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April 2011

Department of Fisheries

Commercial Fisheries Production Bulletin

Fish for the future

WESTERN ROCK LOBSTER FISHERY

2010/11 SEASON

THE COASTAL FISHERY TO DATE

Preliminary processors' production figures from the five major processors indicate approximately 2,517 tonnes of rock lobsters were taken during the 'whites' phase (end of January) of the fishery. Last season a total of 3074 tonnes (six major processors) was taken to the end of January. The break up of the catch (tonnes) by zone and month is as follows:

	Zone A	Zone B	Zone C	TOTAL
November 2010	–	327	156	483
December 2010	–	491	830	1,321
January 2011	–	238	475	713
TOTAL	–	1,056	1,461	2,517

'Whites' were present in the catches almost from the start of the season, at most locations throughout the fishery. Catches were exceptional, particularly in deepwater, and the move to deep water was very rapid.

As the 2010/11 season was the first season to be managed under the new Individual Catch Limit (ICL) system, fishers were naturally cautious of the quantity of rock lobsters they caught during the 'whites', i.e. leaving part of their quota to be taken later in the season during the 'reds' period of the fishery, when hopefully the beach price will be higher.

This lack of 'rush to fish', which normally occurs during the 'whites', resulted in many fishers doing multiple-day pulls.

It must be remembered that the constantly high individual catches during the 'whites' was mainly due to the greatly reduced fishing fleet (Zone B 141 boats and Zone C 138 boats) compared to previous years i.e. the available stock to be caught was spread amongst fewer boats, together with carry over from previous seasons, and also a reduction in pot use and days fished. Catch rates were also influenced by very warm sea temperatures (see Figure 1) during the last few months, particularly when fishers returned to the mid-grounds where large males and females were highly catchable.

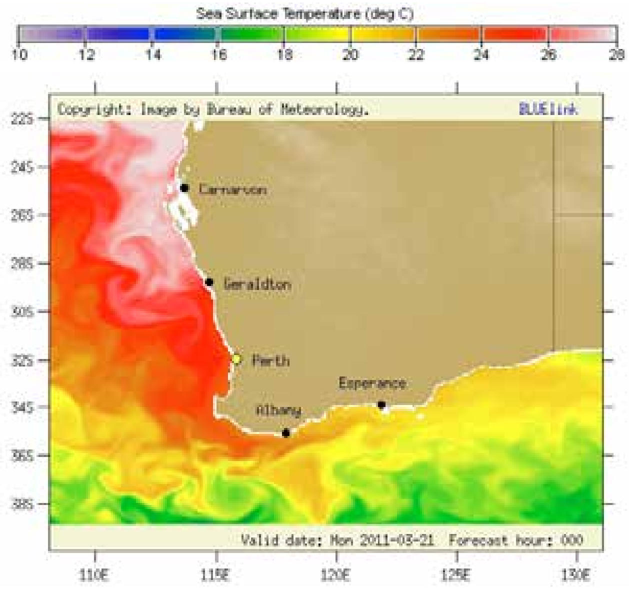

Figure 1 – Sea surface temperatures, South Western Australia

Many fishers reported very poor catches in the shallows, together with few undersize in the catches generally. This is most likely the result of poor puerulus settlement and subsequent recruitment in recent years.

Octopus predation, particularly over multi-day pulls, continues to be a problem.

AUGUSTA – WINDY HARBOUR FISHERY – CAPES AREA

A small amount of fishing for western rock lobster has been carried out adjacent to and offshore from Augusta. Catches to date have been marginal. So far this season, very little, if any fishing has occurred in the Capes Area.

CATCH DISPOSAL RECORDS (CDR)

When fishers are filling out their daily CDR forms, which are mandatory under the new Individual Catch Limit (ICL) system this season, *PLEASE* complete all the fields on the CDR form. If any of the fields are left blank it is not possible to enter the CDR information onto the database. This then requires a member of staff to contact each fisher by phone to obtain the missing information, which is time consuming and a nuisance to fishers. Your help in this matter would be greatly appreciated.

PUERULUS SETTLEMENT

The 2010/11 puerulus season is nearly over (May to April of the next year) and puerulus settlement has been below average at all sites. However, this year's settlement has shown an improvement compared to the previous three settlement periods, particularly near the centre of the fishery, Dongara to Lancelin. The historical trends can be seen in Figure 2. The resultant recruitment from this year's settlement (2010/11) will be seen first in the catches of the 'reds' of the 2013/14 season and then as 'whites' catches in 2014/15.

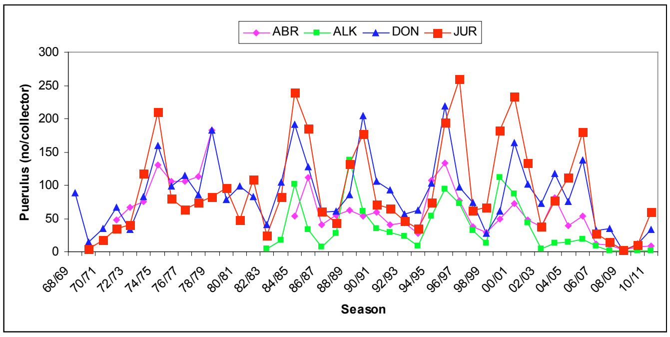

Figure 2 – Trends in puerulus settlement at selected coastal sites Alkimos, Jurien, Seven Mile Beach and the Abrolhos Islands.

The current puerulus settlement information for 2010/11 is posted onto the Department of Fisheries web site monthly (see address below), to enable all WRL stakeholders to access the latest information in a timely manner. http://www.fish.wa.gov.au/docs/pub/PuerulusSettlement/index.php?0707

LA NIÑA EVENT NOW PASSED ITS PEAK

(Australian Government – Bureau of Meteorology, 2011) Website. (http://www.bom.gov.au/climate/enso/)

The La Niña event which has dominated the Australian climate for the past nine months is showing signs of weakening. Pacific Ocean temperatures, most notably below the surface, have warmed, while atmospheric indicators such as the Southern Oscillation Index (SOI), trade winds and cloud patterns have eased from their respective peaks in early January (Figure 3).

These observations are consistent with both the life cycle of past La Niña events and long-range climate models, which show the Pacific gradually warming during the southern autumn of 2011. All available climate models suggest further weakening of the La Niña is likely through autumn, with most indicating a return to neutral conditions by winter 2011. However, there remains some risk that the event may reform after autumn.

During La Niña events, tropical cyclone numbers are typically higher than normal during the November to April period, with February and March the peak. The influence of La Niña on Australian rainfall, the Leeuwin Current, sea level and water temperature has also been notable. A strong Leeuwin Current associated with warm water temperatures in Feb/April have generally produced good settlement later in the year. This did not occur in 2008 so it will be interesting to see what the 2011/12 settlement brings.

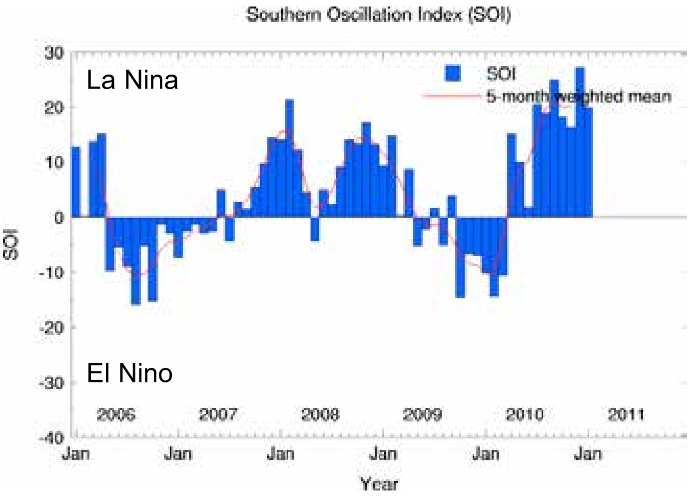

Figure 3 – Southern Oscillation Index and the 5 month weighted average since 2006 until Jan 2011 (data supplied by the Australian Government- Bureau of Meteorology).

TAGGED ROCK LOBSTERS – A NEW APPROACH

A new approach for dealing with tagged rock lobsters under the new management arrangements is proposed below which should make it easier for fishers and processing staff. This advice replaces the information on handling tagged lobsters provided at the start of the season. The tagging information will provide valuable research data on growth rates and movement of rock lobsters.

This season we are asking skippers to assist by **measuring any tagged rock lobsters at sea.** This simply requires a tagged rock lobster to be measured (to 0.1 mm) and details to be recorded on the catch cards provided. It will allow undersize, spawners and setose to be returned close to where they were caught. Any legal size tagged rock lobsters also need to be measured and details to be recorded. It is at the discretion of the skipper whether the legal lobsters are kept as part of the catch or whether the details are recorded and the lobster returned to the sea. But if it is kept please remove the tag and forward it with the appropriate catch card completed. These catch cards can be obtained from regional Fisheries Offices or simply phoning the number below.

Similarly to last season, tagging of western rock lobsters was conducted in October and November 2010 from Fremantle to Kalbarri. Lobsters were tagged with either a dorsal (back of the animal) or ventral (underside of the animal) with yellow 'spaghetti' tags.

As the skipper, it is important that you are aware of this research program and know what to do if you catch any tagged lobsters.

What to do if you catch a tagged lobster?

1. If the rock lobster is an undersize, spawner, setose or oversize animal (or a legal lobster that you choose to return to sea) do not remove the tag.
2. Record the recapture details for all tagged lobsters on the tag recapture cards and put them in the mail (postage paid). More catch cards are available at the factories and Fisheries Offices.
3. If the rock lobster is one that can be legally retained and you choose to submit the lobster as part of your catch then remove tag, record the recapture details and submit tag and catch card by mail. The weight will be removed from your quota. If the legal lobster is not retained then treat as per step 1 and 2.
4. You will be sent a $2 Scratch 'n' Win for each tagged catch card correctly returned providing all the recapture data.

Please inform your crew members to look out for tagged lobsters and inform them of the new return procedure. The information obtain is vital in understanding the growth and movement patterns and how these vary between years.

For those fishers who do not possess a vernier to measure these tagged rock lobsters please contact us and we will organize a plastic one to be sent to you.

Thank you to everyone who has supported our research in the past and we encourage you all to do so this season. Your help is very much appreciated.

If you have any questions regarding the above please phone Mr Joshua Dornan or Mr Owen Young on (08) 9203 0111.

MESH POT TRIAL

The meshed pot trial is running again with around 35 fishers taking part this year. It is still early in the season, but again it has provided us with some interesting results. With the trial now in it's 3rd season; it has enabled us to make some good comparisons between years.

With the early part of the season being dominated by 'whites' catch, it is interesting to see that the 'whites' catches in the meshed pots are showing a shift in the size composition. In 2008/09 season most of the 'whites' were sub-legal, with a modal length of ~ 70 mm. This increased in 2009/10 with a modal length of ~ 77 mm and increased again this season to closer to 80 mm. More striking however has been the decline in the contribution of the smaller lobsters to the 'whites' catch. This component has shrunk dramatically over these three seasons and presumably represents the very poor 2007/08 & 2008/09 settlement years not contributing much to the catches (Figure 4).

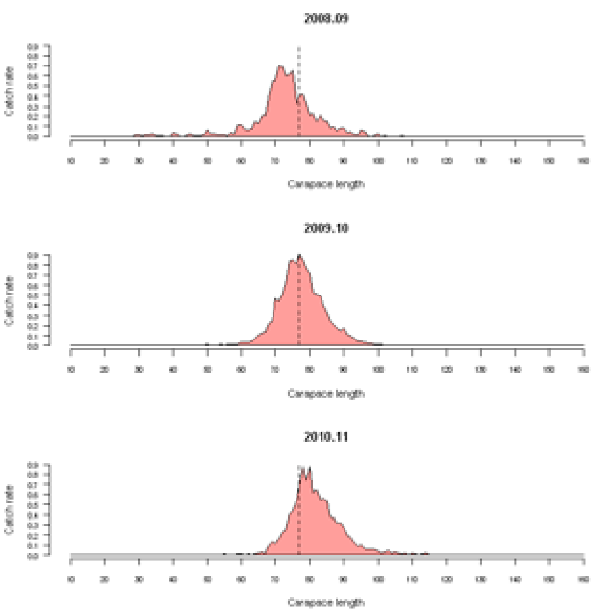

Figure 4 – Size Frequency of 'whites' for the last three seasons from the meshed pot trial

Figure 5 shows the distribution (percentage) of catch from the meshed pot trial indicating decreases in catch in the shallow water (<10 fathoms) and increases in the 21-30 fathom depth range.

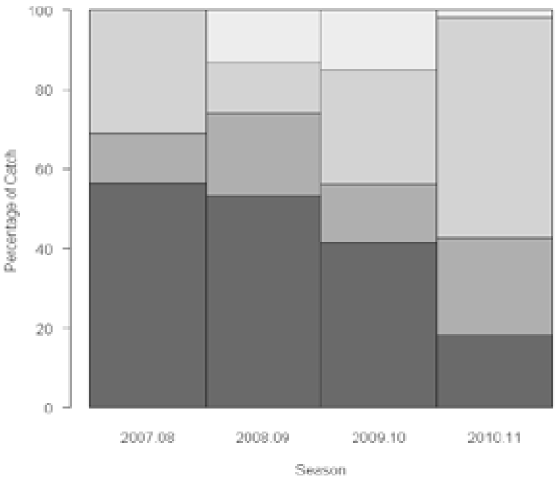

Figure 5 – Percentage of the 'whites' catch from the meshed pot trial in each season coming from the 0-10 fathoms (very dark grey); 11-20 fathoms (dark grey); 21-30 fathoms (grey) and greater than 30 fathoms (light grey).

With this survey intending to run for the duration of the season, we would be keen to get on board any fishers fishing in A Zone this season, especially in the shallows. We will supply you with a pot, sampling equipment and datasheets and 2 boxes of bait per month. So if you are interested please contact jason.how@fish.wa.gov.au or eric.barker@fish.wa.gov.au or phone 9203 0111 to get more information.

2010/11 WHITES MARKET REPORT*

The WA season 2010/11 started off with promise, however with the increased scrutiny and inspection levels from Chinese Customs officials, daily capacities of live imports into China through traditional channels were severely restricted. However, the impact was far more seriously felt by the East Coast Southern Rock Lobster fisheries.

Fortunately, beach pricing for the West Australian WHITES remains underpinned by the capacity and favour of traditional frozen markets which have continued to show support even through record average prices and are competitive with live markets.

The negative publicity from incorrect or exaggerated media reports as well as panicking Southern Rock Lobster fisheries added to general market nerves. Frozen orders were limited to just-in-time or hand-to-mouth purchases, however by early January this had freed back to normal speculative stock building forcing prices higher again.

By late January both fishers and live markets were adjusting to the increasing average sizes, which led to rallies on the smaller sizes. Huge price breaks between large and small eventually opened up and created a lot of discussion and forecast on future size categories. By the end of February, frozen importers and domestic buyers were well aware of the low production and mostly comfortable with their positions.

The introduction of Individual Catch Limits and the extension of the season through to end August allowing fishers to catch when they want has resulted in dramatic changes to traditional fishing patterns.

For more than 50 years, the industry has been familiar with large WHITES landings in December with a second surge in March/April of the REDS.

The reported difficulties in the Chinese live markets and the changes in fishing regulations resulted in fishers responding with lower landings and reduced production pressure for processors. Factories with increased focus on premium options instituted large beach price penalties for lobster not delivered in peak live export condition.

Reported WA Lobster Commercial Production (Nov - Jan)				
	07-08	08-09	09-10	10-11
Whole Cooked	1,207,416	1,131,438	744,198	701,442
Whole Raw	112,640	58,240	168,860	142,670
Raw Tails	798,163	897,572	716,560	257,376
Live	796,381	1,357,129	1,212,552	1,147,455

Japan

Once again by season start, inventories in Japan were mostly consumed, although a few residual frozen Red A inventories were noted for opportunistic sale back into the market. Numerous enquiries for frozen cooked and raw by air were noted, whilst sea-freight enquiries were conspicuously absent.

Whole frozen levels over the first half ranged from US$38-43/kg cost and freight (CFR) by sea depending on colour and size.

Confidence continues to slow in luxury food products for this sector and although purchases will continue, a further contraction in total business is expected as higher average prices force even more menu deletions.

Japanese imports of all lobster origins continues to slide in both total volume and average pricing, with many frozen shipments from WA containing higher and higher %'s of heads.

Japanese Spiny Lobster Imports (kgs)

FROZEN	Dec-10	Jan-11
Philippines	1,730	1,190
Indonesia	14,986	1,190
India	34,170	40,420
South Africa	19,000	36,431
Brazil	12,839	9,639
USA	8,000	14,250
Mexico	-	8,000
Cuba	30,716	31,360
Australia	28,901	12,575

LIVE	Dec-10	Jan-11
Indonesia	-	235
South Africa	11,050	6,800
Australia	60,271	19,437

Annual Japanese Imports / (Australian Lobster only)				
Year (Jan-Dec)	1992	1999	2007	2010
Live (mt)	1,352	1,681	601	255
Frozen (mt)	3,290	1,699	643	267

Taiwan

By the start of the season Taiwan had moved all previous inventories and high prices were expected to continue for the new season. Buyers were confident of the continued demand by Taiwanese consumers for WA frozen lobster and were predicting an improved market atmosphere. With a pricing range from $36-41/kg CFR for whole frozen, buyers spent less time negotiating prices and more time negotiating workable size breakdowns which in this season were notably short of small sizes and high counts.

With the disruption of live markets in China and Hong Kong (HK) during December, Taiwan live importers found opportunity to buy competitively and hold for Chinese New Year (CNY), however as Chinese mainland markets quickly recovered, Taiwan live importers were again found uncompetitive.

The pricing outlook appears stable to strong for the period ahead with more underlying strength expected as peak catching slows and frozen production pressures reduce.

*NOTE : Frozen exports from WA to Taiwan over the period Nov 10 – Jan 11 totaled 213mt vs 196mt over the same period prior year.

Hong Kong/ China

China started the season off with a tightening of markets and reports of difficulties in negotiations as buyers reduced purchases to only immediate needs in light of the widely reported market entry and clearance issues.

As volume catches became available, market prices came under the usual pressures returning little more than frozen options and at times even less when shipping through HK. Longer transit options via Beijing or Shanghai came into focus with buyers focusing on the better quality packs to last the distance.

By end December, demand and general market confidence had increased with greater trade volumes returning through traditional channels with average prices right through January peaking at the high $50's until tanks had filled (some 10-12 days prior to Chinese New Year) before a brief slump back to the low $50's. Southern Rock Lobster packers found major difficulties and were hit with much greater price adjustments.

As tanks cleared and space was freed by early February, demand again lifted driving prices into high $60's for some sizes. The increase in typical

%'s of larger sizes over the Jan/Feb period did cause some difficulty with buyer specifications and resulted in large live price differentials that packers were still willing to accept over frozen options.

Demand typically slowed after the February lantern festival and has continued to remain relatively low with prices trending down towards low to mid $40's by end Feb/early March.

Major buyers have been working to secure new import arrangements which might lead to a more stable live lobster industry in particularly for the forthcoming REDS.

Frozen export sales from West Australia were again made to HK, however growth in this sector has been slower than anticipated, possibly due to the high volumes of raw frozen stocks accumulating in live importer freezers as a result of increased arrival mortalities.

USA

Even though December 2010 saw the lowest ever production of WA Lobster tails, US tail importers who had pushed prices to all time highs pre-season suffered heavily from the negative December media publicity and wholesaler nervousness. Even those buyers with well priced small on-hand quantities of last season suddenly started to re-offer back in to the markets with the idea of picking up new season production cheaply as required. When true production figures (both total catch and production type) became available, buyers began to review their (over)-reactions and moved back to their traditional style of securing forward seasonal needs. B size (6-8oz) tail sales for example, which were hardest hit by market nerves, had actually seen the lowest ever production volume and are now seen as the most likely size to result in serious shortages by season end.

Incredibly whilst WA tails sell in the US market in the high $30's and low $40's (per pound), Caribbean and other warm water species continue to flounder within the $16-19/lb being even less than half price of cold water products.

For many traditional mid level tail users, WA Lobster options have largely been deleted. At the top end, menus remain relatively unchanged even though restaurant traffic has reduced. Importers point out the obvious demand and supply relationship where even though typical US consumption of WA lobster has dropped by a huge scale, the reduction in production volume has been even greater.

Importers now look to receive improved media news and further confirmation of reduced production to provide support to buyer concerns.

*NOTE : Frozen exports from WA to USA over the period Nov 10 – Jan 11 totaled 100mt vs 190mt over the same period prior year.

USA Frozen Rock Lobster Tail Imports (mt) '000 kgs			
Origin	**2008**	**2009**	**2010**
Brazil	2,838	2,032	3,072
Bahamas	1,495	1,805	1,688
Nicaragua	1,667	1,408	1,477
Honduras	1,369	1,233	1,454
Australia	1,146	633	411
South Africa	392	478	357
Panama	190	242	198
St. Helena	116	144	206
Belize	174	139	200
Dominican Republic	120	102	201
Colombia	173	101	107
Spain	61	99	255
Turks and Caicos Islands	38	31	29
New Zealand	49	13	39
Mexico	37	11	71
Ecuador	39	7	9

Europe

One of the winners of a difficult pre-Christmas live lobster market was the European fresh chilled cooked market which still managed around 57mt by air at competitive prices. Only 1 container of frozen lobster was noted as shipped to Europe over the first half season reflecting the continuing limited demand for higher valued lobsters in that market.

Australia

Major east coast markets purchased steadily over the Dec-Jan period however found relatively quiet retail times through the continuing poor weather periods. Imported lobster volumes were up as buyers were mostly unable to secure adequate WA Lobster parcels or pay the increasing average frozen prices. The distinct lack of frozen West Australian A sizes (U/460g) within the offer parcels also limited supermarket and general retail activity this year. Higher end restaurant users targeting B or C sizes were observed as maintaining their preference.

New export markets of note were NZ and Mauritius.

Australian Frozen Lobster Exports : BY EXPORT WEIGHT				
	Oct-10	**Nov-10**	**Dec-10**	**Jan-11**
United States	19,351	4,904	48,828	51,999
Taiwan	0	0	158,980	55,050
Japan	8,276	11,438	47,866	17,126
France	0	0	10,538	0
New Zealand	0	505	4,316	0
Hong Kong	5,562	0	11,337	23,032
Mauritius	0	0	9,940	0

DISCLAIMER

RESEARCH LOG BOOKS

The number of fishers participating in the research log book program this season is well down on the 2009/10 season, however, this is not surprising considering the amount of paperwork that has to be filled out by each skipper on each fishing day. Nevertheless, it is extremely important that as many fishers as possible provide research information to the lobster team at Hillarys, particularly during the current changeover season to the new (ICL) management system.

A new simple research log book has been designed for the present season and provides for additional information (particularly on the breeding stock) not recorded on the CDR form which is filled out on the day of landing.

To those fishers who are currently filling in the new research log book, sincere thanks and to those fishers who were forwarded a log book prior to the start of the season and have not commenced recording research data or sent it in, please consider!

If you feel that you would like to join the program, please phone Eric Barker or Mark Rossbach on 9203 0111 to request a log book and be placed on the mailing list. Alternatively, contact your local Department of Fisheries office and leave your name, address, boat number and name and a log book will be promptly forwarded to you.

***This information was provided by Mr Greg Hart and Mr Ben Patton of Wild Oceans Pty Ltd, Suite 4, 18 Parry Street Fremantle, WA 6160 ph: (08) 9433 6785 fax: (08) 9335 8478.**

Except where acknowledged, the information in this bulletin has been supplied by the FISHERIES RESEARCH DIVISION of the DEPARTMENT OF FISHERIES (WA). Contact Mr Eric Barker or Mr Mark Rossbach ph: (08) 9203 0111 fax: (08) 9203 0199.

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