation:** We didn’t have much time there, Cathy. In fact, our first statement was that we’re concerned that business as usual isn’t going to solve the problem – and there is still, even in our group, just to settle on what the main points would be was difficult to do. We have issues right now for example, is that pound operators right now in Maine where they’re given a price for animals which are going to become seeded and then those animals are guaranteed a price and that price has gone down by half. So, in other words, there are a lot of losses occurring right now with State programs. So that’s adding an issue that wasn’t brought up on the floor before. We felt that the economics is what should be our focus and we had an intervention yesterday with regard to the commodity future price. In other words, if you had a fixed volume of a certain product, you could get a price for that a year in advance. And one model to explore would be in Norway with salmon and it might be worth looking at that because they have that now. You get higher prices in that kind of a model. Now, that would result in considerable changes in how we do our fisheries; because you’re looking at not just quality. By the way, the whole doing grading costs money. And so that has to be found. And, if you’re going to go that route, you need this idea of a type of product and volume of product and then you can have that forward price on it. And that would be a fundamental change. And, because I’m not a fisherman, I can say this because everyone else, most people, are uncomfortable with that. Because, it’s sort of the competitive nature of our fishery – and we’ve had discussions and I’ll say it again like people were saying, yeah, this is a very, very seasonal fishery. And that’s true, but it’s not as seasonal as we make it. Because, in other words, you don’t have to get half your landings in the first week. You know, they’re catchable for eight weeks – certainly in the Southern Gulf in Area 25, and certainly Southwest Nova Scotia, Area 34. You know, right now the initiative is so competitive -- because the first in get’s the better seat right now – that the model accepts that the first in is going to get a better price. And it’s going to resolve all of these quality issues; because we have too much, we can’t handle it and so on. And, plus, you know, the animal’s changing its characteristics. Where it needs to be…seasons as we have them now are not really adjusted the way they would be for the animals 30 years ago. Anyway, I know these are uncomfortable topics but those are the kind of things we have to talk about if we really want to get away from the business as usual circle that we’ve been in for a while now. Does that represent pretty much what you talked about? Thank you.

**Cathy Billings, Lobster Institute:** All right, thank you, Mike. All right, so again we will glean all these recommendations and suggestions from the transcript. The Institute, again, is really more of a facilitator. We will try to make the right people aware of the concerns. We’ll try to bring together the right folks to the table in smaller groups as was suggested. Make sure the people with the expertise are aware of what your talking about, what your concerns are. And just to that regard, if, as you’re filling out your evaluations, if there is anyone who was not here either yesterday or today that you would like to see get this information, jot their name, their email, what have you; and we’ll make sure they get a copy of this transcript as well. So, with that, we’re closing in on the end. I’m going to call Jean back up to sort of wrap things up for us for this year’s Town Meeting.
Jean Lavallee, Aquatic Science and Health Services: We’re done.

Laughter

Jean Lavallee, Aquatic Science and Health Services: I think before we go with the door prizes, I just want to thank everyone for coming. I thought it was a fantastic couple of days. I want to thank the presenters, the panelists, over the two days. Dana has asked me to thank also the fantastic moderator, the staff of the Lobster Institute, and the Atlantic Lobster Sustainability Foundation for putting this event together. The staff from the hotel as well, I guess. And I think all I have left is to say is, the meeting is adjourned. Wo if we want to go with the pink sheets for the evaluations and the door prizes and then get on the road for an eight-hour drive back to Prince Edward Island. Thanks, guys.

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