

## Etchegary lambastes export of unprocessed yellowtail to China

Written by Gus Etchegary

Sunday, 10 February 2013 12:59 - Last Updated Monday, 11 February 2013 08:08

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Below is a letter from Gus Etchegary, Chair of the NL Fishery Community Alliance, to NL Minister of Fisheries Dalley, which provides the rationale why the NL government's decision to allow Ocean Choice International (OCI) to ship yellowtail flounder round to China is short-sighted and poor public policy. Canadian jobs are being sacrificed to line the pockets of the Sullivan brothers and their foreign funders.

Minister of Fisheries and Aquaculture.  
St. John's.

Dear Minister Dalley,

Having spent several months in Alaska we are familiar with much of the content of the McDowell Group report and having done business with the Deloitte and Touche for many years we are aware that both these companies are world class in their business.

With reference to your insulting remark that "our lack of appreciation for the challenges surrounding the industry today" it would appear that as a newcomer to the fishing industry you are unfortunately poorly advised by personnel who have had little experience in the fishery of today or in the past and are influenced by industry people whose vision of the future fishery is not in the best interests of the economic and social lives of fishermen in the Province. For your information and guidance we have for half a century and continue to this day to have frequent contact with leading fish harvesters, processors and marketing people in North America, Europe, Scandinavia and Asia. Nothing would please us more than introducing you to those people and provide you an opportunity to avoid making the horrendous errors your Government is making in the last several years regarding our fisheries (continued below under Read More).

TAGS: sustainable, fisheries, unsustainable practices, Gus Etchegary, NL government, export of unprocessed yellowtail, Minister Dalley, Ocean Choice International, fishery jobs

With specific reference to the Deloitte and Touche conclusions you and your Government should be fully aware that when you so anxiously accept this type of report you should also be aware of the need to have full and accurate input of information that produced the report. There is absolutely no doubt the cost of producing a finished product for the US market was prohibitively high with the method used by the company involved. It cannot be otherwise when one considers harvesting and processing ANY specie of fish from the Grand Banks, using frozen round fish from a large factory freezer vessel, discharging the cargo at Bay Roberts,

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storing it in commercial freezer storage space for weeks and months then trucking the frozen fish to Marystown, unloading it, thawing the fish and then processing it for the US market. Then to add still more unnecessary costs these relatively small quantities fish were being processed in a huge processing plant that was designed and built to produce a 100,000,000 pounds of fish annually and with its extremely high corresponding fixed and variable expenses. This is particularly so when there was a much smaller building available on the same property that would have been far more suitable and cost effective. There is little wonder that the recorded costs of production in Marystown were prohibitively high and were reflected in the Deloitte Report.

Contrast the use of a FFT and its extremely high capital and operating costs with the properly sized, wetfish trawler only 16 to 18 hours steam from the fishing grounds and landing directly at the processing plant. And then having its catch of fresh, well preserved and unfrozen fish being processed through a well-managed, fully mechanized and properly sized processing plant designed to accommodate the volume of fish that's available to harvest over many months.

Having thoroughly examined these facts regarding relative costs it would be informative to then consider not only the very high cost of harvesting with an FFT versus a properly sized wetfish trawler but then apply the cost of shipping frozen round fish, 10,000 miles to an Asian port. It's important to note that approximately only 35 percent of finished product is recovered from frozen round fish. This is compensated in Chinese processing plants by injecting treated water to such an extent that it is now being investigated by a US Senate Committee. So it may not continue much longer.

Regarding the McDowell Report it's interesting to read and on the basis of our experience in Alaskan processing plants from Dutch Harbor in the Aleutians to Sitka on the Alaska Panhandle their references to the Alaskan fisheries are as we have observed over the years.

On the subject of the yellowtail fishery it might be very useful for you and your staff to know that, for close to 20 years prior to the 1992 moratorium, Marystown, Trepassey and Burin plants, employing 2000 workers and crewmen, provided 50 week annual employment and without dependence on Federal UI. American Plaice and Yellowtail flounders represented 75 percent of the production through those plants during that period. This was accomplished using properly sized wetfish trawlers and not high cost FFTs. You should also be aware that today New England fishermen are harvesting yellowtails on George's Bank with the finished product processed and marketed in the US. Furthermore, the Americans who have been for years seeking a quota of yellowtail flounder on the Grand Banks were given a portion of the Canadian quota at NAFO meeting in Spain and will land the yellowtail flounder in New England for processing. That should at least prompt a question in your department as to why the Americans can steam a great distance to the Grand Banks, catch, process and sell the product in the US and yet, we can't do the same.

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The shortage of cod caused FP Ltd to develop those flounder fisheries and simultaneously develop markets for the finished product in the US, Europe and Japan. NAFO fishing nations eventually overfished and destroyed the flounder resource, especially the Spanish fleets which harvested huge quantities of small, undersized fish. Not unlike the foreign owned vessels, fishing inside 200 miles and harvesting Canadian quotas today, exporting directly to market and bypassing our processing plants. Their catches include as much as thirty percent or more of the small undersized fish incapable of reproduction. This is a well-known fact among fishermen involved and why the N&L Government is not protesting this massacre of our remaining resource to the DFO Minister and his officials is difficult to understand.

In conclusion, Minister, it is a black mark against you and your Government, that will be recorded in history, to approve the export of unprocessed fish but then to insult the intelligence of every Newfoundlander and Labradorian fishermen by inserting the clause that you will review the approval process in 15 YEARS time is beyond belief and illustrates the level to which some politicians will go to be re-elected. Surely, some consideration should have been given to the ever

changing scene in all aspects of fisheries including the costs involved, market demands and financial returns in the

harvesting, processing and marketing of fish and fish products. That varying situation has existed for years and years and will continue to happen in the future.

When the world price of nickel was reduced and the Vale-Inco Company planned to avoid the cost of building the refining plant the N&L Government refused to budge and eventually the Long Harbor plant became a reality. Why did you and your Government not take the same stance with OCI and their financial backers and force them to improve their harvesting operations and take steps to improve productivity and efficiently produce finished fishery products in our Province as is the case in Iceland, Norway and the US. Instead you have taken a political decision which will hasten the demise of fisheries in N&L and destroy the future survival of rural fishing communities.

Gus Etchegary

Chair

Fishery Community Alliance