

THE LOBSTER INSTITUTE'S CANADIAN/U.S. LOBSTERMEN'S TOWN MEETING
April 13, 2007 * Delta Brunswick Hotel, St. John, New Brunswick, Canada

FULL TRANSCRIPT

Bill Adler, Chair of the Lobster Institute Board of Advisors, Executive Director, Massachusetts Lobstermen's Association and lobsterman – Folks, I think we're going to get ready to get started. Welcome to the 2007 Canadian/US Lobstermen's Town Meeting. This is the 4th year the Lobster Institute has sponsored the Town Meeting, and we're pleased to return to Canada this year and pleased that you could be here today and especially all of you who have made all of these meetings. For those who don't already know me, my name is Bill Adler. I'm the chair of the Lobster Institute and also the Executive Director of the Massachusetts Lobstermen's Association. And once in a while I even get to go out on my boat in Green Harbor, MA and go lobstering. The Lobster Institute is proud to host this event once again, hoping to keep the lines of communication open between all sectors of the lobster industry, in areas of what I call "lobster nation"... from Long Island Sound to Newfoundland. The Institute has four core areas, conservation, outreach, research and educational programs. Our goal is to keep the lines of communication open while maintaining a sustainable and vital fishery. There is a flyer in your registration packet that explains our mission. Before we get to the Town Meeting I'd like to have you join the Lobster Institute in thanking the folks who sponsored the opening reception again this year – Fishery Products International and Mike Sirois. Next those that donated door prizes that you'll hear more about this afternoon (please hold your applause till the end): Atlantic Offshore Lobstermen's Association, Eastern Fishermen's Federation, Fishermen's Voice, Grand Manan Fishermen's Association, IMP Fishing Gear LTD, Lobster Institute, Maine Lobstermen's Association, Massachusetts Lobstermen's Association, and Riverdale Mills Corporation. As you know, Darden Restaurants is the parent company of Red Lobster, Olive Garden, Bahama Breeze, Smokey Bones, and Seasons 54. The people at Darden share the Lobster Institute's vision of protecting and conserving the need for a thriving lobster industry. Their financial support has made this Town Meeting possible every year and they are a generous contributor to many lobster related research and educational projects throughout the lobster nation. In addition to this Town Meeting, Darden has contributed to the Lobster Conservancy's juvenile monitoring program for many years. They were responsible for the lobster shell disease workshop at the University of Massachusetts in 2005, and they are sponsoring the upcoming Canadian Lobster Biology & Management Workshop that will take place in September 2007 in PEI. Joining us today, and traveling all the way from Florida, is Darden's Vice President for Government and Environmental Affairs, George Williams. Please join me in welcoming him and thanking Darden Restaurants. George please come on up.

George Williams, Darden Restaurants – Thank you Bill, and thanks to all of you. We're pleased and proud to be a sponsor and a part of this very important event. Bill mentioned all of the brands that we have and let me tell you that all of those brands with the exception of Smokey Bones, and we're working on that, serves lobster. And lobster is very important to the success of our company. Let me also say that what is happening here today... you may not realize this but it is unique. And I know a lot about what happens in fishery management around the world because I have the privilege of seeing a lot and traveling a lot. I can tell you that this is on the cutting edge. This is the kind of thing, the kind of activity that we believe at Darden makes a

difference. Getting people together, getting people from all aspects of the industry together to talk about issues and concerns, talk about solutions, that's the way that things happen positively. I've looked at the list of talking points that you all are covering today and I think that if you touch on any one of them that would be terrific and make a real contribution. And to think that you're talking about all of them is just really – I know for me it will be a great learning experience, and something that I look forward to taking back to our organization. But once again, thank you for the opportunity to be a part of this and I look forward to being here.

Bill Adler – Thank you George. We picked a different focus for each of our Canadian/US Lobstermen's Town Meetings, and this year we will be talking about economic impacts and socio economic influences on the lobster industry. We'll explain how we'll run the Town Meeting in just a couple of minutes. Before we do that we want to quickly update you on what came out of the previous Town Meetings. Bonnie Spinazzola, Executive Director of the Atlantic Offshore Lobstermen's Association and the immediate past chair of the town meeting planning committee will give us a report. So Bonnie, come on up.

Bonnie Spinazzola, Executive Director of the Atlantic Offshore Lobstermen's Association, Lobster Institute Board of Advisors, Past Chair, 2006 Canadian/US Lobstermen's Town Meeting – Thank you Bill. As Bill noted, we've now held three successful Town Meetings. Hundreds of lobstermen and others involved in the industry have attended, all the way from Nova Scotia and south to Florida. Many of you have attended the previous meetings and we welcome you again. Last year's focus was on stock enhancement. We talked about everything from defining fishing areas, to mandatory reporting, to integrating external factors into assessment models, and adequate funding for related research. And of course, the overall status of the resource is always a topic of discussion at every Town Meeting. The primary goals of the Town Meeting are to provide fishermen an opportunity to communicate what they're observing when they're fishing, what theories they have, what concerns they might have relative to the resource and the fishery. The meetings have also focused on fostering collaboration and communication between all geographic areas of the fishery...reinforcing the fact that we all share and rely on the same common resource that must be protected. These goals were certainly accomplished last year, as they are every year. And as always you can count on these Town Meetings to have some very animated dialogue, yet always with respect for others across the border. Today, a full written transcript of the day's discussion will be compiled. They will be available on the Institute's Website. They'll also be mailed to a comprehensive list of fishery management personnel and scientists to be sure that even those that were unable to attend the Town Meeting will be able to hear what all of us here had to say. Summary reports will also be available and we do have a few copies of last year's summary available if you'd like to pick one up after today's event. You can also get a full copy of the transcript if you'd like.

Questions often come up after these meetings, such as “what came out of it?”, “what was the information that was presented?”, and “was it worth our while?” After last year's and previous Town Meetings, several action points have emerged and are being directly addressed by the Lobster Institute. A few examples are: Water quality issues: many of you expressed concerns over the impact of water quality on our lobster stocks. The Lobster Institute worked with Dr. Larry LeBlanc and Dr. Brian Perkins, from the University of Maine, to obtain funding for

research on the affect of environmental toxins on lobster health, particularly shell disease. This work is underway now.

Another is lobster health. The health of the lobster resource is always at the forefront of everyone's thoughts. The Lobster Institute recently obtained a grant of nearly \$400,000 to equip a state-of-the-art Aquatic Animal Health Lab at the University of Maine, together with a long-term repository that will be accessible to scientists region-wide.

Another is leadership succession. Many of you have said you are concerned that it's the same people you see at every meeting like this. You've asked who will step into the shoes of today's leaders to be leaders of the future? How do we get more young people involved? As a result, the Lobster Institute is introducing its Future Leaders Scholarships – a program that encourages younger lobstermen to become more actively involved as industry leaders and advocates, and to learn more about lobster management plans and systems. This fall, each industry association that the Institute partners with, will be asked to nominate a young fisherman to receive a scholarship to attend a workshop, conference, or meeting such as this one. Next year, thanks to Darden Restaurants, the Institute will give out four \$250 scholarships to help these young fishermen defray the cost of attending programs, or help make up for some of their income from lost fishing time when they attend.

Another question is “how can we make our voices heard? The Lobster Institute is not an advocacy group, however it did provide the industry with information on how best to put an advocacy effort together. The Institute hosted a session at the Maine Fishermen's Forum this year that featured a panel of experts on advocacy, including several successful lobbyists and current and former legislators. This session was taped, and any group that would like to have a copy of this educational session can make arrangements with Lobster Institute staff. A few copies are available today.

Compiling research data is another question. Discussion at the Town Meeting included comments by some that can be paraphrased by saying “we don't know what we know”. There is a great deal of scientific data that has been compiled as a result of many different research projects, some on the possible external variables that may affect our stocks, such as water quality. There is a need to compile this data into an easy to use resource. The Lobster Institute is working with Dr. William Congleton at the University of Maine on a comprehensive Geographic Information System that will take data already collected from many different sources and put it into a comprehensive mapping system that will let researchers cross-check various data with such things as the incidence of lobster shell disease. In essence, they are taking a great deal of information and putting it at our fingertips to use in future lobster health research.

So, as you can see, we feel the previous Canadian/U.S. Lobstermen's Town Meetings were successful on several fronts. We brought lobstermen together and fostered communication between all regions of the fishery, reinforcing the idea that we all rely upon and must protect our shared resource. Throughout our meetings, we did help to direct lobster research and industry outreach through our sharing of observations and concerns. I encourage everyone here today to please be willing to talk, share ideas and concerns as we have in our previous Town Meetings. I look forward to hearing from all of you and hearing what you have to say. Thank you.

Bill Adler – Thank you Bonnie. I'd now like to introduce and thank the Institute staff before turning the meeting over to our co-chairs. Will the staff please stand. Bob Bayer the Executive Director of the Lobster Institute and his wife Jenny who is like adjunct staff. Cathy Billings, Assistant Director, and Jean Day, Special Projects Coordinator, who make things happen. And now I'll ask Ashton Spinney, the co-chair along with – where's Dana. Dana Rice, who co-chairs along with Ashton, is not here yet. He's possibly shoveling snow. Hopefully he'll make it here. Ashton, you're going to have to take the whole show here. Ashton, one of the co-chairs of the planning committee, you're on.

Ashton Spinney, LFA 34, Nova Scotia, and Co-Chair of the 2007 Town Meeting Planning Committee – I add my thanks to Bill and all of you who made this trip as part of our town hall meeting today. We welcome the scientists and folks from all different management agencies and industry groups who made it here this morning. And we especially welcome all of the fishermen who have joined us. The idea for these Canadian/US Lobstermen's Town Meetings came from fishermen and it is so very important that we hear from all of you today, and I emphasize all. Thanks for being here. A lot of thought and planning went into planning this day and I have to say here that I wasn't involved in its planning as much as these others here, but we'll talk about that later. There are several people I'd like to recognize very quickly. On the planning committee the Lobster Institute has several of its board members who are: Bill Adler from Massachusetts; Bill Anderson from Maine; Bob Bayer, Executive Director of the Lobster Institute way in the back; Mike Sirois, Fishery Products International; Klaus and Melanie Sonnenberg, Grand Manan Fishermen's Association; Bonnie Spinazzola, from Atlantic Offshore Lobstermen's Association in New Hampshire. And I'd like to add my special thanks, and I mean this from the bottom of my heart – the Lobster Institute – the staff there, has worked so very hard and has made this all very possible. So please help me thank all of these people.

The reason we're meeting here today is as Bill noted, we might come from different geographical areas, but we all rely on the same natural resource. Our topic today will center on topics related to economics and socio-economic influences of the lobster fishery. Sustaining a shared resource calls for constructive sharing of information. This is what we're asking of you today. Our knowledge grows by sharing observations and experiences. The greater our knowledge, the greater our decision-making will be. I'd like to add something here - be comfortable, relax and share what you've seen or talk about things that are of interest to you.

Now to get things started, will the panelists come up to the table and while they're coming this way, I'd like you to look at the agenda for today. The agenda is the green sheet in your packet. You'll see that we now will have the panel discussion, and at about 10:45 we'll have the Town Meeting begin, and we'll break at about 12:15 for lunch and at 1:15 the town hall meeting resumes. We'll have a break about 2:20 and after the 10-minute break, we'll resume again until about 3:30, at which time we'll have closing remarks and door prizes. So this gives you an idea of what's coming. Following the end of the meeting we'll collect all of the evaluation forms and you must submit an evaluation form to be eligible for the door prizes. I'd now like to introduce to you our moderator and our panelists.

We have an excellent group of panelists who have volunteered to help us out in setting the stage for today's Town Meeting. They will be available throughout the Town Meeting to answer any questions, clarify discussion points and so forth. A list of panelists is in your packet on the pink sheet. We had arranged to have Dr. Jim Acheson from the University of Maine and Dick Allen from Rhode Island to join our panelists but unfortunately they had to decline our invitation to participate. Also unable to participate due to inclement weather is Dr. Jim Wilson, also from the University of Maine. However, here with us today in alphabetical order, we have:

John Driscoll. John is a Masters candidate at Dalhousie University in Halifax, who is working with Dr. Peter Tyedmers, Assistant Professor in the School for Resource and Environmental Studies, on a Life Cycle Assessment of the Maine lobster fishery, including an economic component dealing with carbon energy outputs.

Michael Gardner. Michael is the President of Gardner Pinfold Consulting Economists from Halifax, Nova Scotia. His firm recently authored a report for Agriculture and Agri-Food Canada, entitled "Benchmarking Study on Canadian Lobster".

Laura Singer. Laura is the Director of Collaborative Research, Gulf of Maine Research Institute. The Institute recently conducted a "Lobster Socio-economic Impact Survey" and released a report on their findings.

I'm very happy to introduce to you today, a man I've learned to appreciate over the years, Mr. Ted Hoskins. Ted is the Minister to Coastal Communities & Fisheries with the Maine Sea Coast Mission and a seasoned veteran when it comes to moderating this event for us. He's back for the third year as the volunteer moderator for our Town Meeting and we thank him very much. I'm going to turn the mike over to Ted now and let him get things started.

Ted Hoskins, Town Meeting Moderator and Minister of Coastal Communities and Fisheries with Maine Seacoast Mission – Thank you, thanks very much. We're going to keep right on moving. There are a few things that I want make sure we're all familiar with as we get started otherwise we'll be bumbling through these papers not knowing which is which. The three pages in white on the left side of your packet will be helpful to you throughout the day. Because whenever someone speaks to the group here today, you'll be asked to give your name and where you fish, and if you're in a zone off the coast of Maine, we'll want to know about that. You'll find the zones on white as well as the fishing districts in Atlantic Canada. If a speaker says they're in LFA 35 or another, you can look that up and know the area the person is speaking about. The other page is the American Lobster Management Areas, which are different from the lobster zones. The lobster zones are defined and imposed by the State of Maine. They tell us where we fish and start out from. The lobster management areas are broader and have a different role. It's good to be aware of these and to know where people are coming from. Also you'll notice on the Canadian Fishing Districts, they give their seasons on the left hand side of that page. So sort of keep that there and know that it's available there for you. As usual, we'll be recording, yes, Klaus. Tell me your name and where you're from.

Klaus Sonnenberg, Grand Manan Fishermen's Association. (Microphone not picking up voice)

Ted Hoskins – Thanks Klaus. Just as a reminder, this is being recorded so just as in years past you can have a record of what is being said and how the session went. If you want, you can have the full transcript of today's meeting. It will be available to you so make sure you sign up for that before you leave.

Now let's get to our panelists. We're a little behind schedule, so we need to move along. Each panelist will have ten or so minutes each to introduce themselves and tell you what they do, and then we'll work right into the Town Meeting. We can start with our graduate student, John Driscoll. When you get the mike, make sure it is turned on.

John Driscoll, Dalhousie University – Thank you very much my name is John Driscoll. I'm from Dalhousie University in Halifax, Nova Scotia, originally from Ohio. Just a little on what I'm doing. In the states there is an ex-politician who made a career change, (I won't mention any names) but he made a documentary on global climate change. He won an Oscar and people flocked to see it and it was popular for quite a long time. The reason why it won a documentary was not because it was interesting, had a lot of action scenes or anything like that, actually it was quite boring. But the reason that it was so popular was because people are becoming concerned about climate change and they want to be educated about it. I think that it seems that recently in the past year the issue of global change are becoming more visible in popular magazines like Newsweek here. So anyway, like I said people are becoming more concerned about global change and they wish to be more educated. As a result of that will be consumer pressure on government and on private enterprise to improve their environmental performance. I think a recent example of that is Tesco, one of the largest retailers in Europe, has come up with a very broad reaching plan to improve their environmental performance. One of the aspects of this is a universal carbon cost label, which they are going to try and develop, and this will be affixed to every one of their products (similar to that which is on food right now known as a nutrition label. It will be similar to that) in order for consumers to make the best decision, the most well educated decision in terms of the environmental impact of their choices. It will put less pressure on the private organizations and also less pressure on governments to do more about climate change, which can take the form of several means, one, being the global carbon tax. A recent article in Newsweek... What I'm trying to say here is that the carbon cost of lobsters may not be the current economic pressure on the industry or the retailers but the economic pressure as markets begin to... as governments begin to implement regulations as to what can and cannot be sold in their markets. Like the EU right now is considering banning any air-transported imports bearing organic labels, due to concerns over the emissions associated with their transport. There are studies that, getting back to the point, the point is that the carbon costs of, the carbon emissions of the lobster industry may not be of current pressure of the day, maybe a future pressure. Anyways this brings me to my work, which is a life cycle assessment of the Maine lobster industry. What a life cycle assessment is, is a means of looking at and taking into accounts all of the processes and material flows of energy that are required to produce a specific product or required to allow a certain system to function. So in the case of the Maine lobster industry this is going to be all of the material energy, include all of the boat construction, gear construction, and go into the fishing operations itself, going through any processing of lobsters and post processing transport to the consumer. The reason you do this is so that you can get a full and hopefully objective as possible image or picture of the full environmental impacts of the

industry. So instead of looking at one specific place, and saying there's x amount of carbon at this point, we need to cut down on this, you look at the entire picture. Because if air transport for example they're emitting 75% of your carbon greenhouse gas emissions, that's where you should focus perhaps instead of an aspect that is not generating that much. So anyway that's my research and I'm a first year masters student up there and doing research along side a kind of parallel project which is a life cycle assessment of the Nova Scotia lobster fishery, which is being conducted by Catherine Boyd. I'm sure some of you from Nova Scotia have been contacted by her. That's about it and I've enjoyed talking to all of you.

Ted Hoskins – Thank you very much. We're gonna hold the applause and we'll go right on. Mike, and I forgot to mention to John, if you wish to come up here to the podium and speak you're more than welcome to do so. And one other thing before you get started – although we like the little sing songs on your hip or pocket, I'm asking if you would be so kind and use the little off button or vibrate button, we'd appreciate it.

Mike Gardner, President of Gardner Pinfold Consulting Economists – I'm going to take advantage of your offer and come up and stand so I can wander around and yell at the other mike. First of all I appreciate being asked to join you and spread a few words. Last evening I was introduced to a few people associated with the Lobster Institute. One or two of whom I've met before and some of the organizers of this session. The question uppermost in my mind was what do you want me to talk about? So despite a couple of efforts over the course of the last few weeks to extract some guidance from the committee, they said look you know a lot about this stuff so talk about what you know. I said "that's risky". I've looked at this issue for maybe 20 odd years and accumulated a lot of information and some of this may be of interest to you and some may be only of interest to me. In any event, with that guidance to speak expansively to me, I will try to stay focused on the subject at hand and that's economics and socio-economics of the lobster fishery, but if I stray don't blame me. First of all in the largest sense the lobster industry in the northeast, North America is probably the single most important fishery that we have. In Canada and the US there are 17,000 vessels active in the fishery, that employ about 40 thousand harvesters that work those boats, and many more on shore, and many hundreds of communities, who are involved in the fishery, I guess that lobster is central to. So there is a huge economic stake in this fishery and it permeates the entire northeast coast, maybe as far south as Florida, I guess. If, for no other reason there are a lot of consumers there, up the coast through New England and through to Labrador. Given its economic significance, one of the most pressing questions is "Are we doing enough to protect the resource?" Let's face it, all of this starts with the resource. Look at some of the issues on the characteristics of the fishery. It generates a fairly high expectation rate. Now, science has difficulty measuring this accurately but, they, scientists, have come up with estimates, figures as high as 60- 80 % exploitation rates. Of the legal size lobsters in the water, 60-80 % are harvesters in any given year. A second factor is that of those legal size lobsters at the size that they are legal, only about 5% are reproductively mature. In other words you're fishing down a population. Most of the animals haven't even had an opportunity to reproduce. I'm not as familiar with the situation in the US, but in Canada, given budget cuts over the years, there is limited enforcement, certainly on the water as well as on land. And some of the strictest enforcement in a way, I'm pleased to say, is happening at the border when lobsters are being exported from Canada to the United States. And that enforcement is taking place by U.S. officials who are finding shorts in the shipments. And that is causing some

excitement in Canada, but I'm also hoping that harvesters, and shippers will be more careful in what they catch and bring ashore and ship. Scientists will be the first to admit that there is limited understanding of population dynamics in the lobster fishery. If we cast our minds back to the early 1970's and 1980's, the harvest was a fraction of what it is today. It's not because effort has increased. Science isn't sure, lobstermen aren't sure, why the population has expanded the extent it has, but we're harvesting between 40 to 50 thousand tons annually, which is a substantial increase over the level of 20 to 30 years ago. No one is sure why. Broad scale environmental change seems to be a factor. The absence of predators has probably contributed to that, but when we reflect a bit on the absence of predators we should also bear in mind the activity that contributed to the absence of predators -- that is of course the substantial fishing and the high fishing pressure -- and question why couldn't that happen to lobster. The economic significance of the resource and the fishery, given the decline in other fisheries, of course, acts to enforce the pressure on lobster as the mainstay. So I think there are a number of factors that cause us to question whether we're doing enough to protect the resource. I think the harvesters here and any scientists here on any kind of front lines, here on the activity, well, I'd certainly be interested in hearing your response. I know we've got people here from farther down the value chain, major shippers, major restaurant chains, all of whom had a stake in ensuring this resource stays healthy.

A second line of question goes to the market end of things. Do fishermen understand the market they are serving? Now from my discussion with many, many fishermen throughout the years, there's a kind of disconnect from what happens on the water and the wharf, and what happens in the supermarket and the restaurant. Many fishermen still believe that price starts on the water and moves forward to the consumer. That's not the way it works, that's the product flow. The income flow comes from the other direction. It comes from supply and demand, at the consumer, and works its way down the wharf. But a question is who is the customer, is it the buyer, is it the shipper, um, no, it's the consumer who is ultimately the customer. And I'm not sure that the industry or associations and government have done enough to grasp that concept. It affects how we fish; the pressure we fish; how well we treat the animal once it comes ashore. Let's face it there's animal rights now from a consumption end of things. All of these factors are influencing the market. On a more practical level from a marketing standpoint rather than a market standpoint, what do we know about what consumers are prepared to pay for the product? Again, I'm hoping the Darden representative here will provide some enlightenment on this. Let's face it there are substitutes out there. We've all grown up thinking that lobsters sell themselves, but guess what, it does up to a point, but it still requires promotion. There are still substitutes. And at some point the price gets a little too high and Darden and others simply take it off the menu and then there's a struggle to get it repositioned. So what's being done to expand the market here in the US and elsewhere? There may be a lesson here from a couple of other species (shrimp and crab) that are fished in Atlantic Canada and off the coast of Maine. The shrimp fishery in the North Atlantic produces a premium product, but it is about 200 odd thousand tons -- coupled with the northern shrimp fishery in Northern Europe, 450 thousand ton. That supply goes into a global market of 6 million tons of shrimp. And what we've seen in the last decade, as shrimp fisheries have increased both foreign and wild, is prices have gone down, down, down, for ten years. Crab -- I don't know how many of you are involved in the crab industry, again on the market end in 2004, crab prices, up, up, up, to a point where seafood restaurants just took it off the menu. The price crashed at the shore the next year, price dropped by about 50%; value landings dropped by

about 50%. It's caused a lot of chaos in the industry. Now what's the lesson for lobster? I suppose part of the lesson is there's not an unlimited demand, there are limits on what people are prepared to pay. And we should make sure that as participants in the industry, harvesters, marketers, shippers, fully grasp the limits of what's possible.

Another issue on the market side, quickly, down stream is the potential implications of animal rights. We've seen Whole Foods take lobsters out of its cases, with concerns over the treatment of the animal. This has become a more significant issue in Europe as the question of sustainability of the fishery itself. Are we headed for a requirement for equal labeling here? What implication does this present for the industry?

Looking now at a subject that interests me, actually fascinates me, and that is price formation. How do prices get established? This is primarily at the wharf, but each day at the value exchange. There seems to be four factors at work at the fishery or the wharf, lust, deception, fear and greed. I think they sum up the nature of the activity at the wharf. I think that fishermen understand this and the buyer understands this. Some of the fishermen that I was speaking to last evening said "there's just so much distrust in the industry." This is a shame. The industry is rife with mistrust and it's well earned. It's unfortunate, but it's well earned. Let's face it every year the buyer, the major shippers, at least in Canada, maybe not the US, get together and say "how can we hold prices down?" We're all gonna agree and not pay any more than \$4.00, \$4.50 per pound. And of course, it's such a competitive industry, that these cartels, these attempts to preclude the price, fall apart before the ink is dry. The people in the room are doing side deals and so on before they leave the premises. It just doesn't work. Nonetheless, it sows the seed of distrust amongst the harvesters. They understand that the shipper needs to make a profit, but the harvesters need to make a profit too. The shippers farther up the line, and the restaurants, but there's a limit. So where's the bargaining room? Looking at it from an economic standpoint, the harvester standpoint, the lower end of the bargaining room is "what do I need to break even on my boat?" The upper end is "what's the consumer willing to pay?" Within that range there's hope for everybody making a profit but we're dealing with a commodity, let's face it. It's virtually impossible to differentiate this product one lobster from another, so branding becomes a real challenge. I think Maine is trying to brand its lobsters and doing some good work there, but can you really differentiate from the lobster? It's a natural, or product of a natural environment, so its subject to an environmental slates. It's perishable, subject to market swings, broad economic forces. One of the things that it seems clear that fishermen lack is information about the market. Now, it's 2007 and most harvesters now, if they don't own a computer, their 12 year-old does. And it's so easy to find information on what's going on in the market, yet very few do, relying on the toing and frowing, a price that settles things a week or two into the season.

So, another factor that has caused price volatility in Canada, at least, is excess capacity. There is so much pressure now to harvest and harvest quickly. Opening day in Area 34, off southwest Nova Scotia, it's one of the biggest fisheries, 15,000 odd ton. They're hauling their traps the first week or so at least twice a day. They're going out dropping their traps, laying over the first day, haul them, haul them again the 2nd day. So the pressure is there and it's because everyone understands quantity is finite within a season. Two to three weeks after the season starts, the catch rates have fallen way down. This should trigger alarm bells amongst the harvesters because to me its only a question of time before your fishing a knife edge. If it's a recruitment

fishery, you're fishing down last year's entries primarily and there's not much size range or age range. It doesn't take much of an environmental change for that fishery to collapse. This should be a concern. I'm getting a hint to keep quiet, so I'm ready to leave. So on the question of the price and relationship, I guess the big question is, is the industry doomed to operate in a climate of extreme uncertainty, risk, and mistrust, or are forums like this an opportunity to try put more information on the table so all of the participants know what's happening at the next stage and appreciate where the price comes from, what product is required and what the consumers are looking for and prepared to pay. Thank you.

Ted Hoskins – I hope that isn't it, because what you're talking about is extremely important here and of interest to everyone here. I'm sure many questions will come back to you during the day. Just in papers this past week in the American papers in Maine, they were talking about the prices running up and getting \$10.50 a pound, and everybody's wishing they had pounded their lobsters up, but such was not the case. But let's move right along then, Laura, will you share with us?

Laura Singer, Gulf of Maine Research Institute – We focus on education, research and convening, so I really appreciate the Lobster Institute and what it took for them to arrange this gathering and getting folks together. Thank you for inviting me to attend. I'm going to attempt to give you a flavor of what's in the 291-page report, so bear with me. And similarly, I had similar instructions, in terms of, "well, whatever you think is useful." I've asked a couple of people who've sat through this several times before, and asked them what was useful and I'm going to try to do that and without a power point, which is a much further burden for someone like me who relies on visuals. So here we go. This is a report that was conducted by the Gulf of Maine Research Institute for a firm called Market Decisions and it focuses on the lobster conservation management areas in the U.S. in Area 1, Area 2, and Area 3. So it will give the folks in Canada an idea of what's going on in those areas and the folks in those areas to say we got it right or we got wrong, and we did the survey. I'd appreciate any feedback. The reason we, and I decided to get funding for this (and we got funding from the National Marine Fisheries Service in the US) was to really figure out what was going on from an economic standpoint in the Gulf of Maine and the New England lobster fishery. To be able to assess, what's the difference within those communities and hopefully improve the management of lobster, by having more information on economic and socio-economics in nature. So the Gulf of Maine Research Institute administered the project, Market Decisions, a marketing research company out of Portland, conducted this phone survey. We had a steering committee, some members of that committee are here. Bonnie Spinazzola was involved...Patrice McCarron...and Bill Adler came to one meeting. I think that's it for steering committee members. It included associations that were involved throughout New England. What we were looking at was baseline information on demographics, education, fishing, business operations, covered retirement planning and financial information. What I'm going to focus a little bit on today is some of that baseline information we collected on what's the financial health of businesses. And also some of the questions we were asking was to try and get at vulnerability. The industry in New England does start to have less than the record catches we have year after year, what is the vulnerability factor? Where are people stretched in ways of loans for cars, and things like that? So we try to look at those questions and that's now what I hoped to get at. All of the questions were confidential, and getting folks on the phone and talking to them for about 20-25 minutes, I was very impressed at how very well we did in getting some very detailed financial information. That was because they

knew that information (I don't have access to that raw data) was very confidential. But that allowed us to get very deep in regard to that information. Briefly, what I'm talking about is a survey of about 1100 folks, which was conducted in the spring of 2006. It covered people from Maine, New Hampshire, Massachusetts and Rhode Island. So what did we find out? Well in terms of general demographics, on average, folks active in the lobster industry are about 50 years old. Three-quarters of the active lobstermen in the industry are married. Eight in 10 actually have a high school diploma or GED. Sixty-six percent of all households have no children under the age of 18, and no dependents. In particular, Mainers are less likely to have graduated from high school. There are only about 18% of the folks from Maine who did not graduate from high school compared to those in Massachusetts and New Hampshire which were only 7%. Those were things we were looking at in terms of general demographics. What does the industry look like? Most of the folks have been involved in lobstering for about 31 years. They've held their licenses for about 28 years, working as sternmen before that. 60% of the lobstermen surveyed say they will continue lobstering for as long as they can. Roughly about half of the fishermen surveyed say their children are currently fishing or planning to fish. That was particularly, when you look in the United States at Maine, New Hampshire, Massachusetts, and Rhode Island, when you divide that by states, Maine was likely to be the highest and have more of their children invested in the lobster industry. We looked at the average annual pounds of lobster landed in 2005. We asked that question, and the average lobsterman in New England landed just over 24,000 pounds in 2005. Now I caution some of these averages of averages, because that was looking at everybody that said that they were active and everybody across a very broad spectrum. So something that we looked at a little later when we talked about financial questions was ok how many people are making up the upper end of that spectrum and how many are making up the lower end of the spectrum? So those are just some baseline averages when people were asked questions. Going to go to some of the business revenue, the revenue was on average \$78,000 (a rough figure) in 2005. On average, most sternmen in this neck of the woods were paid about \$20,000 to be a sternman. They paid roughly \$7500 for fuel & oil. Among average lobstermen, about \$11,000 to \$11,500 went to bait. Vessel insurance went about \$200. So this gives you a sense of where resources were going. I didn't talk about, well how can we manage to balance the conservation needs and economic needs and I think it's important to think about. What are the growing needs for bait and insurance? People are certainly talking about those going up and impacting the bottom line. After all expenses were paid, the lobstermen reported a profit or basically what they had left of about \$25,000. And again one of the things we did do was ok that was an average across an average - big areas. People fish quite differently inshore as opposed to offshore. But when you look at breaking out that info you get those that are making less than \$25,000 revenue, about 30 % are in that category. And those that are making up in the \$200,000 category were just in the 45% range. There was a curve, where there's a lot of people making a little and a very few making a lot. And that's reflective of what the different practices are in regions that we looked at.

I think that's important to know. Forty-five percent of active lobstermen have loans outstanding in their lobster business. We asked a series of questions about the loans and where they came from and what they were for. Again, we get a sense of "are these new trucks that we see them driving paid for, are they not paid for, and how vulnerable are we if the catch goes down? What's going to happen?" Four in 5 of these loan holders got the loans from a bank or financial institution. One in 10 took out a home equity loan. Most people said it wasn't difficult to get a

loan for their business. The average amount of these loans being about \$56,000, and half of active lobstermen used family savings as a method to finance their lobster business. One in 5 used personal or family credit cards. And that, the outstanding loans, if you walked down the coast, about 50% of Mainer's had outstanding loans and it dropped precipitously down to about 10% of people in Rhode Island. And any of you familiar with what the Rhode Island folks have gone through, a large downturn and greatly diversified, that was reflected in some of our numbers in some of the other questions we asked. Where are those loans coming from? I'm going to give you what they are for first. About 50-60% is for a new boat, the second highest is for a rebuilt engine, and then it gets much lower, with rebuilding of engines and basic overhaul. On sources of funding it's coming from personal savings. That is the most significant funding for these loans. Then you get into home equity loans, personal credit cards, in terms of percentages of where those loans are coming from and then it gets into business credit cards and lines of credit. To me that was very revealing to think about how much personal savings is going into those boats.

So, how are lobstermen doing on average on total income? Well, the household total income is about \$69,000. Sixty percent of that income comes from lobstering, 19% of that income came from other fishing activities, and then 20% came from non-fishing activities. Among active lobstermen, 31% is the average percent that came from other members of the households. So of these households, they are highly reliant and the majority of the income is coming from lobstering. And again if you walk down the coast the most reliant on lobstering are the folks from the Maine communities and it decreases further out.

We also asked questions about health insurance. 23% have no insurance for anyone in their household. 33% of lobstermen say they receive health insurance through their spouse's place of employment, and 25 actually have some federal or state programs. Of those that have health insurance, 85% have full coverage. In terms of planning for when they retire, or if they retire, 50% of the lobstermen in New England plan for their financial needs after they retire and they've got such things as IRAs 401ks, and savings. That leaves another 49% who have no plans and no financial way to weather some kind of downward spiral as it occurs. The most important thing that I found in the study was many folks in Maine are more dependent on lobstering as a source of income, less likely to be involved in other fisheries and more likely to have outstanding loans. But the industry as a whole, there's a lot more information available, and I encourage anyone who is interested, I can give you the full report. What we're interested in doing is taking the report and making it into a nice 25-30 more readable condensed report. Hopefully, I've given you a little bit of flavor and not too many statistics so that your heads aren't spinning. It is a really good source of information as you begin to talk about these conversations and be able to go and say this is what we have for baseline information to start from.

Ted Hoskins – Thanks Laura. Let's give a hand to all of our panelists. We've had a good basis for what comes next as we worry about the carbon costs of that fuel that we keep pumping into our boats and cars, and all the other parts of the carbon index that belongs to us, and some perspective from the Canadian side and some perspective from the US side. I think there's plenty of things for us to get at and talk about and that is exactly where we are going right now. Tell us who you are and where you fish.

Bonnie Spinazzola — I was a part of the steering committee and was happy to be involved with it, but hearing all of the figures now that they are compiled, they do not accurately reflect anything in the offshore fishery at all. I recommend you separate the offshore from the others because I also think it is skewing what you see in the onshore fishery.

Ashton Spinney – Within the LFA 34 we have an area that's inshore and then offshore but then we have Area 41 that is outside of that purple area and out and around the box there. If my memory is correct there is 8 license holders involved. There's one company now that has that. Now I ask what do you refer to as offshore?

Klaus Sonnenberg – I'm a bit concerned about Mike's statement earlier and I'd like to take him up on it. Isn't reduction talked about after 2 weeks of intensive fishing that the catches drop off showing that the area is fished out, and that was an assumption. I think that the challenge is try to delay the fishery for 2 weeks sometime and see if you catch any fish. The fact is that what I understand is the lobsters are on the move at that time of year and even if there were no fishery for that period of time, going back into that area a month later than when the fishing opens, will result in very little catch.

Mike Gardner – The inference wasn't that it was fished out. I think the simple proposition is that for most fishing grounds in Atlantic Canada there is a sharp drop off in the catch in the unit of effort after the first 2-3 weeks. Less so in Area 34, because it's a much broader area, deeper water, and lobsters keep moving. And even there, there is a drop off but it is not that drastic. In the other areas in the Atlantic and the Gulf and so on after 3 weeks your catch is really declining quite sharply because there are fewer animals of legal sizes left to catch.

Klaus Sonnenberg – But what I wanted to address with you was that this should not infer anything more than that is when the lobsters are there. We have fisheries in the Gulf off Cape Breton, and elsewhere in the first two weeks catch very little fish for example. If you fish off Ingadish, you can easily delay your fishery for 3 weeks in the spring whether it be by ice or other reasons and it's not going to be a catch down, it's going to be an increase as time goes along. The same is true in the gray zone fishery between Canada and the U.S. in Machias. We can fish there all summer long and have minimal catches and the increased catch later in the end of October or early November. So the inference is wrong but if you're saying that's not then that's fine, but it has more to do with when the catch is available than with the effort.

Laurence Cook, Grand Manan Fishermen's Association – Further to what Klaus was saying, Area 1 in Maine is identical. The difference is that in Maine the catch raises much earlier than us because ours is at zero because our season's closed. But despite the fact that they have multiple more boats, more traps than we do, our catch drops at the exact rate at the exact same time as Maine's. It has all to do with the environment and all to do with when the lobsters are there and nothing to do with the amount caught. The catch per unit effort in Canada is much lower for the area than in the United States. If you lay the two graphs on top of each, date for date, you'll find that our catch will drop at the same time as the US, which would indicate to me that Klaus is right and it has to do with the availability of the lobsters and where they are and whether they are catchable at that time. It's not that we fished out the stock at that time or the size animal at that time - simply because they moved out of the area.

Ashton Spinney – It's interesting – Mike made the comment that there is a lot of effort in the first few weeks but it's after a closed season. The animal that is ready to feed is the one that is just out of a molt. And it's according to the life cycle which the lady over there and others involved are doing a life cycle study. And we're trying to determine what causes that and what brings it about and other factors. But what we're hearing from fishermen are now they haul their traps the first some crews - the percentage in the mid shore area the extreme that I heard - that they were one hour off and the crew was going 24 hours a day the first week for 7 days. The other group of captains brought his crew to shore before Christmas for 2 hours. Another one gave his crew 9 hours off on Christmas day to be with family. That's the extreme, not the norm. The frightening thing to us is that it might start swinging towards that because of all the pressures that's coming down. The dealers, the market places - we're getting a glut the first 2-3 weeks and thereby being detrimental to our price system. These are big problems brought up here. The other thing from a fishermen's perspective, the availability of the lobster and there's factors that's involved. Right now you ask any fishermen on either side of the border, "what's the problem, why are no lobsters being caught?" It's because of the water temperature. It controls our catch. The tides, the stormy weather controls a big part of our catch. We had an exceptionally good year last year, but you let it be a bad year weather-wise, and a big change on what the landings would be. And if we start talking about dropping back the season, it's been discussed, what happens to the other fishing areas? There's no simple solution here.

Jon Carter, Beautiful downtown Bar Harbor Maine – Mike, I'm not picking on you, but I need to address a few things that you said. You're right, we don't know anything about the market or the price. We should know. Klaus just hit on the issue and my good friend Ashton spoke on it. I put temperature gauges in my traps. I've been doing it now for 5-6-7 years and I make sure that this pair of traps is in the same place every year so we get this information. Now if I could look on that chart, the day that the temperature spikes in that area is when we're catching the lobster, and the day when the temperature drops in that area you might as well go home. So, it's so true - how the temperature relates to the fishery. But, in Maine we don't take our big lobsters, and I do believe, my friends in Canada don't like to hear this, but we've been doing this for 75 years or so, protecting the female and oversized lobsters. And I believe in my mind, and like Ashton said, from the bottom of my heart, that we have built up a brood stock unlike anyone else. We don't get credit from the scientific community necessarily for what we've done but we have a brood stock in place. Some may think too many just to sustain our fishery. But our fishery also goes on certain seasons. Right now, none of us are catching lobsters, but hopefully in a month from now we'll see a few. In the fall of the year is when conditions are right and we can make our money. So having said that we do have a brood stock in place that will hopefully sustain our fishery, but we still are catching our recruits like you said. That's our market, our window, with our measure from the size limit we have. I think we have something to sustain that and hopefully keep us all fishing. I'd like our friends across the border to think about that. I'm not going to go there, just me speaking.

But I agree with you so much about our market. Right now we're getting prices we never, I don't know about the Canadians, but historic prices. There is a reason, and we're still not making any money at these prices. But I was talking to a banker a few weeks ago. The bank wanted to take a bunch of us to breakfast just to let you know we're around. We got talking about pounding

lobsters. Now Herbie, don't want to step on anybody's toes, but I probably will, they said "I can tell you why you didn't get any price for your lobsters last year or the year before, the pound people took it on the chin." I don't know, that's what we hear. We're on the bottom of the line and if it's not a good year for the people above us, then the next year you can pretty much count on taking it on the chin. Well last year, in my area alone, Hancock County, Commercial Fisheries News came out with facts that we were the average of 64 cents a pound less than the year before, the lowest for the whole State of Maine. We caught more than any other county in the State of Maine, but our average price was down 64 cents. If we had that 64 cents last year we'd be some happy campers. The fishermen need to know what is causing these things, and what if anything can we do about it. The gentleman from Darden, by the way, I'd like to talk to you. I'd like to have an Olive Garden in Bar Harbor. I think you'd do very well in the summer. We always look at them saying they're getting rich off of us. The truckers are getting rich off of us. We need to know what's driving the prices and what can we do about it.

Ted Hoskins – That's a good thing, and we might be thinking about the answer to Jon's last question as we move on. Comments

Mike Gardner – Concerning the market and the unknowns that are influencing it. One study that I did in 1989 emerged from a complaint that fishermen had that the buyers were looting and forced a drop in prices. Drop in prices usually occur in the spring as other seasons open. And this happened a month or so early in 1989. And the question was obviously there is some collusion, something going on here, 'cause it just wouldn't occur. Well it turned out that in Maine, in one of the larger towns there had been a disease problem affecting another pound. So to avoid a complete loss they put all their lobster on the market. And a lot was exported to Canada and so on to avoid a complete loss. And naturally at that time of the year, the price went through the floor. Pounding, let's face it, is a tremendous opportunity to retune the market just to take all that supply off, but it's not a risk-less activity. I think that was the high point of the problem. Fishermen in Canada would have very little knowledge of that practice or the particular event, so the initial response was that there was collusion. The problem is with the buyers. Now what has happened in Canada in the last decade, mostly in Nova Scotia, is the construction of dry land pounds. We've got a couple of huge operations in the million dollar range, but, many, many processing companies, as in the salt fish businesses, have declined. They're looking around for things to keep them alive so they're putting in saltwater tanks to hold lobster. Now that's great and our recent study came up with an estimate of about 12 to 15 million pounds of dry land storage just in Nova Scotia. And as supply needs to be taken off the market there is the storage to do that. It's time to try to introduce some stability. Fishermen like to hold their catch in their cars, but that's risky business. And just last year prices took a tumble just because of damage that incurred the previous year when the companies lost money.

Ken Campbell, PEI Fishermen's Association – Mike in your remarks you talked about the maturation rate of lobsters, and unless I misheard you, you said 5 % only, is that right?

Mike Gardner – As I understand it that's at the legal size and it varies, in the Gulf it's quite a bit smaller, I think it's 76 millimeters. But around at that minimum size only 3-5 % are reproductively mature.

Ken Campbell – I believe there's a zero missing there. Because in PEI the scientists say at 70 mil we have 37 or 38 %. Fifty percent are sexually mature, at 72 mil is where they're heading, it will be 50% sexually mature.

Mike Gardner – that was based on the scientific material that I had. If that's incorrect, then I'm pleased to hear that it's much higher. I'll go back and check the numbers, but the concern was primarily in the Southern Gulf of the St. Lawrence because the size there is so much smaller.

Ken Campbell – but again the size and maturity depends on the area. Anyway to address the carbon cost issue, this is something that we should really listen to because it is becoming a big concern. There is talk about bio diesel being produced for farms and so on. I hear very little talk about using this in our fishing industry in our fishing boats. What other ways can we cut our energy use? Mike mentioned the value of the fishery we have, and it always amazes me we always have great trouble raising money for science. Our governments aren't listening to us. It's going into a black hole, our taxes, whatever happens. This industry is worth a lot of money and we're not getting the money in science that we need from Government at least. Are there other ways that we should be raising monies for the fishery? When Laura was talking about the loan situation in Maine and so on, in Canada we have a situation that a lot of people have loans too. One of the things we are not allowed to use is our fishing license as collateral. In the states, do banks view the actual license as collateral?

Laura Singer – I was interested, Jon, in what you had to say about the bankers. Across the board there is no shortage of banking institutions that... (not speaking into the mike).

John Driscoll – getting back to the carbon costs, there's been some discussion about market influences not being aware of prices that were given. The key thing to be thinking about here is that if there is some kind of carbon tax or some kind of cost associate with greenhouse gases it's going to be based on the carbon emitted through the entire chain. While fishing is certainly an important part of the production chain, you have to look at all of the other aspects of it. You have to look at the entire production chain. What are the most carbon-intense greenhouse gases in the steps of taking a lobster from the ocean floor to the consumer?

Ken Campbell – When you look at the live market - so there's shrinking and we're getting more processed product. How does that change the equation, in terms of transport because you're transporting less?

John Driscoll – It certainly would and that's one of the things that Catherine and I are looking at. And also, life cycle assessment is assessing what are the hot spots for environmental energies. So it's a good tool to use for shifting the blame, shifting the cause. So then perhaps, in the transport phase you'd be looking at a more condensed product. And also then what are the costs associated with processing, you have to take that into account. That's why mine and Catherine's study are trying to take all of this into account.

Ted Hoskins – Thanks John, Ted Bear go ahead.

Ted Bear – Harpswell Maine – On our new boat construction we need to go with cleaner engines now. You can't put an old rebuilt engine in so the carbon part is where we're going with. As far as the price of lobsters, right now is unbelievable. I know in our area here in about a week or two the price is going to plummet by 5-6 bucks and they're gonna say "well the Canadians just opened up". Well that's what you fellows also hear from us when shedders start hitting down below before it starts getting up here. It's just the way it is and thank God we don't all open up at the same time or we'd be giving them away. Laura you talked about the money aspects. I've seen a lot of young guys in my area building the big 40-foot boats with the big power and they're going into debt. They're mortgaging everything to be there and go outside. I think what it amounts to with the cost of bait, it went up myself, I think it was \$7000 more than last year and the year before. Fuel is up about \$1500. You're talking a good \$10,000 more to go do business. People are going to have to start taking a closer look at the operational costs of their business and whether it's feasible to buy these new boats. Maybe they should keep their older boats and trek along with it. I'm just an old fart so I just trek along the way I'm going at it. I drive an older truck and my wife drives a car that I don't know why it keeps running but it does. I try talking her into buying a new one and she says, "no, it's all right." She calls it the dog mobile. That's about all I have to say, but I think this meeting here, I think it's great. You meet some great guys up here in Canada. You get to talk and get a lot of things going. Like John says, they are starting to come on board with some of the v-notching and the oversized in some areas. I know there are areas where they can't do this because that's all they catch. You've got to leave them alone cause they have to make a living too as well as we do.

Ted Hoskins – Thanks Ted.

Chantel Gagnon, Sierra Club – In relation to fuel and carbon tax, in Halifax a few of the new buses are using leftover oil from the fishing production industry. So it's a byproduct of fishing to use as their fuel. And in Laura's talk she mentioned how much fuel is spent and that it takes away profit from the lobster. I know it's not a huge component as to where it's going with operations but would there be an edge to the lobstermen and the lobster industry if they were to invest in or make contact as a group or as individuals with the byproduct fishing industry to get an oil alternative to replace the fuel? And then they wouldn't be as vulnerable to changes in the oil prices as well as they would reduce their emissions and that might give them that green sort of edge. Would that be an option?

John Driscoll – Yes, although I'm not familiar with that, I would say that would be an advantage as long as the oil they were using would otherwise be a waste. So, as long as it wasn't a targeted fishery, you don't want to go out there and do that. I think those kinds of questions can't be answered right off the cuff, because I don't know the energy that goes into it. Maybe, if it's coal powered, and if its in Nova Scotia, it's going to be the coal that's generating the electricity that runs the processing. That's going to be putting carbon into the atmosphere, so there'd be a carbon tax there. So I don't think there are any easy answers, you can't just come up with things just like that. You have to really evaluate things and with something similar to a life cycle assessment model you could. With this study, once I build a model, like I'm saying I'm sending out a survey to approximately 200 lobstermen in Maine to get their input on fuel use and other materials used. That's to build a model of all of the energy and all of the material that goes into lobster fishing. And it will be targeting the other sectors of the industry as well. Once that

model is made we can do things like that. We can say “ok, what if we replace x amount of fossil fuels with x amount of oil from other fisheries?”

Ted Hoskins – Elliott

Elliott Thomas, Yarmouth, ME – I’ve just got a question about carbon impact. Do you start with the fuel that runs the excavator, that digs up the floor, that makes the steel, that goes into the trap or do – where do you start when you look at that?

John Driscoll – That’s a good question. For these kinds of projects, they use software packages, called Simapro and I am not familiar with Simapro at the moment. I have not...I’m still developing the survey and doing all of these things. So Simapro has a database. So you input the amount of steel, and they ask for specifics about the steel, and they have it built into their database. They have that information, and so it takes it into account and it spits out a pretty cool model of all of the emissions... energy materials input into making that steel and emissions associated in making x amount of steel.

Ted Hoskins –Thank you John. Next, Laura

Laura Singer – I think I heard a question about the amount of revenue that’s needed for fuel and oil. On average, it’s about \$7500 a year. That’s an average of an average.

Ted Hoskins – Some of you might spend a little more than that, right? OK, Bruce

Bruce Fernald, Zone B, Area 1 – On carbon emissions, have you compared it to other commodities such as beef, poultry, etc. as far as our industry compared to others?

John Driscoll – I haven’t myself, but there have been studies that have been done on that. I think the last one that I’ve seen the most, is old, it’s from the 70’s. As far as comparing to other food production systems, beef is always at the bottom. It’s incredibly energy intensive. As far as I know, there has not been a recent study done on comparison. But this study will allow for that because the life cycle assessment methods are standardized, and to be considered a life cycle assessment study you have to have certain components, and so in doing that you can translate that across different food production systems and compare them.

Bruce Fernald – I’m not sure yet, but hopefully this will help us right?

John Driscoll – Ideally it’s going to be objective and I think if it helps or hurts it will depend on the pre-existing biases etc. because this is meant to be just an objective representation of what is going on. It is being done in conjunction with a study with the Nova Scotia fishery. Those two will be compared and to me I think that’s really interesting because similarities between the two fisheries are such that if there are major differences in the emissions of the two, I imagine that would be based on the management or the way people fish, etc.

Laurence Cook – I wondered how long I’d have to be here before someone would bring up large lobsters, and it wasn’t that long. I think it’s interesting topics we had today about carbon,

and the amount of carbon we're putting into the fishery. All these things put into one, and while there has been some talk about the brood stock and the State of Maine and those other things, let's try to remember those other issues in the fishery. One of the big ones is that we're closed for months of the year, and our carbon production during those months are zero. Our production is higher for a shorter time so therefore we use less fuel and less bait relatively for the amount of production. So let's remember those things too. I always get a kick out of it and I have to take a cheap shot back at Jon cause I always do. There's 7,000 licenses in the State of Maine with 800 traps apiece and it always stuns me at how concerned he is with conservation.

John Driscoll – If I could speak just to the differences between the two, I think that, so certainly Nova Scotia is closed for much of the year and carbon emissions are zero. And then, if this was a study for just the fisheries then that would be the answer right there, but the study is on the whole industry so a major impact is going to be post captured transport to the consumer. Methods by which the dealers or sellers are getting their lobster to the consumers, and then like I said, that's something to be aware of. If there is some carbon, taxes or some future cost associated with greenhouse gases it's going to take an industry-wide effort to minimize carbon emissions. And it can't just be one sector doing their own thing and another doing something different.

Klaus Sonnenberg – Earlier we heard about the financial part. There was someone who mentioned the cost of their license. Most Canadian fishermen are aware that we recently embarked on talking about the new fisheries act in Canada. This is something we haven't done in 80 some odd years. What's interesting is, a lot of the concerns of civil servants are addressed in the new act - whether it be the way they have fishery closures or the way they issue licenses, etc. The one thing that concerns fishermen, and this relates to the money side of it, is the fact that their license is valuable. The licenses alone are worth \$500,000 or more. We know that we have lost fishing capacity in New Brunswick compared to Nova Scotia, because the Nova Scotia loan board, the past years, was willing to take into account the value of a full bay scallop license, that the New Brunswick loan board was not. So the result was that a lot of our fishery migrated from New Brunswick to Nova Scotia. That's not in the lobster but in the scallop. So we know this a very important concern in the fishery, but yet it's the one thing that's been failed. The governments have failed to introduce this new package, to recognize the value of the license. On the other hand the fishermen will tell you very quickly that they don't want real property licenses because they don't want it to be treated as real property. Once it's real property anyone can buy it. There wants to be some limits as to how that is purchased. So I just want to point out that the comment that was made earlier about licenses is a real concern particularly in the lobster fishery, and it's not one that has been addressed. I think it could be addressed but it's a concern that the civil servants don't have. There's no concern within the civil servant industry. I'd just like to introduce that as a concern for the fishermen. Fishermen, I think the lobster industry especially, that are starting out, need to understand that, and the banking industries need to understand that this needs to be taken into context and needs to be addressed. We've just been told by the department that controlling trust agreements must be dissolved. Well the reason we have controlling trust agreements is because we haven't addressed the value of those licenses.

Ted Hoskins – I'm sure this will elicit more conversation, thank you.

Jean Lavalle, Lobster Science Centre, Atlantic Veterinary College, Charlottetown, PEI – this is a question for John, and a question Laurence brought up about the carbon emission and the Canadian fishery being closed for a part of the year. With 25 to 30 million pounds of lobster being processed in Canada, does that show up in the Maine study or the Nova Scotia study?

John Driscoll – That would show up, actually that's a point that I've not clarified yet with my supervisor and Catherine. Catherine started her study a year ahead of me. She chose one ton of live lobster, which is the unit to which all the emissions are tied. So her ton of live lobster, x amount of emissions are created. Given that much of the Maine catch goes and is processed and if we go with the processed lobster than it'll go under Maine. But if it's the live lobster then it would be in the Nova Scotia study.

Ted Bear – Two things that Canada has over us in the US, one your licenses are worth money and your businesses are worth money. Ours are worth nothing. We can sell our traps and stuff, but most areas have a 5 to 1 ratio. So every 5 guys that get out, there's going to be one coming in. So that means there's going to be 4 boats that are going to be flower gardens, I think, or whatever. You also have a government that saw a future in your fishery and most of your harbors have nice wharfs. We have to rely upon our business and doing business on our dealers for a wharf, if we don't own one. With the richer people from the southern parts of Massachusetts, whatever, coming up and buying up the shoreline, I think it's like 23 miles of the whole coast of Maine is commercial fisheries on the water. So we don't have a lot of area, if you want to think of it, to access the water. I think this man's figure over here of 23 million pounds shipping to Canada is way low. Every time I talk to my dealer he says, "Yup, they're gone to Canada for processing." Thank god for your processors.

Laurence Cook – I'm just curious John, you said the study that the lady was doing was based on a ton of lobster. I'm unclear as to when that ton was produced. Because for myself, there's weeks where I produce ten tons of lobsters, usually only one, and 2 if I'm lucky. We might produce that amount of lobster in a week if we're lucky. I was out the other day and I caught 390 pounds and that boat burns the same amount of fuel on the day that I had 390 pounds, as the day it had 8000 pounds. I used the same amount of bait, I used the same amount of traps and rope, so the lobsters that I landed at 390 pounds seems to me the carbon impact would be massive because there's so few. On the one where I landed a high volume in a week, the carbon impact would be much smaller per pound so that's going to make a huge difference in the study whether she took a ton of lobster from the first week in the fall, the third week in the fall, January, February, whatever, the numbers are going to be so eschew. If you averaged it over a year, there'd never be a time that the numbers would actually be right.

John Driscoll – To address that and Catherine's, mine's going to be for 2006, so the survey's asking for a total catch and a total fuel use and hopefully those fluctuations will balance out. We then mass all of the data together, the survey respondent got this much, spent this much fuel, catch that, as a whole across all these different lobstermen.

Bill Adler – Going back for a second on the license issue, in Massachusetts, the licenses are transferable, in other words for sale. The way the Massachusetts lobster transfer plan works, its, you may sell your lobster license along with your lobster related business assets. There's a bunch

of rules that keep it from becoming a stock certificate. For instance, it has to have been used 4 out of 5 years and there is actually a limit what the state calls “used for”. In Massachusetts, the fact that your license is transferable or salable does make the business an asset. The federal licenses, they automatically go with the boat. This is coast wide. The federal lobster license goes with your boat unless you decide you don’t want to sell it with your boat and the buyer agrees that yes, I’m not going to take your license. All the licenses are closed in the federal thing unless you get it through that. And in Massachusetts, there’s no new licenses either. There’s even an attrition plan that doesn’t kick anybody out, it doesn’t take any license away as long as you follow direction. At the same time our numbers of licenses have gone down through some attrition. So yes, we do have a transfer thing that makes your business worth more, and we have a federal lobster license and a state license, your business is worth a lot more. One interesting thing though, in a court case on the north shore of Massachusetts, at one point there was a case where there was some guy that had died and they were trying to use his license at the court as part of his estate. The judge ruled against that one saying no the license basically belongs to the state and so in that respect it did not become something of his estate that he could or a widow could do whatever they wanted with it. However the license itself, like the widow could sell the lobster business and in that case the license could go with that. So we do have some transferability and it does make our businesses worth more.

Ted Hoskins – Thank you Bill

Bonnie Spinazzola – I just wanted to clarify a little bit about the federal permit. You don’t have to sell your boat. You can sell your permit, but it has to be attached to another vessel. In other words, if you have your own boat, that permit has to be attached to that vessel.

Charlie McGeoghegan, LFA 26A and PEI Fishermen’s Association – I guess to go back to Bill, in Massachusetts, what are the licenses worth there?

Bill Adler –(off mike) his house, his wife, or his license, he was asking for a higher figure. And in most cases, if you look at what he’s selling, and the license is in there, you’d say well let’s say he wants \$30,000 for the boat and that includes the license. You look at the boat and think, yah that could be worth about \$25,000. so yah. They’re not in the hundreds of thousands, no, nowhere near.

Charlie McGeoghegan – I guess where we are on the south side of PEI, prices are starting at \$150,000 and go to \$300,000, depending on the licenses on the boat. On the north side of PEI they start at \$500,000 and go to probably \$750,000. But in Sou’west Novie, as we know its up, up over a million range now. But that was mostly impaired by the Marshall decision, which was a 300 year-old treaty with the native groups. And the federal government started buying licenses for the natives after the court decision and that drove the price of licenses to triple in some cases. That’s what we need to deal with as far as young people getting into the industry, That’s what’s making it really hard right now in eastern Canada. The large lobster issue that Jon brought up, but he did make a comment saying that in some places that’s all they have, and in my area there’s a 20-mile stretch and that’s the way it is. And we are doing what we call a window on the females right now, which is 115 mil to 129, and to convert that, I think it’s 4 9/16 to 5 1/8th. Everything in that range of females has to go back. Where we fish, it’s over 10% of our catch

right off the bat and we've kept a log of that over the past 3 years. So we're just waiting for some results on that. And we just went up on our carapace gauge. It stopped last year at 2 ¾. It was 2 ½ previous to that. At 2 ½ it was in the 30% range and at 2 ¾ what we're at now it's about 47% that they reach sexual maturity before, females reach that before we catch them. That's unique to our area in the Gulf. Based on water temperatures and depth and water reaching higher temperatures, most of PEI can have up to 2 molts per year. The sexual maturity here compared to Sou'west Novie is a lot smaller on the carapace than it is down there due to the water temperatures they have to deal with. It is different from place to place and we have to keep that in mind also.

Getting back to the price, the fear of greed that could be an interesting topic, and as you say, it is well founded. I compete in sports all over the world and when I'm in the different places I always check out the price of lobster. Last fall I was in Manchester England and it was \$60 U.S. a pound is the common going price, and you have to wait a week to get it. So when the fishermen are getting \$5.00 or on the high side \$6.00 a pound and they're breaking even... And getting back to the license thing, if they have to pay high prices, \$30,000 a year in interest and payment on your license, with the catch being what it has been the past 3 or 4 years, the younger people are losing money. So it's frustrating to hear that there's no room to go with the price when you see these prices in other parts of the world that are not far away. So like you said it is well founded but everybody has to be aware of the costs at both ends too.

Ted Hoskins – maybe running those lobsters through the security check is what's bringing the cost up, who knows.

Jon Carter – Just a couple of comments - the license thing. I'm very proud what we're trying to do in the State of Maine in the sense of we're trying to keep it a traditional fishery, and we're not putting a price on our license as of yet. We have to fight that almost every year with the legislature, because someone always wants to put a price on the license. We have gone to a limited entry system. We have zones, and now all the zones are closed. Well different zones have different criteria, which makes it harder, but basically closed with an entry system. My zone being Zone B, we have a 3 to 1 ratio right now. (That is 3 licenses retire for 1 to come in.) And I believe the legislature has just passed the thing on the tags. It has not gone through, but we're thinking about doing it with tags ratio instead of individual people ratio. We have actually come down from (in Zone B for instance) don't quote me on the figures, but I think it was 630 license holders down below 600 now. So it actually has eliminated a few individuals. We also have in place a system that allows a student to go through an apprenticeship program and if they do all that they need to do and fulfill all the requirements before their 18th birthday, they can go into any zone. So we're not eliminating young people from coming into the fishery and putting a burden on them like the gentlemen said over there, they're going to have to pay a million dollars for a license, start out so far in debt, can you get your head out of the well. I hope we continue to do that. I hope we don't make our licenses valuable, because in my opinion, it would ruin our traditional fishery and ruin the father-son-daughter generation that we have established.

Graham Cook, Campobello Island Fishermen's Association, District 36 – To do with science, I think that most fishermen in general are satisfied with the scientific input from the panel and people and they do some very good work. On the other hand I believe there's a lot of

mistrust between the scientists and the fishermen. On the scientific end, looking at the fishermen, the guys are out doing what they can on a greedy side, wanting more a lot of the time. On the other hand I believe that there's a lot of factors that fishermen look at and see a lot of the time. We go to meetings a lot of the times, and you wonder whether or not we're talking to the side of the wall, basically. I'm a diver as well and we see things like weather and temperatures affect our fishery enormously. Last fall the inshore catch was down half from what it was. I fish offshore. We were catching lobster off the back in 50-75 fathoms of water. There's a huge impact what the weather has on our fishery. It makes you wonder how much science, you know what I mean, and there's so many factors to deal with. Another issue on the licenses and mistrust between buyers and fishermen, to the point we're at a state that we have vessels and boats and loans, especially the younger people. You're out fishing hard and the talk about the guys clocking and going hard to make their vessels pay. Is there that much difference between the marketing? And they say everybody has to make a dollar, but how can it be that a certain number of companies can go and buy up huge amounts of licenses at 1 million dollars each while we're struggling to make our payments and getting by on what we're allotted to. Why is there that much difference between the buyer and the fishermen at that level? Maybe it's time for the fishermen to look together collectively, as a group, and ask why do we need so many people in the middle of this, why can't we manage our own product, sell it to the upper markets, and get a little bit more?

Ken Drake, Fisherman, PEI Fishermen's Association – I'd just like to address the issue of licenses. The big factor that's happening in Canada is addressing the First Nations issue and the federal government decided that because of the Marshall decision, the fishing industry was going to right some of the wrongs that they felt were done to some of the natives of Canada. They chose that by entering a lot of the native bands back into the fishery. So our licenses have been closed for years and can only be transferred to one person to another, no new licenses. We asked that they didn't create more new licenses by bringing in the First Nations, so they listened to that part and what they decided to do was to buy existing licenses. Once word got out that they were going to buy x number of licenses word went through the roof. Then they never went back inside the roof since. Once the license has been sold for that kind of money, why should they go back for less? That's part of it and their other is supply and demand. There's only so many licenses and in PEI we don't have a lot of big industry and so these are two very big parts of the island. The science part of the lobster industry is another issue. We depended for years on the federal government and their science to give us knowledge of our own fishery. And a few years ago the federal government came up with what they called the "tool box" and they decided to do a lot of adjusting to our fishery. They told us this was a fact, and that was a fact and we had no way to know if it was fact or fiction. Previous to that time there were several scientists but they had different views and we could never figure if it was something that was actually happening. The best thing that came out of that was in PEI we went to our provincial government and got together with the fishermen on the island and we now have a recording system that's done on a voluntary basis. If a guy doesn't want to give the information, he won't be one of the guys that reports the information. There are several from every port and it covers all around the island. And my understanding is that in Canada, we have information second to none and there's not enough scientists to analyze the information. We're really proud that we went in that direction. That's one good thing that came out of a serious thing with science being so involved. I actually watched the news last night and there was this milk cow on PEI. And normally a milk cow produced 10,000 liters of milk a year, and he has one who produces 19- 20 thousand a year. He's

not big, not small, just super efficient. So, I guess if we can get scientists to, (and this cow is worth a million dollars and her calves are worth 50,000 a piece) so we're looking for the million-dollar lobster now.

Ted Hoskins – Thank you Ken. Now Bruce.

Bruce Fernald – I just wanted to ask Laurence - On comparing carbon emissions and effort, we have most an 8 or 6 cylinders. I'm not trying to start anything here but the average Maine fisherman uses less fuel because of the type of boat we use. We don't have to push those 26-foot wide things through the water. The bait usage, last year, well I used 1200 bushels of bait for ten months, about 85 of salt and about 3200 gallons of fuel. I'm just curious about the comparison on the type of boats you use, the amount of effort, fuel and bait. You were saying that we use 800 traps. Some of us, yes, but I'm just curious on the fuel and bait comparison on boats, especially running out 30, 40, 50 miles. I'm just curious.

Laurence Cook – There are huge discrepancies between the two fisheries. It's hard to quantify. The American boats tend to be much faster and have more horsepower. I suspect it's because fuel is cheaper in Maine, but I'm not sure of that. But I suspect the Canadian boats may burn a bit more fuel in a given day, depending on the time of year, because we do range far offshore and the boats tend to be much bigger. There are far less of them producing far more product each, which I think if you're going to talk about carbon input you're gonna have to talk about it accurately. As far as bait usage goes, you said you used 1200 bushels. For a comparison, I use 1248 pounds and 69 haunches of salt, plus fresh, plus frames. I can't tell you, my wife does the books. I can't tell you just how much bait I use, but I do know we put out 69 of salt. Our bait usage is much higher than yours, but I doubt my fuel usage would be much higher than yours today because mine's a fairly small engine given the size of my boat. But I wouldn't doubt that the average Canadian boat would burn more per day, but I suspect it produces in catch much more in a day too. So if you're looking at a total carbon input it would be an interesting match. I'll wave the Canadian flag on that one.

Ted Hoskins – we've got some interesting days coming to a head when we figure this all out!

Michael Tourkistas, East Coast Seafood - We've been in the marketing side of this business for the last 26 years. We have gone all over the world trying to sell the product. And have very much invested in the industry and its future. I just want to talk about a couple things. First I'd like to comment on the situation of the lobsters today versus last year, and then the price. I think today the price in Nova Scotia is \$13.00 Canadian; in Maine, somewhere near \$11.00. For us, I think, it's not good news, not because we have to pay this price, but because of what we see coming down the road. I don't think it's good for anybody. I think it's a lose-lose situation. I think that when we look at what we've been getting from the buying stations this year compared to last year, it's probably about 20% and we're paying about half the price last year. So if you do the math we should be paying about \$60.00 for the lobsters right now. Unfortunately, the one lobster that you found that we could sell for \$60 - it's something you can't really count on. So I think it's something that, it's not going to last unfortunately. And it's not because we don't want to do it, it's because the customers aren't willing to continue paying these prices when the lobsters do show up. I had a situation yesterday where we got a call from Spain. And during the

month of May it's a big wedding period. One of our customers, who normally does weddings for about 5000 people, he needs something to put in the center of the table and lobster is his preference. But looking at what's going on today he just cancelled or changed the menu and he will consider something different for the month for this period. So that means I'm going to end up with 5000 pounds of lobsters next month, if you bring the same amount of lobsters as last year, that I'll need to find a new home for them. I understand that if you go around and see what people are paying for, in high-end restaurants, for lobster, I can understand how you can try to go back and figure out what you should be getting for the product. Unfortunately that doesn't always work that way. On the marketing side we always try to get the most amount of money for the product and we always try to find new markets that will allow us to increase our market and prices. In return, that will allow us to come back to you guys and pay more for the product. And as Mike was saying before, the dealers are getting together and it's something that they do do, but they do it when they are in a very desperate position as far as what is coming down the pike, the supply and demand. And it never works, Mike is correct. There is no way you can price fix from the dealers side as you cannot price fix from the fishermen's side and stick to it. It's just too fragmented and it's too hard to be able to control. I see this forum as a great opportunity and I think the opportunity here is for us to build trust, which will lead to cooperation. I think we are all going to do better if we can improve in our communication and to do that you need to trust that the information that's coming. I think efficiencies, I mean you don't have to overlap. And sometimes it's easier for someone to think they should get together and market their own product, but it's not necessarily the most efficient way to do it. I think there should be more cooperation and quality. I didn't hear that today here, and I think it's a very important thing. That could make the difference. Not only 60 cents a pound - if you're ready and the price is lower it could mean dollars. Because when you take the product and you put it into the process, 1 or 2 % yield, is 40, 50, 60 cents, and sometimes the yield is more than 1-2 % different. I think there are many opportunities here. I think I heard earlier that most fishermen don't have health insurance. I think if we did work together the companies could help them and provide and treat them like they were part of their organization, and provide some of these services. I think we need to be more transparent. I don't know what the cost to the fisherman is, and which cost, the cost when you go out and catch 300 pounds or the cost when you catch 10 pounds. I think that needs to be more communicated. You need to know more about what our costs are. The notion that one is going to benefit over the other, I think that's gone. I don't think there is an industry in the world today that is a monopoly, or one benefiting over the other. I think people are much more educated as to what is going on today and you can very easily go on the Internet and find out what the market is. There's got to be a way to build more trust. If we do that and we're successful, I believe we'll receive better returns. And I think that we can come up with a formula that we can truly share and get the full value from the cost to catch the animal to what the customer is willing to pay. I think we could share fairly and everyone could make something. Everybody needs to be willing to work together.

Ted Hoskins – Thank you very much. We're going to break for lunch now and return at approximately 1:15 pm.

Ted Hoskins – We're going to start the second half of the day's discussion right where we left off. David Fraser, you want to begin?

David Fraser, retired navel architect, New Brunswick – First of all I'd like to talk about the wide vessels that we have here and explain the variation, because it's not that the fishermen wanted them wide like that. What actually happened was that way back in the 70's and late 60's we found that we could make the average fishing boat much wider without increasing the drag of the boat. So we went from about 18 feet on a 65-foot vessel to somewhere around 26 feet, which was within the data that we had. The problem that we found was that if we went further than that the drag didn't go up, the drag continued to go down, but the actual propulsion of the vessel suffered because the water going into the propeller was so turbulent that you lost your efficiency. So once you get above about 28 feet, on a 65, the slope in the after body, it became so steep that we ended up with such turbulence that props just weren't functioning properly. So the large fat boats that we have now have gone well beyond and this was really introduced because of the restriction on the length of the fishing vessel imposed by our Department of Fisheries, which said "you can't increase the length of your boat more than 3% if you had a new boat." So you couldn't increase the length, so you had problems with increasing the depth, so the obvious way to go was to increase the width. So this is basically where these huge great beings came from. It wasn't really any love to have those fat boats, it was just that they had to if they wanted to carry good capacity, with the storage methods improved, and things being stored in ice instead of just being dumped in a hole, and having to rush back and forth to shore, etc. So the whole system changed during that period and we needed bigger fish holes. Then there was always the dream of every fishermen that remembered that "once I caught these 30,000 pounds, but never caught it again." But he always wanted a hole big enough to carry that dream if it came about. So that's where the fat stubby boats came from. Now it's gone a bit further. We in Canada right now are revising our fishing boat regulations mainly in the areas of stability. This was threatened in 1967 and we're finally getting there in 2007. And we're not quite there yet are we? But we are getting there. The main thing about this is that part of that regulation is quite frightening because they're saying that the distance from the water line to the deck must be the width of the boat divided by 5. And this means that most of the vessels that we have below about 48 feet will have to be increased in depth. They'll have to go up by somewhere around a foot. If you can imagine these thousands upon thousands of boats that will have to be modified, the cost of this is absolutely horrible. In fact, the study has been done and we found that the ratio of cross benefit (that is if we took all the vessels that have sunk due to capsizing and people that have been lost and injured, damage that has been done, the loss financially, and look at the amount of money needed to modify the fleet, to fit these new regulations), we're going to invest 10 times as much money into the fleet as we're ever going to get back - assuming there is never one more accident that is going to happen. So we're at the moment struggling with this, I think the government is struggling as much as we are. But somehow the industry itself hasn't really realized the solid impact on this and it's something that I know they're talking about and the Coast Guard in the U.S. is watching what's happening here. So any input you can do to help would be appreciated. I don't think the industry at this particular time can withstand this huge investment. Back in the 1980s when people were making huge amounts of money, than they could have done that, but not now.

Ted Hoskins – Very helpful information to have, thank you.

Ted Bear – There's one thing I've been chawing on is what we keep hearing about the langostino lobster. I think it's something that the Canadians as well as the U.S. has to address on

how to get the lobster, or artificially generated lobster off. Sometimes its crabmeat or fish in which a lot of people are allergic to and if it's not taken care of properly than it's gonna come down and bite us in the tail down the road. I don't know if you guys in the Institute can do anything about it or not. But another thing is that Lipitor ad showing that lobster is high in cholesterol, and what it is, is the 2 tubs of butter beside that lobster that's high in cholesterol. It's not the lobster. But it made you to believe that it's the lobster that's going to give you the high cholesterol. We've got things that are coming at us in different ways, and we've got to think of ways that we can push those people who are out there marketing this product to fight and help us out to end this bad advertisement. I'd like to have some comments on that.

Ted Hoskins – There's no one here from the Lobster Promotion Council who should address this, but has anyone got any comments? There's sort of a reference to it earlier that there are alternatives available as prices go up and how that interplays I don't really know. Guess nobody's going to jump at that bait.

Mike Tourkistas – Obviously anything that we see on TV has an impact. We have a difficult time as a company or as a marketing group to fight something that has to do with science because we don't really have the expertise to really know if or how high the lobster is in cholesterol or compared to what. This is something that the Institute could help us with. We would love any positive information that they could give us so we could pass information along to our customers.

Bob Bayer, Executive Director of the Lobster Institute – We've actually done this research and have turned the flyer over to the Lobster Promotion Council some years ago. Lobster is very low in cholesterol and we can provide you with the information if you want.

Ted Hoskins – there will always be alternatives and options that people are going to have, so maybe our advantage is in finding ways that this is better and more advantageous.

Klaus Sonnenberg – The obvious question I would come up with is “who's going to challenge this ad?” It's seems to be something quite misleading. We've known for years how low lobster really is in cholesterol. This ad suggests that it's high so maybe someone needs to sue them. The thing about marketing I'm not even sure that there's even many experts in the room generally about marketing worldwide. We're all in a worldwide market today, and too often I see people too comfortable in their niche whether it's Boston, whether it's Florida, whether it's Germany. That's where the markets are focused. I'm sure that there's niches in the world that will sell \$50 lobster, as someone said earlier a \$60 lobster. Well you don't need to have too many niches in the world if you're talking about a world marketplace. You'd get a pretty good profit. The mysteries of why they go from \$5 at the wharf to \$10 at Soby's, maybe they need to be explained better, but they'll always be there. People will buy for as little as they can. They will sell for as high as they can and I don't think that's something that we should ever think is mysterious. It's always going to happen.

Patrice McCarron, Executive Director of the Maine Lobstermen's Association – Following up on what Ted was saying earlier on the langostino lobster, I think that this is a serious issue for us to contend with because we're not dealing with a substitute product. The Promotion Council

in Maine is calling it an imposter lobster and what they're doing is substituting a prawn and marketing it as a lobster. So this is something more of a commodity than what we're selling and it arrives at such a cheap price, and yet they're able to call it a lobster. So why does someone have to pay premium price for the sorts of lobsters, you folks are fishing on, which deserve it, when they think these prawns are lobsters? So that is something that we are challenging. The U.S., it's the Food and Drug Administration that has made it legal for them to label it a lobster and we're fighting that as an industry because it's going to really undermine the price structure. And I hope that folks like Darden are really aware of that and not simply marketing these substitute products for lobster, because of long term price implications.

Mike Tourkistas – Just to go back to the question of cost of the product to rise as it goes close to the end user. First of all, as Mike said earlier, ultimately the consumer is going to determine what he's going to pay. It's a commodity business. Commodity is strictly based on price reports, and supply and demand. I paid for a glass of wine in Moscow and it was \$60.00. I thought it was outrageous and told the owner so. He said, "I can understand how you feel. You come from the States and everything is very inexpensive in the States." He went on to explain to me that he was paying \$40,000 a month rent, so everything is relative. Ultimately the consumer is the one who determines how much he's willing to pay. If we have only a few lobsters like we do at this time of the year so far, there are few customers who will pay \$15.00 a pound or \$20.00 a pound. But as your supply kicks in, it's very difficult to sell all your lobsters to these markets. The world is a big place but the people who can afford to pay these high prices are not many. Someone said before that 1% of the Chinese population is still over 1 million people, but it's not easy to get to them, not today. When you're starting to target markets that are niche markets, then your other costs go up. It's much harder to ship 30 pounds of lobsters to a distant market than to ship 40,000 pounds to the Darden group, that runs a promotion. Some of these big users of our product will not see the price being at \$60. Next year if I'm able to attend, I will bring my data that shows boat price all the way down to the restaurant price, all in layers. And there is, in some cases, there are opportunities where you can eliminate people and it would mean others will have to do more. Some people, I'm sure here, are buyers. And the buyers are on the shore and they're making, they're working supposedly for the dealers, but I think that they're more servicing the boats. They're making 40,50,60 cents that they're adding to the cost of lobster, somebody has to decide about the value they're adding to that product. I'm sure there's other layers, there's transportation costs, etc. The same with the cost of fishing that's affected with the fuel and all the other parts. We employ many people worldwide, and its not because we like to employ people. It's because we feel they add some value and they are getting closer to the end-user and getting the best price. As far as we're always going to pay less and sell more, that's true. Put in context, if you want to be in the business long-term you can't do that, because eventually someone else will come in and you'll have to share the market. You have to always be careful. We view the fishing community and we view it as a basis of our industry, a foundation for our industry. If you cut the industry from the bottom part, you'll have nothing. It will collapse. So we want to make sure that you do well, so we can do well. Just like if we fill the market – there is a situation right now that there's a million pounds of lobster meat in inventory that cannot be sold. The price has declined from \$17 to about \$14 and it cannot be sold. It's this inventory that costs money. We keep it in the freezers and this costs money, and this is going to be a problem for the processors going into the new season. So I hope, maybe next year, I can do a presentation and go through and answer some questions with the information I have.

Olin Gregan, Barry Group – Mike told me I'd have to give him a hand with this or he wasn't coming back to one of these meetings so here I am. There's always something out there that is going to be bothersome, worrisome. Whether it's a knock-off lobster or imitation, it doesn't matter, there's always going to be something. There is a reality of some of this, some of which Mike touched on, the problem that we're going to have with meat in 07. We didn't have as much of a problem in 06, but we are going to be faced with it in 07. I've heard probably about 6 or 7 people addressing the \$60 lobster, but that's an extreme. That's not normal. For everybody that owns their own boat to do their own marketing, they'd be a damn fool to be selling it for less. This is my first meeting and I've found it quite interesting. As long as you keep having it, I would like to bring a couple other guys from my company back with me. I believe it serves a real good purpose especially for people like us. I like to get to the docks and talk to the fishermen, but we don't get to do it enough. We get caught up in our own little world dealing with high priced animals so these types of meetings are real, real good. Some grass roots problems can be discussed and not glossed over.

Ted Bear – There's a company in Maine that gets most of their product from Cozy Harbor. They're friends of my wife and they make these little pies and such. They only run that plant like 2 or 3 days a week because they can't get any product. I keep telling her to tell him to try and get in touch with some of these companies in Canada that has all this excess lobster meat that they could probably use. They can't find the meat to produce their products and they've got several outlets and orders that they could fill.

Mike Tourkistas – I'm sure Cozy Harbor knows the availability of meat. I'm not sure if these people are looking for fresh product or what, and what the problems might be, but the inventory for meat is extremely high right now, of frozen product. We're are trying right now, because of the lack of live lobsters, to do something different, but this would be with totally different customers than we would be dealing with. Again this is like I said earlier, we could use this as a basis to build relationships where there is trust. I know some of these issues when they trickle down, they sound like stories, and stories press the price down. I think this is a good opportunity for us, and I think it should happen more often. We should be, before the season starts, we should give you guys an idea of what the market is, what's available, etc. The Maine lobsters, most of them end up in the processed side, the Canadian side. So it's very important to know what's going on in that sector. One thing, the plants that are operating on 3 days is very inefficient, very costly. And the over capacity is another thing: it works sometimes to the benefit of the price to be higher because people are working to fill their plants and they're willing to work for what they call contribution, which just covers the fixed overhead. Long term, that's not a healthy situation. Long term, people lose money and the whole industry is not healthy. We're all going to gain more when the industry is healthy. We cannot do it without the lobster, and we cannot do it without you guys. So I think it's an environment where we both have to work together and coexist, and get the maximum yield out of that pound.

Ted Hoskins – Thank you.

Olin Gregan - I forgot to mention the perceived cholesterol issue with lobster. I'm like Klaus, I can't remember seeing that advertisement. We may not have gotten it up here in the far north. It

may not have crossed the 49, but it's those type of things that we as an industry, I'm trying to think how we could create a pipeline, or hook up with some kind of information flow that would get to the whole industry. Because we as a company, we don't dabble in the live very much, but in the processed lobster. I guess it doesn't matter that much because it becomes an issue on both sides. It's just a piece of information that I, and I'm sure as a company, we were totally unaware of. As a lobster industry, we have to be able to design and devise a tool to combat some of that information.

Klaus Sonnenberg – Following up with the marketing, we met with Connors Brothers many, many times about marketing of sardines, and the nuances of that. One of the things that I can't understand is if we've got such a large inventory of lobster meat, why can't we find it? I've looked in WalMart, the North American shopping mall, for frozen foods and general things for the general population. I've never seen it. I looked for it. I would have paid anything for it, but I can't find it.

Mike Tourkistas - Some of these chains, like WalMart, they might have price points and they can't sell over a certain price. But the truth is, probably what's going on there, is the year before the price of lobster climbed. Over 4 years the price of lobster has gone from \$12.00 to \$17.00 a pound. That took out a lot of frozen business and George can probably explain a little bit more the impact it has on his business, when something goes up so much, what impact it has on his plate price. MacDonald's for example, MacDonald's used to run a summer promotion, 4 years ago, for lobster rolls. We begged them this year to go back to it. They're about a 700,000-pound a year customer. That would take care of the immediate problems. We gave them all kinds of incentives, good price and all that. They don't want to touch it because they got burned. This is the reason why when we have these cycles of high prices, and all that, people get tired and they want consistency. They want to see something that they can count on. I don't know how much, but maybe George can tell us how much it costs to change their menus when prices go up and down. I imagine it's a lot of money, but they'll pay the price because they're stuck, but the next time they change the menu they're going to try to find another profit to substitute.

Ted Hoskins – George would you like to comment on that?

George Williams, Darden Restaurants – I'm not sure I'm helping on the lobster side, but I'm sure helping on the clam side. It's wonderful clam chowder they serve here. I apologize for having to step out earlier during your luncheon, but I was in a telephone conference that went much longer than I expected. I think from our perspective, we actually develop our menus a few years in advance. Some of that product development we have, we have that kind of work in place a few years before we anticipate we're going to put it on the menu. We don't always do it that way, but that's our goal, our objective. Sometimes there are opportunities that we take advantage of and we can move maybe within 9 months. The point is that there is a lot of development that goes on before we put something on our menu, and we typically print menus about once every 6 months. So if we're out that far, we try to anticipate what the cost will be for a product 2 years in advance. And as Mike said, if we, if something happens, I don't know, it goes in both directions, let's be honest. Sometimes you price something and it turns out that you get it for less than you thought. Most often, this world that we're living in today is going in the other direction, as prices

go. If we price something thinking it's going to be a certain price, within a range, and it turns out different, than we have to deal with that.

Laurence Cook – I think one of the big disconnects here is someone was talking about lobster meat rose up to like \$19.00 a pound a couple years ago. The price of lobster did not rise. We did not see a significant increase in price that you're talking about at that particular time and that's what causes the disconnect right there. Last year was the lowest we got for lobsters in the last 5 years. The 2 years before that, no it was not, 4 years ago was the highest price that we got, and that's what I'm telling you. There's a big disconnect between what we're hearing from people like you, that the price of lobster meat has gone so high that the consumers won't buy it. If that's not coming back to us, who's fault is that?

Ted Hoskins – A lot of input coming back from that, ok, 1, 2, and then 3.

Mike Tourkistas– It is very difficult to get into that without looking at the numbers, but you know when the price of meat went up \$19.00 a pound, remember, you're from Maine right? No, I'm sorry I thought you were from Maine. Most of the lobster meat comes from the Maine lobsters, some from New Brunswick, and we have a very low yield that time of the year, maybe 8%, 8 ½%. And 2 years ago, that's what caused the problem.

Jon Carter – A question to the gentleman from Darden. First of all, I don't think you were here when we talked about the ad, I think it was an ad for Lipitor, with the lobster sitting there with all the butter sitting next to it. It's inferring that it's full of cholesterol. And then we heard testimony from Ted and others since that lobster doesn't. I wonder how you perceive that? I know your business is Red Lobster, and it must have a huge impact on you and what you or we together do about something like that.

George Williams – I don't think that ad had an impact on us. I really don't. First of all, remember that I'm not as close to the marketing side of that as others, so anything I say has to be paid with that in mind. I haven't actually heard anything about that particular ad affecting our lobster sales. What are we to do about this whole idea of seafood and health foods? There are a lot of messages about the unhealthfulness of seafood. I think those messages have been more pronounced in the past than they are today. And we've been working with organizations in the States to really make sure that the right message is out and about, and make sure that people understand that seafood is healthy. We haven't focused on any particular product because we think that, our support of other organizations has not focused on any particular product. We think that if the consumer really believes that seafood is healthy then they're going to eat all kinds of seafood, including lobster. We think that there is some darn good traction being made in that respect. If you go out and take the National Fisheries Institute Website for example, you'll see quite a bit of information about the healthfulness of seafood. So I think that message is getting across in very positive ways.

Jon Carter – one more question relative to what was said here before, it's about the sale of lobster. You just mentioned that you create your menus 2 years in advance. One of the things that we always talk about, and it goes back to the thing that we've always called "price fixing" being a fisherman, ah, I think it's Mothers Day. We've always felt that after Mother's Day,

whenever it is, the price always drops. As a fisherman, everyone's always saying back home, certain store chains a year in advance already has made provisions to acquire lobsters at a certain price. Now to me, that's price fixing, and maybe some of the other guys from Maine might do a better job of explaining but I know that is a known practice. And that's going to affect everybody that sells lobsters. How can you set a price a year in advance, on a commodity like a live market like we have?

George Williams – Live I couldn't speak of live, but as far as lobster meat, you can buy that in advance and store it, frozen.

Craig Avery, Prince Edward Island, LFA 24 lobster fishermen – I just wanted to jump into the hidden lobster meat war a little bit. Prince Edward Island is a large processing sector and I've got off the phone with a friend of mine during lunchtime that's a member of a co-op over there and they process a lot of lobster. They buy about 2 ½ million pounds of lobster a year, and a good percentage of that is for processing. They have no meat in hand. And he looked into a couple other places last few days, hearing about all this hidden meat, and hearing that it's Canada. The American guys are saying its coming from Canada. It's supposed to be coming from PEI and we can't seem to find it over there. As Laurence pointed out a little while ago, last year we took one of the lowest prices for lobster that we have in ages and the price of everything is going up. I think that this year the trend is pointing towards a better price for our product. I think we should work with the processors so everybody can have a good year. I just wanted to make that comment. I don't think the lobster meat is there, I think it's only a tool they're using to try to keep the price down. Everything we do as fishermen has to be monitored, exactly how many pounds we're catching, everything that's coming in. But processors can go out and they can say "well we've got all kinds of meat in storage and this is why we're going to pay you a low price." I'm hearing rumors of major buyers, processors moving into PEI right now because America looks so good for this year, so I want to get that point across. I don't think that lobster meat is up there at all.

Ted Hoskins – This is a part of what was being talked about earlier, transparency, and trust. Where do we get, how do we get, can we get past this? It's very important that you all address this issue.

Bruce Fernald – If there is a million pounds of lobster meat frozen, it must have been put up last fall when the price was what, \$4.00, \$3.50, whatever, so someone could get a real good price on that right now. So I think now's the time to strike if they got it.

Charlie McGeoghegan - Getting back to this price thing and Mike. I'd seen a report his company had done back in, what, 1991, and I talked to your company last fall and I'm glad you did a new one. It's a long time. I think it's good to have so people can see both sides of the situation. One thing that, I guess, commenting on the Darden Restaurant and the menu thing, a lot of those restaurants have slots in the menu and so they can change the menu from week to week. I wrestle all through the States and that's common practice. The gentleman that was here in this room 2 years ago was talking about the price getting too high and they were having to take it off the menu and stuff like that. My father had just gone from one side of the United States to the other and stopped in to a lot of seafood restaurants in the meantime. He said it

would be an hour wait inside the door of most of those restaurants and when he would get inside there was a majority of Maine lobster. So the price would have to be pretty out of whack for that to happen. As Laurence said, the price reflection to the boat at that time was very minimal, especially compared to the price of fuel and bait. That was something I wanted to ask Laura in her studies, was there any comparison done when the price of fuel and bait in the last 2 years nearly doubled, in regards to before that price doubled and what we were getting paid? And then coincide that with what we're getting paid now and the price of fuel and bait and the numbers don't add up. I was just wondering if you had any figures on that to back that up.

Laura Singer – the numbers we had we were doing a phone survey and we were asking people about their businesses(off microphone)

Ted Hoskins – these are important questions and that's why we're recording this so the Institute can haul out some of these questions and work on them.

Ted Bear – Darden Restaurant on this artificial lobster meat, which I think would be hurting your business and the Red Lobster chain. Do you people plan on doing anything to try and stop this affecting your income? 'Cause I would think its butting into it pretty hard. And I have a comment for the processor or dealer on the price, yes, last year we had one of the best prices we've had in years, but the year before we had some of the worst. And last year we had a pretty bad year, because price goes with the cost of doing business. Our cost of business is going up. We've never kept up with the cost of inflation since day one. There's a lot of things that we have no control over. So predicting our business outlook is very difficult for us. We're in a situation where you people are at and the dealers, they know approximately how many pounds they're going to catch a year, so they know what they have to make per pound to get what they want. So they're sitting pretty golden, but we're not. We're really at the mercy of what the markets going to be and we've got a short period of time when we can make our money. We have a season, when we've got to be out there and not miss too many days because it'll cost us money. Where you know that we'll have to go out and so we'll have to pay it.

Ted Hoskins – George do you want to speak on that earlier question about the artificial lobster meat?

George Williams – To be honest with you I don't have anything to say about the artificial lobster thing. I'm not sure what I could say because I don't know enough about it.

Klaus Sonnenberg – I wonder, there's another topic that hasn't come up today and we're still going to be running out of time, what about security? Can some of the buyers tell us a little bit more about their problems? I know buyers at home are being pressed to provide more and more security to their product in terms of being able to ship it. All our lobster basically goes south, that's Canadian lobster. I know American lobster comes up to PEI to be processed, so security affects both of us. So basically what I understand is if there isn't security at the boat level in the States, then by the time it gets processed and canned it may not get back across the border if that's where it's intended to go. Security is an issue that I think needs to be addressed and we

haven't talked about it. I'm wondering if those people who might be more knowledgeable could introduce that to us.

Ted Hoskins – I want to make sure we're finished with that round of thought before we move on to another question.

Donnell Alley, Fisherman out of Campobello – There was an editorial, a few months ago in an American newspaper that listed monthly prices, fishermen's prices of the American lobsters up and down the coast. Well there was a fellow that had read the same article and he wasn't a fisherman or even in the industry, but wanted to know why they would list that price every month so consumers would see what the fishermen were getting and yet never listed what the buyers were getting on their end for their product. He was curious why they never did that. Can anyone comment on that?

Ted Hoskins – That's good, those are questions that we need to look at.

Ted Bear – That's quite easy. None of our business!

Ted Hoskins – And see, standing up here, what we're talking about is trust. And I'm not saying we're there yet, but if we're going to get there how do we begin to attend to some of these issues of transparencies and trust and whatever? How do you begin to go at it? I'm not negating where we are, I'm saying it's important. How do we move? I hope that as we move ahead we can start to think of some of these questions and put together some thoughts as to how to get there.

Mike Tourkistas – You're absolutely right, it's all about trust. I think this type of forum is what's going to build the trust. I'd have to be, not a very good person, but a good liar to sit here and tell you people that there's not a problem with lobster. There is a problem with lobster and if we all work together, I think we can resolve some of the problems. We can then get our customers, like George, to buy into what we're doing and work with us and not be scared that 6 months from now we're going to change his cost of the product to the point that he'd not make anything. I think we can all be more consistent and decide on a price that everyone can work with. Another question, "how can we go on getting the same boat price when our costs go up?" It's not good and we realize that. We have to think as people that have invested our lives in this industry that if this continues there will be some problems. We are also very concerned. The cost of fuel goes up for everybody. Currently we are paying more for added fuel charges than actually freight costs to the airlines. For example, to get something to Europe, we'd probably pay a dollar a kilo and then there's another \$1.20 in fuel surcharges on top of it. So that affects everybody and to the final cost of the product. It's, like Mike said earlier, it's the ultimate consumer who determines how much we're all going to get for the product. When you look at the industry, and you look at the dealers, and you look at the processors, I don't see anybody making a bundle of money. I think everybody is working very, very hard. And you have to love it from every level, not just the fishing level, but our level too. We've devoted our life, my wife, my family, 26 years, and not only us, but our competitors also. I think we all want to make it a better place and we need the trust. As far as security goes, (which we happen to have, also a company that does trade forwarding) we get books, maybe 300 or 400 pages from Homeland Security on a monthly basis, and we have to go through and train people. It's gotten so I can't even walk through my

warehouse. There's cameras everywhere and its added cost. Again, security, added fuel, these are all costs that we all have to pay. Real costs are here to stay so I don't have an answer. I wish I could say that fuel is not going to continue to rise but we all know that this is not the case. Another impact is from the exchange rate. The Canadian dollar is getting stronger so that impacts the Canadian side. The U.S. dollar has been weaker and the European currency has been getting stronger, which has helped actually to make some sales to Europe. At the end of the day all of that adding and subtracting adds up. It's offered to the final consumer and that's what they're willing to pay.

Ted Hoskins – I've got to say that right now it's time to take a 10-minute break and then we'll come back and address Klaus' question and you'll have a chance to talk.

Ted Hoskins – We have 50 minutes in which we can solve all the problems of the world and tell the rest of the world smiling about it. Or we can move as we go through this last 50 minutes and define some of the questions that will be significant to us as we move through the year ahead. So if you have those absolute answers now's the time to come forward but also think about some of the issues that can be attended to through a meeting like this. We've got an extraordinary combination not only across the border but across industries and through communities academically. These are important connections and we should take advantage of it if we know what questions we need to address. I think some of those will come out of this today. Klaus raised the question of security and, Brian, is that where you are next in line to talk? OK, well I told Klaus I'd try to address the question, and if no one wants to comment then we'll go on to the next question.

Brian Guptill, President, Grand Manan Fishermen's Association – I've lobstered for 38 years. Last year, the biggest thing I'm looking at right now is last year at this time of year, lobsters were minimal. Everyone complained "well, there's all kinds of lobster in tubes in Nova Scotia, and they're just holding the price down." This year, apparently, the processors bought all of those lobsters 'cause they're not holding their price down. But those same lobsters in frozen meat must be still holding their price down. It seems that somehow they need to get, all work together, to streamline how they're putting the lobsters on the market if you're going to have a more constant price. You have to have more transparency so everybody understands how the lobsters flow through. Here in St. John, not today, but any other year at this time you could go down here at one of the local wharfs and buy lobsters for \$4 or \$5, \$6.00. And go to the local Save Easy and they're \$10 or \$11. I mean that's a lot of difference for no further distance. I understand that everybody's gotta make their dollar, but in the system there's so many guys on the telephone that are making their 50 cents or a dollar saying my truck will meet your truck, etc. And he doesn't even know, the truck he's selling to may be meeting the truck he's buying it from. It's those fellows that create the great gap that we have in the price between the producer and the consumer. Until we can get to the point where everybody understands that you can sell more lobsters if you don't have that big gap in the price. I understand that everybody's gotta make a profit, yes, but you don't have to, there doesn't have to be so many guys in the middle. 'Cause you'll sell more lobsters in Calvary for \$20.00 or \$30.00 therefore you'll sell a lot more product - so people can make more money from the consumer by selling all the product and make a reasonable profit along the way instead of all the fellows trying to get rich in the middle.

Ted Hoskins – It’s a good statement where most of us are at one time or another. I remember when I used to fish 50 years ago, but that was the whole thing. I wonder if it would be possible, and I don’t mean to dilute what you’re saying, but it appears that this is what happens, and this is what we need to find out. Where is it going to, the big chunk in the middle, and how does it get there? We want to learn. I think that’s what you want to know. How does it get to \$10.00, when I can buy it for \$5.00? That’s what we’re trying to address. Yes, name and place where you fish.

Ken Campbell – It hasn’t come up yet, and I told Ashton that I’d mention it – Ashton and myself, and maybe a lot of you in the room know, but there is a lobster summit being planned that will come up probably in October of this year, and it will be in Halifax. That’s all the info I have right now. These are the kinds of issues that have been discussed around the table. One comment that I’d like to make is that I always thought in my own way, that these factors, the problem is trust. When we get a 3rd party who has no interest what-so-ever in making a dollar out of lobster, do the stuff that gets the numbers, do this and that, processing, fishing, and present it. Simply, totally unbiased, that could be believable. That’s the kind of information and education on both sides is needed. This disconnect and misunderstanding of what the other person is up against.

Ted Hoskins – That’s very helpful to put it that way, because I think the perceptions of both sides have been quite honest in coming up with where they are and how do we get there.

Ken Campbell – One more comment – One of the main things we’ve said at one of these summits is that we’ve had these stakeholders meetings before, the last 10-15 years now, and the same thing is happening, a lot of talk no action. Nothing concrete comes out of it. That’s what we need to stress at this summit planning. We need to lay out the groundwork so we can move ahead and progress.

Ted Hoskins – That’s what’s good about your responses, it’s actually defined a question that we can approach. Yes, Brian, Charlie, and another hand over here.

Brian Guptill – I haven’t been at this as long as some of you fellows, but long enough to know that when this roller coaster of lobster prices gets this high, it drives the consumer away from the product. It doesn’t matter whether it’s at the restaurant or at the store, the prices have to drop so low before they’ll even start buying any. It’s not like once they get away from it and stop eating it, it takes, has to take so long for them to get back to it. You’ve got to get the hook in them again, so it’s not real healthy to have the high prices either. I’m not saying I want a \$15.00 lobster being the price for my lobsters all the time. I’d like to see what I sell my lobsters for being somewhere near the price that the end retailer is paying at the store. I’d like to see a system where I know I’m getting a percentage of what you pay. Right now, you don’t have a clue and it just makes distrust when you sell your lobsters for \$5.00 and they’re paying \$35.00 in Calgary for it when it doesn’t cost that much to ship that kind of lobster out there. I know there’s holding costs, and there’s other things, but show me the numbers so I can relate to it.

Ted Hoskins – That’s it, “show me the numbers” except the one that’s going to show it to you is someone who’s a part of this experience. Charlie, go ahead. And you’d better listen to this guy, cause he’s a world-class arm wrestler. Be careful how you ask him questions.

Charlie McGeoghegan – Getting back to the fuel surcharge, I think that's one example of how we can relate to how we're looking at it. As you explained, the fuel charge on your stuff wherever it's going has to be tacked onto the end user. From our situation, the high fuel cost and the high bait cost, and all that stuff, and fuel being a good example, when fuel goes up, we have to pass that on to you because our price is fixed by somebody else and it's beyond our control. But you, being one of the end users of the product, can adjust your product so you don't lose money on it. I'm not saying that's how fishermen look at it, that they can't control jumps by 50 cents. That's 50 cents that they're losing compared to the day before. A couple of other quick points that I want to pass on, 'cause I know the day is getting on. The Federation Bridge is a big concern of fishermen in our area where we fish. It has been even before it was built. There's been a lot of court cases back and forth between government and the fishermen and anyway it ended up being detrimental to the fishery and the central strait, and the government doesn't seem to want to recognize that. There are some studies going on right now with silt. Before the bridge was built the silt tests showed 4 parts per million per liter of just dirt matter, and during construction there was a lot of dirt and construction matter and it rose to 8 parts per million. In the fall of 2005 it was 28, and 28 would clog the gills of mackerel and herring, and it will also clog the gills in larvae, lobster larvae. So this is a big concern we have. They were supposed to dump big granite rocks beside the piers to kind of slow the current down before it got to them, but they didn't do it. So now there's scouring going on. They've got all the measurements. They've sent divers down and there's sand dunes out 10 kilometers on either side of the bridge now that wasn't there before. So the government is putting some money into the ocean mapping and such to look at the bottom, but that doesn't put any money back into our pockets. The fishery went from a high of over 30,000 pounds in a 2-month season down to boats in the area catching 3000 pounds. I'm out about 40 miles east of that. It has heavily affected where I'm at too, so that's a big concern. I'm hoping the Maine institute can help us with that. The other thing is pesticides such as potato spray and cleaning agents heavily used by government buildings and hospitals to clean. Finally, with enough pressure, they started testing these things in DFO, Moncton. They have 13 to do, they done 3 so far, and all 3... They joined up with Environment Canada, and they bought a new dilution machine somewhere near 5 million dollars. They're on a 5-year contract to test mosquito spray and potato and the other, and diluted them down to 1 part per billion and put in Stage 4 larvae and it killed every single one of them. All 3 chemicals in separate tests, so now they're testing the water that's in the strait to see what's there. So, if there's some way we can work together, and now that Environment Canada is on board, they can enforce the law. So working together on this would be greatly appreciated.

Ted Hoskins – I think it would be appreciated by all fishermen.

Charlie McGeoghegan – It is a sensitive thing because the potato industry is also a huge industry. It's the biggest industry on PEI, so you gotta tread lightly because they need to stay in business too. You need to try to come up with something that everybody can live with and that's not harmful to everything else.

Ted Hoskins – An excellent question to put to the Institute and to put on the agenda at some point. Thank you.

Mike Tourkistas – Yes, to answer the question, I can't get into the price all around the world but I think quickly we can go over what makes the price from the boat to the shoppers hand at \$10, \$11, \$12.00 a pound. If the boat makes \$6.00, we would buy the lobster from the buyer for anywhere from \$6.50 and \$6.75, mostly closer to \$6.75 delivered to our facility. Depending on the time of year, we'd also pay up to 25 cents for shrinkage and other issues that affect the poundage. So that brings us up to about \$7.00 a pound. We have a direct operating cost of about 55 cents Canadian in Deer Island, so if you add that to the \$7.00, that's about \$7.55 and you add 6% for (unintelligible) and profit, that would bring it to about \$8.00 Canadian. Now the supermarkets, because what has happened quite a bit in the last few years, there was a lot of consolidation in the supermarket industry. They like to put something in their stores for not less than 40% markup, because they say that's what they need to make their profit. Now, why they need to do that I don't know their costs. I don't know their numbers, maybe the cost of power, the cost of space, cost of marketing. Now can they do it for less, of course they can. Are they willing to do it for less, I'm not sure, not right now. Getting back to the question or the point that you made that you can't add your cost as it rises, and it's true. We feel the same frustration. I had one of my professors one time said, "in your business the damages of your competitors will set you back 7 days." So if it's up to us, and we could, we would get it on the other end if we could. We do want everybody to make a good living, and pay the right price, so we pass it along to you guys also, but we can't. We are subject to the markets and the guys, it's kind of a difficult situation 'cause sometimes you get tempted by people that show up in trucks and are willing to pay that extra 50 cents. It's usually the same guys that will go and sell the product under the market. Those jobbers that we all look at and wonder how they can do it. But again going back, we're all in this together. We're all facing the same issues. It's the ultimate customer that sets the price and it's frustrating also on our side.

Ted Hoskins – Thank you. John or Mike and then Elliott.

Mike Gardner – Mike, I'm glad you kind of built up the cost structure. In that study that you referred to earlier that was done a few years ago, there's a similar diagram that works up the prices for live and for processed lobsters looking at the margins and the cost at each stage. So, for what it's worth, that information came from a variety of sources and I'm not sure where they come from. The other issue on trust, I can guarantee that as little trust that there may be between the harvesters and the processors, amongst the processors themselves, there's even less trust. Several years ago, I was talking to a few processors in PEI, just about business conditions and what they're up to. And all we hear is about excess capacity and how they beat each other on the way up to get the raw material and they beat each other up on the way down to sell the product. So this one guy who rolled his business into the Polar Group, which ultimately fell apart, he was telling me that during the summer months there's a fishery in the area and the price tends to be relatively high. And in the fall there's another fishery on the western part of the island and prices tend to be generally on the low side. Well, this year, he said he was buying pretty aggressively in the fall fishery. And I asked what the inventory was like, and he said, "well my warehouse is full." I said, "sorry, can you simplify this for me?" He said, "If I leave my prices low, than my competitors will buy lobster at relatively a lower price, will undercut me in the market. So, I've got to get in there and bid up the price to make sure that everybody, so that everybody is holding the same cost at inventory that I do. So that I can't be forced out of business or undercut in the market. It's a crazy business when you have that level of capacity and that kind of investment to

protect. The prices do reach crazy levels and I'm sure fishermen look at it and say "this is fantastic." It is fantastic if you're on the selling side. The trouble is you can't keep doing this year after year after year without running into financial difficulty.

Ted Hoskins – It's almost as bad as trying to buy an airline ticket. Two or 3 different days in a row, you can buy them at hundreds of dollars different, the same one. Elliott.

Elliott Thomas – Two years ago we sat in this very hotel and we heard that we can only tell you so much about lobster and you're always coming back and asking for more. In 2 years the bait prices have gone up 35 to 45% and fuel prices have matched it, but we're still getting what we were paid 2 years before. You can only go on so long, watching the profit margin going down, down. What do we do?

Ted Hoskins – That's a good question, and I mean that seriously. I think we need to take that question and really look at it and not try to get some knee jerk answer to it. I wish we could find the answer right here, but that requires some careful attention. Jon.

Jon Carter – I just want to add a little humor. I want to thank Charlie for bringing it up, 'cause finally someone brought water quality up here today. Every time we've had one of these meetings so far, we've started with a certain topic and we've turned around to water quality. I was going to do it at the end of the meeting just as a joke, but didn't have to because Charlie brought it up. There are other issue, we've got a lot of issues to look at, but that could be one of the biggest ones and we always seem to touch on it when we've been here, so we need more of these meetings.

Ted Hoskins - Again, that's another thing we need to put down on the list. I just know that the Institute is paying attention, but those of you who are on the Institute board, you need to dog them. You need to go after them to make sure that they get some of these things attended to over the years as the Institute continues to meet.

Laurence Cook – If we're going to study these things economically, we should have a look at what the cost per pound to handle the product, because I think a lot of fisherman think the buyers are making a lot of dollars a pound. And I think a lot of buyers are thinking that the fishermen are making a lot of dollars a pound. 'Cause there seems to be endless numbers of people who think they can put the price anywhere you want it and they can pay it. But, there is a limit, like you said, to what the fishermen themselves can take per pound off the product. And that's getting narrower and narrower. The other thing we have in our industry right now is record high catches, and yes we can pay the bills, but the profit margin is narrow, and the volume is high. If something happens to the volume we go from a vibrant industry to a collapse almost instantly. This is something that we all need to think about. It's wonderful for this fellow to have a high profit if he can buy my product from another buyer, and make a profit out of it, but he can't do that when I'm gone. Somewhere you've got to have a good look. I was shocked at the numbers that Laura said what the profit was in the industry. That's fine. I mean, people say you're sitting in the best spot you can be, and apparently, I really am maybe. But when you're talking about a house with a limited income of \$60,000, and that's on a tiny profit margin on a vast volume... what's going to happen if that volume drops at all? You're going to see a terrible collapse to the

industry and that needs to be addressed. I think the way to do this is we need to look at who's making what. I've had people say to me, up here on the streets of St. John, "you're making a killing, lobsters are \$6.00 a pound and you've got 4000 pounds, that's worth \$24,000." Well I wish it was, but it's not. There's a whole lot of cost that goes into getting it. If we're going to look at this, we need to look at who's bearing what cost, including set-up. Here people talk, with a million dollar plant, processing lobsters, well, that's a million dollar lobster boat. What about that guy? If you're going to look at cost, you need to look at cost versus number of pounds you're handling, and the real numbers.

Ted Hoskins – OK, Elliott.

Elliott Thomas – Not all of us fish year-round. The money you make has got to cover you for the rest of the year when you're not fishing. It may seem like you're getting a lot, but you haven't when you have to spread it across the whole year, it's not there.

Laura Singer – I was asked during the break about some of those numbers and I want to clarify and make sure those interested look at the full report. What those averages of averages do not show is the amount of people who are making the high end and the numbers making the low end, that makes the averages, average out. I think it's very important to be thinking about those numbers and saying what kind of an impact will this have on the industry, how many people are relying on it, and in what way are they relying on it? Hopefully that information provides the fodder for further conversation. I really hope this type of conversation happens and there is investigation whether it's by lobster conservation management areas for those of us in the United States or by state. That's when the dialogue needs to happen. You are absolutely right, everybody's business is structured differently and you need to tease it apart a little more than providing these overall general averages that I was able to provide.

Ted Hoskins – Thank you Laura. Laurence, OK Brian, then Klaus, I guess.

Brian Guptill – I just want to change things up a little for a second. I was just thinking about what we talked about earlier – the labeling stuff, worried about tax on pollutants and stuff. But when it got to the water quality issue I began thinking that maybe somebody should start looking at taxing some of the cities and individuals who are polluting our waters. We're trying to make a living here.

Ted Hoskins – Thanks Brian, now Klaus.

Klaus Sonnenberg – It seems that the 2 groups, the buyers, the marketers and the fisherman both agree on one thing. As I understand it, it's that price volatility is not good for the industry. I think that both groups have agreed, not just at this meeting, that that is not a good thing. We know that the MFU tried to set prices one time many years ago, but it wasn't very successful. I don't think they do it anymore. But it seems to me that if both groups agree on that one statement, maybe there's a way to advance this process without one thing in mind, to try to solve price volatility. Maybe that's something that we can address, not here today, and I'm not sure it's the Lobster Institute's role, but you know, it seems to come out loud and clear. Fishermen are saying it, marketers are saying it, so if we both agree, maybe there's a way to do it. I know

fishermen are hard to deal with and I've had 26 years of it. You know, they say one thing, but mean another. On one hand we talk about having a certain fixed price perhaps, but the minute somebody offers 25 cents more, out that policy will go. We've tried it in the weir fishery. We have a contract every year with Connors for a certain price, and a certain size, and I tell you if somebody came along with 5 cents more they'd be getting the fish, contract or no contract. So, it's not easy, and I'm not saying it's gonna be, but maybe it's worth getting together sometime in the future, and talk about that one topic.

Ted Hoskins – Good thought, Klaus. Yes, Cathy.

Cathy Billings, Assistant Director of Communications and Development, Lobster Institute – We've all been talking about how important it is to get to the truth in numbers behind a lot of the questions you've been asking. I just want to say that for folks like Laura, John and Mike, when they come to you as researchers we really appreciate it if you're really forthcoming. And we know these are some sensitive topics, when you've got someone on the telephone asking you about your income and so forth. But to get the accurate information is so critical. If we're going to continue some of these studies, that's something that's very important. I'm not a researcher myself and I'm not directly involved with the lobster industry like you are. But I am a grant writer and I try to bring in some money for these types of research projects. And when we get this economic information it is really very vital. Because when we go to funders, they want to know "what's the significance of this research, what's the impact going to be?" A lot of times you can read between the lines and say that translates to "what's the economic impact?" So we need to know how important the fishery is economically, in all sectors. So, again, if these surveyors come to you or you get something in the mail, or over the telephone, the more accurate you can be with them (and again, it's always confidential information) it's just very helpful for all of us.

Ted Hoskins – Thank you. Yes Charlie.

Charlie McGeoghegan – To bring up something that nobody mentioned today is the price of bait. Quite a few of us on the island gillnet herring after the lobster season. For the roe fishery in Japan, was what it was traditionally for. Through whatever reason or another, that market softened up. But they also used the split herring after they took the roe out for the smokers. And I know that Mr. Gregan here will disagree with our point of view on this, with the whole seining thing and fishing close to shore. Anyway this spring herring that normally comes to PEI are almost non-existent. Not only PEI, but other places that the seiners have been. So, anyway that has taken the price of bait from traditionally over the last 10 or 15 years it's fluctuated between 28 and 45 cents a pound, to now 80 cents to a dollar a pound. And meanwhile when we go to fish herring in the fall, which is a roe fishery where you can roe and split herring for the smokers, out of this they pay 8 cents a pound. There's something wrong with this picture. That is a huge problem and I'd appreciate some ideas on how to get that 8 cents to 80, like they seem to do in the spring. We don't mind paying 80 in the spring if we get 80 for it in the fall.

Graham Cook – I guess one of the issues I was wondering about with Mike and the little lobsters. Campobello, course we're close to Deer Island, to your plant. Last fall when I started fishing, every season when we started, they said a day or two before we set we'd have a good

idea of what the price was going to be. And if they said the price was going to be \$5.50 or \$6.00, or whatever it was, we know going into setting date it was pretty much concrete. We brought our lobsters in and we knew what we were getting. Last fall, I think we had 15,000 pounds landed to the buyer before we knew what the price was going to be. I mean, you have us in our district, we have about 6 weeks in the fall, 6 weeks in the spring that we have to make up our lobster fishery when we're catching the biggest part of our lobsters, so there's not a lot of time. When you go to fisherman in the fall, why can't there be more communication between the fisherman and your level to try to determine some kind of a price going into the season? Whether it's, maybe you get a permit from DFO and say OK this is what your quality of your lobsters is going to be like in your zone to start. This is what we can start to pay, so we can have more of an idea of what we're dealing with when we start our season. You know, you get a better idea going into a blind season. When you have so much expense on the line, it's really tough.

Ted Hoskins – Do you want to speak on that Mike?

Mike Tourkistas – I think the answer is what you said, it's information. And the problem is that, and again, I'm not familiar with that particular situation, but normally until we know what the landings are we don't really know what we're going to be able to get on the other end. So that's something we have to speculate on sometimes, and make an adjustment as we see what's going on. Another thing is the quality: you said that if we had that information, yes, if there was some way to measure the quality that was objective, and everybody could take that as it is, then I think it would be easier to put a price to it. There are so many things that influence the price. You guys said earlier the weather, temperature, and all that-- until you really see what the market situation is and what the landings are, it's almost impossible. And sometimes we do speculate and we get burnt. Sometimes, and the next time basically, are more conservative when coming up with a price. Once again, I'm talking about for Patural, for East Coast. I'm not talking about the whole industry. Going back to what we said earlier, it's the trust issue. And I think that in a perfect world we'd be coming out with a price and maybe someday, not in our time, but in the future, with the use of information technology, we'll be coming up with a price that you guys will be getting. And then after the sales were made and decision came to a certain point, we would look at the sales and I would love to see the industry, our side of the industry, the marketing side of the industry, compete on what they can get for the lobsters so they can return better, based on a formula, to you. So if I went out there and I did like a million miles, like I have done around the globe, to sell the product, that I can prove to myself that I can do a better job and then I can return a better price to you. If that was the case, and I think that there are some parts of the world that the product gets settled at the fixed price, and then the final price is after the market gets settled. I think that maybe that's a model that we have to look at down the road. But to do that I think it would take a lot of trust by everybody to do their best. We are doing that with our customers. Our customers demand transparency right now. So most of our customers know what the boat prices are, because we tell them.

Ted Hoskins – If I can just say, that transparency, I think that is what Graham is asking for on the other side too, so the fisherman knows, so the fisherman understands what are the variables you have to deal with. If there's a good way of communicating and sharing in a transparent fashion, what the variables are that on your side don't let you set it a week or two weeks ahead of

time, then they'd understand where things were and that would be their knowledge as well as yours. I kinda think, that was where you were going.

Mike Tourkistas – Yes, it would be a wonderful day, and it would make my job a hundred times easier. One way would be to come out with a fixed price and then settle later.

Ted Hoskins – We've got about 9 more minutes to solve all the problems of the world. You've got some outstanding directions for thought and action so we just keep it up and I just wanted to let you know get your things in, answers.

Ashton Spinney – It's hard to believe that I've sat here today and said at least as much as I have. I'd like to first of all, from the perspective of the fishermen, I'd like to speak to that. I hope you, most of you, understand where I come from. I am the co-chair of LFA 34 Lobster and the chair of the management board, plus I'm a lobster fisherman. With all the rhetoric in our industry these last 3-4 years especially, there's been a tremendous amount of rhetoric around quality. Well, first of all, from a fisherman's perspective, we just cannot dial up in our traps what the quality's going to be on a given day. Those of you who fish with a 12-month season, you encounter that on a regular basis. You know better than we. We deal with a 6-month season beginning the latter part of November and we don't know from one year to the next exactly what's going to be in our traps. And from one area to another, if you're inside, or the offshore area, what the quality's going to be. For years the lobster came in and went in a crate, and the crate went on a truck and went to the market in the United States or, mostly the United States. I grew up with that. That was the way it was. The people there that bought them, they did what they had to do to grade them, ship them, they did it. Well we're having that situation taking place now where I live right in, in the communities or amongst the dealers, the grading and shipping is, decisions are being made there. So they talk about paying you for quality, and you get 2 different prices, and the fisherman will say, "ok, it warrants that." But here's the problem, when the month of May rolls around, we've got the best quality lobster that we can possibly catch until the end of May, and they're trying to pay us the least amount for those lobsters. Some dealers will say that the quality was down, which is garbage, because they go in tanks and tubes and they're held in a controlled environment till the end of September into October. And there's nothing wrong with the quality. I know, I eat a lot of lobster. I take my own lobsters, put them in the tanks, take them home, give them to friends, and their full of meat bursting in the shell. So from a fisherman's perspective, is quality the important issue or is it a limp way to control the prices? From the fisherman's perspective, that's good to know. I'm talking about Southwest Nova Scotia, I can't speak from Maine's perspective, that's totally different. But I will say this, and I make this statement a lot, "we can learn in Southwest Nova, and I can't speak about any other areas except LFA 34, we can learn from our fellow fishermen across the Gulf, who deal with shedders. And I do not hear, (and that's why I'm bringing this up now, I need information)but I don't hear major cries from fishermen and dealers of large losses of product when they're in the shed. I know that they have to deal with them, and they must know how to deal with them, we don't. We've been so blessed for years, we haven't had to deal with huge amounts of shedders, and we need an education. I guess I'm bringing that out, I know good friends in America, and you people can shed that on us. So is quality really that important? Yes, if it's that important, why do dealers ship off questionable quality to the marketplace instead of putting it to the processor and then it comes back across the borders as being refused? You know, there's some responsible things there.

Ted Hoskins – Yes Charlie.

Charlie McGeoghegan – There was a group of fishermen, eastern part of PEI, that last spring met with one of the biggest buyers up on the island and it was to deal with price. He had his reasons why he thought the price wasn't going to be as good as the year before, and anyway, we said, "PEI spring lobster is one of the best, heartiest lobsters in the world, full of meat, because of the cold water temperatures, and after wintering. So we figured that would warrant one of the best prices because they are, as many of the buyers in this room know, the best for shipping live. They are very tough. When they made that statement that they were one of the best, the guy told them that, "well they're not THE best, maybe one of the best, but the Newfoundland was the best." So we said, OK, if that is true, than how come Newfoundland has one of the lowest prices, which they do? He didn't seem to want to go there, but in Newfoundland they have kind of a closed shop. I know for sure they do with snow crab. They're not allowed to ship any or process any off of Newfoundland which hasn't been from lack of trying by the fishermen because they have tried, but it's the government that put the legislation in to keep it all there. To my understanding, lobster is the same, but I'm not sure. Anyway, if that wouldn't be somehow controlling the price than I'd like to know how it isn't.

Ted Hoskins – Comments over there, yes Mike.

Mike Tourkistas – Quality is maybe the most important thing when you're out there marketing the product, in any kind of form. One of the things that you have to acknowledge is that on the U.S. side the catches in Maine have almost tripled since the 90s, early 90s, at least 2 times, 2 ½ times. So that has put a lot of pressure into expanding the marketplace, so we're going out farther and we're doing many different things with the product then we were doing back in the days that the market was Boston, 'cause you were dealing with especially the Maine production, half or one third of the production, so the market couldn't absorb it. It was closed and people could deal with the weaks and the... I remember when we started out in the 80s if we could get 10% mortality, was not a big deal. Today, of course then we were paying \$1.75, \$1.80 for the lobsters, today the demands are different. The whole world has changed, and the standards for quality, the customers demands are much better. We have much more educated consumers that demand quality. People are calling me now from places that you don't even see on the map and they want hard shell lobsters full of meat. It's a fact, the quality in southwest Nova Scotia has declined over the last few years. This year was a bit better than last year, which was a disaster. People had, some of the dealers in the Southwest, in the beginning of the season of 2005, had thousands of pounds of lobsters that never made it to the market. They just died at the dock. Everybody that was there at the beginning of the season in December knows that I was getting calls telling me, you know, we have 3000 pounds of dead lobster sitting here and the fishermen just brought them in and they didn't make it from the boat to the dock. On the processing side again with the prices that we're talking about: the yield, you're talking about 1 or 2 % yield on the product. When you open the lobster you lose right away about 25-30% in liquids, and then you've got the body of the lobster that you can only do so much with. What's left is the tail, the claws and the arms. And when you get done with it you get the yield. Depending on the time of the year, if they're Maine lobsters, or they're Canadian, they're between 28 to 41%. The difference for every percentage point is about, depending on the prices, but between 45-50 cents to the round weight. That's how

much difference the quality makes. So, I wish I had numbers here that I could put up on the board because that is something that you can quantify very easily. And a dead lobster in Paris or Tokyo, it's really worth nothing. Not only that but you've added another 3 or 4 dollars in freight and packaging and handling and all that. So quality does matter and it's extremely important. And I think it goes back to everyone working together and improving it 'cause those are all pennies that trickle down and it would help pay for extra fuel and the bait prices, and all that. I think we should definitely all work together.

Ted Hoskins – It's good to hear those comments on quality, 'cause I don't think there's a fisherman around who doesn't see that as his primary concern, to bring quality product to the market. We're at the end of this quality time together talking, so I want to thank all of you for sharing in the discussion and making this work so well, particularly to Cathy, Jean, Bob and Jenny and Ashton who shared in many different ways in putting this all together. Thanks again to everyone for coming today and for participating.

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Ted Hoskins, Minister to Coastal Communities & Fisheries - Maine Sea Coast Mission

Panelists

John Driscoll – School for Resource & Environmental Studies, Dalhousie University
Michael Gardner – President, Gardner Pinfold Consulting Economists
Laura Taylor Singer – Director of Collaborative Research, Gulf of Maine Research Institute

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

Planning Committee

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