

Suzana Blake: It is February 19, 2020. My name is Suzana Blake. I am here with – can you say your name?

Wan Ho: Wan, W-A-N. Wan Ho.

Jason Ho: Jason Ho.

SB: And his son, Jason. We are at the NOAA offices in Miami, the NOAA Fisheries Science Center. We are here to talk about the lobster industry, and their experiences in this industry and beyond. I will start by asking you in the first place because I know you came into the business a little bit later, [Jason]. When and where were you born?

WH: Born in China, Canton. When? 1952.

SB: 1952. And you were born –?

JH: I was born here in Fort Lauderdale, Florida, 1988.

SB: '88, okay. Did you grow up in China? When did you move to the United States?

WH: I moved to the United States in 1974, when I was twenty-two years old.

SB: Did you come here as an adult with the family or on your own? Why did you come here?

WH: On my own. First, I was born in China. I went to Hong Kong. I stayed in Hong Kong for three years, and then I apply to come to the United States – resident.

SB: As a resident?

WH: As a resident.

SB: Were you involved in the fishing business, in any way, in China, before you came here?

WH: No.

SB: No? So how did you get into that business?

WH: Let's see. Ten years ago from now, it was the year 2009 or '10, or something like that. I worked for my boss in New York, and he hired me to research some conch meat they call whelk in New York area. That's why I worked for them. They export to China by that time. I did my job. I search, go around to where is the production for the whelk, the conch. Then I find out – from Massachusetts, Virginia, and New Jersey. They start to do business there by that time. Then they find out down in Fort Lauderdale [they] have a golden crab. By that time, we start to buy the golden crab from Fort Lauderdale.

SB: This was a dealer, exporting to China already, focused on fish products?

WH: Yes, he's a dealer in New York.

SB: In New York?

WH: And also a processing company because they have to buy the conch or whelk, they call it. Then they bring to New York, and they're processing and frozen and sent to China – export to China. Then the second product – they're looking for the golden crab down here. After the golden crab, then they find out [about] the spiny lobster.

SB: When was that?

WH: When?

SB: Yes, when you started –

WH: [I'm] talking about nine years ago from now. I'm going to say the year 2010.

SB: That's when you started in that business.

WH: Yes, we start. We go down to the [Florida] Keys to find out where is the lobster. I don't know the lobster, these spiny lobster. I never heard about that. I live in Florida for so many years. By that time, they asked me to look into this product, and I start to get information in a mailing listing, the commercial fisherman, and then I send a letter. I send a letter out to the commercial fishermen in Florida, and somebody responds to call me back to say, "Oh, yes. We have a lobster. We have fishermen. We have a boat." By that time, I started to go down to the Keys to talk to the fishermen about these products.

SB: That was around the same time? About 2010?

WH: Yes.

SB: Until then, you were living in New York, and then you moved here?

WH: No, I'm down here all the time.

SB: You've been here?

WH: Yes, I've been down here about forty years. But I get the job from New York. I don't have to go to work in –

SB: In New York?

WH: – New York company. I'm free to looking – the product, what they want.

SB: You're still employed by the same company today?

WH: No.

SB: No? Today you're independent.

WH: Yes, I'm independent.

SB: When did you transition to your own business?

WH: It's about year 2011.

SB: Okay. So very soon after?

WH: Yes.

SB: When you came into the lobster business in Florida, were there other dealers selling lobsters in Asia, or were you the first?

WH: I'm not the first. I don't know this lobster business. The Chinese people, they come down to Florida to buy live lobster. This lobster in Florida – some other company is doing about – past fifty years, sixty years ago. I heard about that a long time ago. Japan comes here to buy live lobster shipped to Japan. For a while, there are no more. They don't continue. Then it's an American company, like the Keys Fisheries, Carlos Seafood – they do the frozen lobster, frozen lobster tail. That's what they do so many years. Until about nine years ago, the Chinese people come down here looking for the live lobster to buy. Then they change the price, the industry by that time. I'm not the first one [to] send the lobster to China. The company from New York – his name's Larry. I take him down here, and he had no idea what's there. I said, "Yeah, I know a few fishermen. I have a contact." My boss, a long time ago – that company in New York. Also, he come down here to set up the other company to do the export/buy and export from Miami. They set up the base in Miami.

SB: You said that you split from this New York company around 2011.

WH: Yes.

SB: Can you walk me through what you need to succeed in your business? How did you succeed in your business when you split and became independent?

WH: Basically, I have the other business with golden crab. I ship the golden crab by myself. I do small; I don't do big. I buy golden crab. I sell it locally. Maybe I sell it to New York. I buy from the boat [in] Fort Lauderdale or Palm Beach. I do small value, beginning from that point. Then, if somebody asks me, "Hey, I need the lobster to China," but I don't know how to pack, I don't know how to carry – the whole processing, timing, how to keep the lobster alive to China – I have no idea by that time. But I learn from the other people and set up the lobster tank and [inaudible]. We learn the processing time. [It] probably takes me about a year to be successful, to send the golden crab and the lobster to China.

SB: It took you a year?

WH: Yes.

SB: So the other participants in this industry, it seems that they're fairly friendly since you were able to learn from them. How did that work? They didn't feel you were competition coming in.

WH: By that time, no competition. I'm the second one to do the live golden crab. The live lobster, I'm pretty late. I worry about – I buy golden crab sent to New York. It's easier. If you're going to buy golden crab, buy lobster, China is different – the timing. How do you keep it alive? Otherwise, you're losing money. That's why the other Chinese company come down; we learn from each other how to [do the] packing, keep [the lobster] alive to China.

SB: It was actually people from China that came down here to help you figure out that process?

WH: No. The people not from China. The first people I brought down from New York – he's the one that has more experience. He's in the seafood business in New York. His name is Larry. That's why I take him down to the Keys, to look for the lobster to buy.

SB: Do you know why it's important in the Chinese market for the lobster to be alive?

WH: Say that again.

SB: Do you know why it is important in the Chinese market for the lobster to be alive, not frozen?

WH: I don't know. That's their culture. They like to eat the live seafood. They don't want the frozen priority. If you go to China, you go to the seafood market. You're going to see a lot of live lobster, live fish, live crab in the market. They can sell more higher price. The frozen, they are not the priority choice for the seafood item.

SB: That's interesting. What is your connection with the Miami River? I know you're located in Fort Lauderdale, right?

WH: Yes.

SB: What was the connection with the Miami River?

WH: For beginning, because I don't know Miami River have lobster fishermen, I go down to the Keys to buy. The first person I know – his name is Tony, and [inaudible]. I know that two people responded to my advertising because I sent a letter out, sent a postcard [saying], "I buy lobster. I buy golden crab," and a few fishermen called me back. That's why I go down there, driving from Fort Lauderdale to Key West to buy. So far away – three, four hours each time. One day, Tony [inaudible] – he gave me the name – the Miami River – Manny Toledo. He said, "Yeah, maybe it's better for you. You don't have to come down that far." One time, we were

supposed to go down there to pick up lobster, but our truck broke. That's why he cannot keep the lobster and turn around. [laughter] He knows I'm too far, and then gave me Manny's name to contact. I can buy from Miami River, [which is] closer. That's why I contacted the Miami River fishermen.

SB: When was that approximately?

WH: That was about eight years ago from now, 2011.

SB: You still buy from Manny Toledo today?

WH: Yes, until I sold the business, I still buy lobster from him. Today, I sold my business completely.

SB: Today?

WH: No, last year.

SB: Last year, you sold your business. Now you're retired?

WH: I'm retired. [laughter]

SB: Okay. I thought you were continuing in the business.

JH: That was the plan, but we decided to look for other ventures.

SB: I see.

JH: With the challenges that we're facing, the timing was over to move on to other things that may be more profitable.

SB: Okay, I want to get to that point.

WH: We still own the property, the marina in Keys – Marathon.

SB: What marina?

WH: Just a small marina.

SB: In Marathon?

WH: Be able to buy lobster and seafood from over there. Also, that location be leased for somebody else to do it. That's why we still understand the connection in the Keys, and what's going on.

SB: No, no. I'm not doubting that at all. [laughter] So you already talked a little bit about what was available in terms of businesses when you started buying lobster and the golden crab, and selling it to New York. What can you remember, and what do you know about the fishing industry in this region when you started? How was it for you? Was it competitive? Was it tough to get in? What stood out for you when you started?

WH: When I started, there were not too many competitors. In the American society, they're very stable, the buying and selling. They're here a long time. That's why the prices are stable. By that time, I remember the fishermen, like Manny Toledo, selling to Carlos Seafood. The prices are not that high, maybe four dollars, five dollars top for the frozen. By that time, the market prices are like that. It's not like ten dollars, fifteen dollars, that kind of price. By the time I come in, I remember I pay six dollars a pound. Originally, five dollars a pound. But the Chinese people come in to buy the live [seafood], and the fishermen know they have to do more work, and have a live tank in the boat or keep it alive if they ask for six dollars. The golden crab, I believe, by that time, I paid a \$1.50 a pound. I know the fish I buy from the boat direct from the boat, \$1.50, \$1.75. The fishermen say, "One day if I got 2.50, I'm happy. Three dollars, I'm happy for the price – and the lobster." Of course, we want to pay as low as possible. It's the market. People, more competition comes in, they [inaudible], and that's why the price goes up, goes up. If China [is] able to accept this price, why not? We are the middle man. We just buy and keep and hold them and pack and sell. That's why we keep over higher price – higher and higher.

SB: So the prices grow as competition grows?

WH: Yes. If the fishermen say we're not coming to pay high price and keep the price five dollars, half of the fishermen are going to be out of business. That's what they told me. Right now, that's why they keep the price – right now, they come back down. Today, I heard that they only pay six dollars to the fishermen because China's not buying in this moment. That's why the price goes down to six dollars to the boat. If you want to do the frozen lobster, the frozen lobster tail, yes, you cannot pay that high price. Only the live – you'll be able to pay seven dollars, eight dollars, nine dollars because this is the market in China. [inaudible] understand that.

SB: When is the first time, in your almost ten years in this industry, that you notice a change in the way things were done in the business? When is the first time you notice the change?

WH: Change for the fishermen? The industry?

SB: Everything. You told me a little bit about the pricing. So changes in pricing. If you can remember – probably not because the before and after is not as evident – that transition for fishermen from frozen to having live tanks, how did that work for them? Were there any fishermen that had to go out of business because they couldn't afford the upgrade of the boat, anything like that? Was there a time where –? You told me that the prices started going higher and higher, especially for the live lobster. When did that trend stop, if it stopped, or went down? Any of that.

WH: I think it's about seven years ago. I forget – 19-whatever.

SB: It's okay.

WH: I remember about seven years ago, more Chinese people coming down. They are from Hong Kong. They are from China. They are from New York or even California. By that time, because this is a new item in China, it's selling hot. More people are coming down here, looking for the location to setting up with a dealer, like a packing company. Golden crab is not as hot as the lobster because the crab – you can get crab from California – Dungeness crab. You have a lot of crab supply from Southeast Asia. The crab is not as good as spiny lobster down here. Anyway, the golden crab also – Chinese people come down to buy, until to right now; they sell for six dollars a pound from the boat. The prices increase about three-fold or three times. The lobster from that time, from six dollars up – and more Chinese come here to buy. From now on, it's about three years ago from now, it's a peak, the price. Three years ago, you're talking about 2016. The price was so high. I remember somebody told me they paid twenty-two dollars a pound in the Keys for the live lobster.

SB: The fishermen?

WH: To the fishermen.

SB: To the fishermen.

WH: The boat. The boat price. So, for myself, the most I paid [was] about seventeen dollars a pound, to the fishermen because the holiday in China, the New Year – Chinese company, they called – because our profit margin [is] fixed. But [if] they're willing [to] pay more, then we have to pay more to the fishermen, to the boat to get the lobster. You don't pay, then some other company pays. So we always match the price for the market price for the boat, for the fishermen. Me? Myself? I pay seventeen dollars a pound – the highest I pay. By that time, the price is very easy. You pay twelve dollars a pound, thirteen dollars a pound. Especially in the wintertime, less lobster, you have to pay more price.

SB: [inaudible]

WH: Yes. Then, from three years ago to peak and then start to coming down. Somehow, some Chinese company, they out of business; they don't handle right. Maybe the mortalities are high. Maybe the operations have some problems and have a couple [of] Chinese companies out of business and less competition, less people fighting for the price, and maybe the lobster fever – the Caribbean lobster fever's over, and so the price comes down by that time, three years ago.

SB: What do you mean by the Caribbean fever?

WH: Caribbean lobster. That's what we call Caribbean lobster – like the Florida lobster.

SB: I understand. They were buying from the Caribbean before, or what was it?

WH: Okay. The Key West lobster is also everywhere in the Caribbean country – Cuba, Bahama, Brazil – same kind of species, different color maybe. Also, by that time, the other Caribbean countries, they start to ship the live lobster to China. That’s what I heard about – from Brazil, from Mexico. For the first few years, they don’t know how to handle how to pack and how to keep it alive and the airline problem, too. Let see. From Mexico, they buy from Cancun or some area in the Gulf of Mexico – how to keep it alive – same thing. They need time to learn to be successful [inaudible] year or two.

SB: You’re saying they’re basically catching up, and probably the buying has shifted in the Caribbean at this point.

WH: Yes. That’s why the price start to drop down, and some Chinese people are out. By that time, the lobster price now starts to move down, not like before; they paid the high price. This year, I heard the most they paid [was] about thirteen dollars a pound.

SB: The most?

WH: Yes, most. Or twelve dollars a pound – something like that – to the fisherman, to the boat. So compared to the peak [where they] paid twenty, twenty-two dollars a pound, they dropped the price. There’s a few reasons. There’s less competition in the China markets are not as hard as before. Also, it’s the other country – they ship the live lobster to China. There’s a few reasons to make this [inaudible] price come down for the boat price.

SB: I see. You mentioned that if the price drops to about six dollars, it’s not viable for many fishermen.

WH: Yes. The fishermen – it’s difficult. That’s why I heard about it. Because more is better for the fishermen. Right now, because China is not buying the live lobster [inaudible], now the frozen processing company – you’re not going to pay ten dollars a pound and sell for nine dollars a pound for the frozen. That’s normal business. For the lobster tail, [inaudible] twenty-two dollars a pound wholesale, twenty-three. Ten-pound lobster – you only get thirty-three percent for the tail. You cannot pay ten dollars a pound for the lobster to do the tail. It will cost you thirty dollars a pound – the tail. That’s what I understand. Once the Chinese people not buy the live, the price has to come back down to six dollars, five dollars – maybe, [at] most, seven dollars. That’s what I understand. That’s what I’ve been learning for the past ten years, to understand the price from the boat for the middle, like us the middle person, to pack the lobster, and the processing company, such as Keys Fisheries, Carlos Seafood. They’re not going to pay that kind of high price for processing.

SB: Okay, that makes sense. I was going to ask you to – I would like to understand, even in more detail, your job as it was. If you were to pick, when you were still in business, a day in your life, what happens when you wake up? Where do you go to buy the fish? How do you negotiate? How do you pack? What do you do? If you go through a normal day in your life when you work in the business, what happens?



WH: Everyday business like that. You have communication with the China market, the buyer. They're going to tell you, "Yeah, this is the price." They set up the price for us. Not us set up the price. Because according to the market – they have a seafood market in the city. They have competition, too. Not only one shipper. That's why I have about nine to ten shipping companies in Miami and the Keys. Everybody have a different buyer in China. Also, they compete with each other in China – the market. Everybody knows [and] understands the holiday pay more. After the holiday, the price drops. Then they tell us. "This is a price." They're reasonable because they also compare to the other countries – the lobster in China [inaudible] the price. Such as the Australia lobster – they're good lobster. They're stronger. They look prettier. They can sell at higher price.

SB: What lobster is that? Australia?

WH: Yes.

SB: Lobster from Australia?

WH: Yes. It's a different country, like Australia, from Mexico. They have lobsters shipped to China and specific [inaudible] lobster, they call the red lobster. Maine lobster, Canadian lobster – all kinds of lobster, they went to China. So our lobster, spiny lobster – one of the lobster, one item.

SB: How is the spiny lobster of Florida situated among all of these other lobsters? You said the Australian lobster is highly valued because it's very tasty. Then the Mexican lobster is also good, and Florida lobster is the third. Do you know?

WH: Probably, we're in the bottom. [laughter]

SB: Really? So it's not one of the [inaudible].

WH: The lobster meat is good. Lobster meat is good. Lobster looks good. The problem is this warm water lobster, very difficult to keep it alive for a while.

SB: Interesting.

WH: The cold water lobster – keeping two weeks, three weeks, a month in China [in] their own tank, it's not a problem. Our lobster, spiny lobster, is a warm water lobster. There's many, many reasons. Even we buy the lobster from the boat, from the Keys, from the Miami River, put the lobster in a lobster tank to hold it, all depends on the time of the year. Summertime, there's a lot of mortality for this lobster – high mortality. That's why we buy the lobster from the boat – a thousand pounds. Probably before we ship out, we lost about ten percent of the lobster, or fifteen percent, or twenty percent of the lobster. We cannot ship out. Now, this lobster only can do the frozen and the tail. We ship eighty percent of lobster to China because we are far away – Miami to China, it takes us – totally, from the tank to the other tank, it's about thirty-six hours to forty hours. Now lobster getting weak. For the summertime, it's hot weather, hot water. The lobster is – very, very bad situation for the lobster, for the shipper, and for the buyer. Sometimes the

lobster – why go to China? They lost half the lobster. [laughter] So that’s why the lobster is good, but our lobsters – very bad situation to compete with the other lobsters. Australia lobster – to China [it’s] only eight hours, ten hours. The lobster mortality is low. The receiver, the consignee – they have a choice. That’s why they pay higher price for that; pay low price for us, for the Miami lobster.

SB: Interesting.

WH: The thing is to change – for the past couple of years, before, the shipper, they have a hundred-thousand pounds one week. They send all the lobster to China – one-hundred-thousand pounds. China takes [inaudible] time. But past two years, they tell you, “Don’t ship. Don’t ship into here.” Because the market is full, or if you’re going to have fifty-thousand pounds one week of lobster, for example, is [inaudible] to sell in the market. The lobster [you] see in the tank – every day, you have to pick up the bad lobster from the tank with the mortality. Even forty hours later, why go to China in that tank? Next day, they have to pick up ten percent. Number three days, they pick up the other ten, fifteen percent. They lose the value. They lost the lobster. That’s why our lobster is not the best situation to compete with the other country’s lobster.

SB: I understand. So it’s not necessarily in terms of the taste or the quality of the lobster. It’s all the factors like they’re sensitive, and they die due to the long distance and the shipping issues. I understand now.

WH: Because this lobster [requires] the water qualities [to be] very, very high. That’s why for the past ten years, we’re always thinking – we don’t have a [inaudible] people helping us to keep this lobster alive. But we understand that this lobster, because of warm water – different than the cold water lobster. I believe they’re more – what’s the material inside killing the lobster? That’s why you cannot keep that long the lobster. In the wintertime, the weather [is] cold, the water is cold. Much easier to keep this lobster for two weeks, three weeks in the tank. It’s not a problem. For the summertime, it’s very difficult to keep this lobster alive for so long.

SB: I’m curious because I don’t know much about the lobster. One of the things I was going to ask you about was the seasonality. Right? There’s the open season for lobster fishing, and it ends in April. Am I correct? What’s the season?

JH: March.

SB: So it’s the whole year?

Pam: No, March.

SB: From what?

JH: August to March.

Pam: August to March.

SB: August to March.

JH: Eight months.

SB: Eight months. It's substantial. In this period, you have two periods. One is the summer, where the water is hotter, and it's more problematic. Then you have the winter water that it's a little bit easier. You talked about that. I'm curious. When you pack the lobsters – so the fishermen bring it in the live tanks, and then you take over – do you adjust for water temperature? What kind of water do you use in your tank? How does that work? Do you just take seawater? What do you do?

JH: Yes, because we are inland, this is a closed system. We don't get the live water coming from the ocean. We have to use our tank closed system. We have filtration to set the temperature. Let's see. Summertime out there is about ninety degrees. The water is even ninety degrees above the surface. So we're coming to our tank, I set it about seventy degrees. I don't care – outside it's about ninety degrees, ninety-five degrees. I still set my seventy degrees. That's best. This lobster, some fishermen tell me, "Oh, twenty-degree difference, the lobster is shocked [and will] die." From my experience, no. Because in the [inaudible], when you pick up the lobster, by the time you turn the refrigeration on, seventy degrees, yes, fine. The lobster gets used to [inaudible] few hours. It is okay to put in the water right away – seventy degrees. Then you gradually come down to sixty-five, sixty degrees, and keep the lobsters – better situation to keep it last longer [inaudible].

SB: You figured that on your own experiment? How did you figure that out?

WH: Yes, we exchanged ideas for other Chinese, and also, we test our own. Even some fishermen in our marine set up the light tank. He don't believe sixty degrees keep it better. Even they're kept until midnight over there – I told him, "Sixty degrees, keep it. Okay?" You bring some [in] wintertime, bring the lobster in [at] sixty-five degrees, [and] come down to sixty, even fifty at night. Okay? The lobster are going to be better. Now he believes what I say. He say, "Mr. Ho, it's good." Sixty degrees keep the lobster more alive, less mortality. That's our experience. Sometimes, even you put down to fifty-eight, fifty-seven degrees, the lobster is still alive. But you have to gradually come down. The lobster is good for that.

SB: When you say graduate? Every day one degree?

WH: Every hour, every day.

SB: Every hour?

WH: Yes, it comes down one degree. That should be good.

SB: Interesting. So what do you do for the rest of the season? Between August and March is the lobster season, and that's what you do. You pack and ship and deal with that. What do you do for the rest of the year?

WH: Yes. That's why I develop the retail business. Keep us busy and pay the bills. Some other Chinese companies just pack lobster, ship lobster out. They have closed for months. They're out. Go home [and] relax for four months and come back.

SB: Retail? Tell me.

WH: We have a retail that we keep open for the whole year.

SB: What do you sell?

WH: What?

SB: What do you sell?

WH: Fish.

SB: Fish? Other fish?

WH: Seafood market.

SB: Seafood market.

WH: Yes.

SB: I understand. What is the name of the seafood market?

WH: It's called the Lobster and Seafood Warehouse.

SB: This is in Fort Lauderdale?

WH: Lobster Seafood Warehouse. I forgot. [inaudible]

F: Lobster Seafood Warehouse.

JH: [laughter]

SB: That was in Fort Lauderdale?

F: Lauderhill.

WH: Lauderhill.

SB: Lauderhill? You sold it?

WH: I sold it.

SB: It's sold. But it's still there. It's the same thing.

JH: It's under a different name.

SB: Different owners.

WH: Under different name.

JH: Different owners.

SB: Got it.

WH: It's very successful. It's a warehouse neighborhood. From nothing – from zero, we built up to the small business. It's good. I'm happy to do that. [laughter] And service the area. They got the best seafood store – fresh.

SB: Did you used to buy, when you were owning that, from the Miami River? Any fish besides the lobster?

WH: Oh, yes. We buy fish from different wholesalers, the importers from Miami. Miami has a lot of seafood important from South America, Central America, and Caribbean islands. The neighborhood, they like the snapper. We put a lot of snapper in the case. Besides Miami River, they have – one kind of fish is called lionfish – lionfish, mutton snapper, and some bottom [feeders like] porgy. It's good. Always, we make [inaudible] seafood is selling.

SB: You say you buy from wholesale sellers on the Miami River, but also from –?

WH: No, we buy from Miami River and buy from wholesale. Even buy from the Keys for the yellowtail.

SB: Yellowtail?

WH: A lot of yellowtail from the Keys – kingfish, Spanish mackerel.

SB: When were you were doing that, what would you do? Do you go personally and check the prices and the fish available and buy?

WH: Oh, yes. That's why I purchase [inaudible]. Every day, wake up, and let's see what kind of – in the seafood case – what we want to be purchasing. The lobster season now, I have to talk to China overnight, what kind of price they're going to pay, and tomorrow morning, I'm going to talk to the fishermen – what's the price out there I'm paying? Sometimes we don't get the first information. It's always a little bit different the price or somebody offers fifty cents more, or a dollar more. What can I do? I have to match the price. I believe the fishermen [inaudible]. "Mr. Ho, somebody says seven dollars. Now \$6.50." I say, "Okay, go pay seven dollars and fifty cents." Because we have the room to adjust the price a little bit.

SB: I understand. Fascinating.

WH: That's the business for the live business. Every day overnight, you have to talk to China. In the morning, you have to talk to the fishermen or text message. That's why, today, all the boats, they know each other. When people [inaudible] everybody knows [inaudible]. So we have to match the price. If somebody pays lower, "Oh, I'm not selling to you. I'll sell to somebody." Or you match the price; I still keep your account. Like with Manny Toledo, we always worked good. Or I say, "China, tell me ten dollars." He say, "Wan, I find out from the Keys; they pay eleven." Sometimes I say, "Okay, make it happen. \$10.50."

SB: It's a negotiating process.

WH: Yes, that's what we're doing – to doing business, to surviving, to stay in the business that way.

SB: Do you think it's a good community? It sounds like you guys know each other by your first names. Everybody knows who Sam is. Do you like this business? Did you like this business? Was it friendly? What was your impression?

WH: I liked this business, but it's a very tough business. It's a lot of risking. You don't see for the shipper. So if I'm packing or shipping, we deal with different kind of risk factor. Like an airline – okay, the lobster come into our warehouse, in the wintertime, a small percentage [of] mortality. The summertime is higher. We [inaudible] for that. That's why we have to open the seafood market and processing room. For the big lobster, you got to turn back to the – get some money back. Otherwise, you lost more, and you're selling other – selling to other processing company. They give you lower price. Then you lose. The other risk is the airline. The airline, they just be able to – their job is [to] take your product and go to the other location/destination, and that's it. Their job is done. But they don't guarantee the timing – arrival over there on time. You have to sign a waiver, say you cannot [inaudible] the airline twenty-four hours delay. They don't pay you back. For our job, many times, we lost maybe twenty to fifty-thousand one time.

Pam: Because of the airline.

SB: Delay?

WH: Because the airline problem.

SB: Was it a specific event, or was it random?

WH: What's that?

SB: Was there a serious reason why the delay was so long?

JH: Just weather.

SB: Just weather.

WH: The weather –

JH: A lot of factors.

WH: – or mechanical problem for the airline or the pilot have a problem. All kinds of problems. [laughter]

SB: Just a regular airline type of –?

WH: Every year, you got to figure [inaudible] at least you see three times a problem like that. We were shipping – because the airspace sometimes is limited. You have many airlines from Miami to Hong Kong, many airlines from Miami to China. Some are not a direct flight; they have a connection somewhere. That's why we work with the largest company, the (Air Freight Forward?) to get the best airline to deliver it to China. But sometimes, there's so much difference. All our industry, we use all different airlines. We use (Cathay Pacific?). There's a Hong Kong airline. We use Air France, Lufthansa from Germany, and everyone almost. Even use the [inaudible] Dubai?

JH: Emirates.

WH: What?

SB: Emirates.

WH: Yes.

SB: These are commercial.

JH: These are passenger airlines.

SB: Oh. Do you put it on passenger airlines?

JH: They have priority for passengers. Sometimes they have no airspace for the cargo for our product. Then we don't get the space.

SB: It's like cargo. They use cargo, and passengers usually – I see.

WH: A lot of time, they sit in the Miami Airport until you come back to pick it up. Because more passengers on the flight, your lobsters are going to be high. There's a lot of different – but a lot of times, we lost money. You take back the lobster – from Miami International Airport, it's okay – maybe ten hours – you lost maybe ten percent. Sometimes, they go to Houston or Los Angeles. They say, “Oh, your lobsters will come back.” [laughter] Now, we have to come back to pick up the lobster. Then you've lost percentage. The worst case is we use the British airlines, and they fly to London. The London cannot catch the other flight, and then twenty-four

hours – they say, “Twenty-four hours later, we bring that to Hong Kong.” All the lobster are dead.

JH: Lose the whole shipment.

WH: Yes. Then China say, “No, no. Don’t bring it. We know the older lobster die.” Even customs doesn’t let you pass because they know it’s a total loss. So we have to spend the money in Hong Kong and destroy that. Double loss.

SB: Wow.

WH: For this business, it’s uneasy. It’s a lot of risk, but we get in the business ready, and that’s why we stay in the business until a couple of years ago. We now start a trade war – America with China. That is going to be more hard time for the consignee in China, and us, and the fishermen. By the time fishermen understand the price have to come down – who’s going to pay for that? The profit margin for the shippers are that much. That’s it. We cannot make huge money. Now, China company takes some loss. The fishermen take some. That’s why the price come down to the fishermen by that time.

SB: So, the tariffs?

WH: Yes.

SB: I was going to ask you about that.

WH: Yes. It’s many, many reasons. I say the time may be for me to do something else. [laughter] Like, he’s born in America – Jason. He don’t speak good Chinese language to deal with them. You never know [if] they tell you the truth or not about the mortality of this or that – a lot of different reasons. They don’t pay. They don’t pay on time – all the pressures [for] the shippers. After we get the lobster, we still have to face many risks to stay in the business successfully or make it profitable. That’s why, in the past few years, many company, they’re out of business, out of this market, out of this industry.

SB: In the last few years?

WH: For the live lobster.

SB: Three years? For the live lobster.

JH: Since we’ve been in, we’ve seen a lot of companies come and go. Luckily, we’ve been fortunate enough to be here since the beginning almost.

SB: But more so in the last few years?

JH: Yes.



WH: Because I'm almost beginning to understand this business – for the [inaudible] it's a more Chinese company or American company – come to do the live business. Once they find out the problem, from the peak, now they're coming down. Some are losing money. Some gave up. I'm one of them [that] decide, for many factors, that say, "No, let's get out for a while." You never know. Maybe I come back [to] the business later. That's why I heard about – I'm a realtor now. Some Chinese people ask me to give me the listing to sell his business. Right now, I heard about one company after this season; he's going to be out. The other one wants to sell it. If not selling, he's going to keep doing small scale and keep up the company.

SB: These are Chinese owners?

WH: Chinese owners.

SB: With companies in America?

WH: Yes.

SB: Yes.

WH: Chinese owners in company in America.

SB: Got it.

WH: I believe these Chinese live in this country for many years.

SB: I see.

WH: It's not a China company [that's] come over here.

SB: I understand now. Okay. That's what I was trying to –

WH: The only good company that survives strong is your facility for frozen. Now you can pass [inaudible] problem. You can buy the price lower. Frozen, you're still in the business.

SB: But the market is much smaller in China? Go ahead, Pam.

Pam: You're anticipating that the markets today that have switched to live, will be switching back to frozen?

WH: Right now, this moment because nobody buy the live. [laughter]

SB: But it's not going to be necessarily going to China.

WH: No.

Pam: No.

SB: Probably not.

WH: Because China, the problem right now –

SB: The market [inaudible]

WH: – even the seafood market is closed. The restaurant closed. Where are you going to buy enough? They refuse to – it's not only American product. I believe [it's] from all over the world. The merchandise is not going to try to ship to China right now. The whole country, especially for certain big cities, is just closed down.

SB: Right now?

WH: Right now.

SB: Because of the [COVID-19] virus?

WH: Yes.

SB: Because of the virus. That's another development. You mentioned the company you were selling to, most closed down.

WH: Yes. Even before the season closed down, they're not shipping at all. China don't want the lobster. Not only American lobster. It's any other country [inaudible].

JH: No live products.

Pam: No live products.

SB: Why?

WH: Because the market closed in China.

SB: I see. But why did the market close?

Pam: Due to the virus.

JH: Correct.

WH: Because of the virus.

JH: Due to the virus, yes.

SB: So, this is very recent.

WH: It's not going to last long like that, but we expect [in] August it might come back. I don't know exactly. The market open. The people shipping to China again. How much the scale, we don't know. The best companies survive through the live and the frozen – same time. That kind of people – yes, no problem surviving.

SB: Very interesting. I was going to ask you another question about how you were shipping the lobster. What kind of containers? I know you're keeping them in live tanks to ship them via airfare. What are you doing?

WH: Now, I'll let you talk. You know how to do it. [laughter]

SB: You're doing it, [Jason]?

JH: I was in charge of all the export operations. We typically pack it in an insulated container, like a cooler. We put gel packs because, typically, you cool the lobster down. They go into a coma state. They go to sleep. We pack usually wood or hay, so they don't bounce around too much. By the time they get to China, they open the box. They take out the ice packs. They wake back up, and they put them in a tank over there.

SB: Interesting. How many people were you employing in the company?

JH: Typically, our dayshift was five people for the retail, and then at nighttime, we had a different shift for the export operations. So about ten.

SB: About ten. You were hands-on, too?

JH: Yes.

SB: Yes. Interesting. Let me see. I don't want to forget anything. So you said you have a relationship with the fishermen you were selling – you had a list of fishermen who were working, and you were negotiating the price. Were there any major changes in that list of fishermen? Besides the change from the Keys to Miami River, any other changes during the time you worked or the list of fishermen stay the same?

WH: The fishermen stayed the same. For me, because we are fair – fishermen are very simple. Whatever the reasonable market price, he wants to keep. We're going to keep the relationship [inaudible] in selling to all different kinds of companies. Also, we have to keep the promise to – no matter what day you go out, how much you have, we have to take everything. That's why the fishermen like it. You're going to sell half lobster to you, half lobster to some – it's more headache for everybody, right? That's our commitment. Whatever comes in, I buy all from you. That's why some fishermen, like Manny Toledo, the marina have a few boats. I cannot take all the boats. That's why me and this fisherman – Toledo is okay – “You sell to somebody else, too.” I understand I cannot take all your product. Today, I take all yours; tomorrow, I cannot buy all. You have to sell to some other dealer, and then they get mad. “It's a good time, and you don't sell to me. Bad time – you're looking for me to buy.” That's why the relationship with the

fishermen has got to be understanding and fair for each other. That's why we keep the relationship good with the fishermen.

SB: You mentioned earlier the relationship with the Chinese buyers. You fear that because your son doesn't speak native Chinese – I'm sure he speaks very well, but because he wasn't born there, it might be tricky to maintain that relationship profitable on your side. Can you tell me a little bit more details? How do you know if they tell you the truth? I assume that what you're talking about is what percentage of the shipment arrived alive because they don't pay you for whatever was dead. They don't pay you, correct? How are you managing that? How did you know they were telling the truth? Tell me a little bit more about that.

WH: You have no idea. Sometimes, for beginning, I just ship – we pick up to consignee, the receiver, then you have the same kind of lobster from [inaudible] tank, the same shipment. Give it [to] two customers. Okay? If one customer tell you, five percent, the other one tell you twenty-five, you're going to figure something wrong right there. Same time, same lobster, same from the tank. One time, maybe understand it. If every time is like that, there's going to be some problems somewhere.

SB: So you stop selling to them?

WH: Yes. Sometimes, after a while – a year or two years later, we hired the inspector over there to check a product because arrival, no matter what time, our inspector to see – checking the lobster – how many are alive, or how many are dead, or not complete dead, or whatever. That's our system to protect it.

SB: Okay. Very good. For example, we had Hurricane Irma. How did that affect you? Any other events like that? Did that have any effect on you or impact on you?

WH: Yes.

JH: Across the whole industry, took a pretty big hit. A lot of our boats or our fishermen, they either got damage to the boats. The traps got blown away. How do you recover? Some fish houses were completely destroyed. He mentioned we have a marina in Marathon. We took pretty extensive damage ... as he mentioned, we have a marina in the Florida Keys, and we took extensive damage. It took almost two years just to rebuilt. Industry-wide, they had to close the season. Also, the lobster all migrated elsewhere. That's a pretty big hit for everybody.

Pam: And your facility?

SB: What did you do to adapt? How did you adapt? What did you do? You just took the hit and were able to move on and recover the next season financially?

JH: Because we had the retail store, we were still able to move the product and keep the lights on. Whereas other companies, they closed up shop either for good or until they could repair.

SB: So you were lucky because you were diversified in a sense?

JH: Correct

SB: Do you hear any complaints from the fishermen in terms of the price they have to pay for docking on the Miami River? Is that affecting their business or it's always been like that?

WH: I don't understand.

SB: On the Miami River, the prices for bringing your boat or the lobster cages there are increasingly higher. Did you hear any complaints from the fishermen?

JH: Manny.

WH: What?

JH: Manny.

WH: Oh, yes. Manny's different. Toledo's different. He [inaudible] he make the traps for people.

Pam: Traps.

WH: He doesn't hurt that much. Also, the price, of course. Lower price is because you have a lot of overhead. They always say a lot of overhead. The fishermen are complaining – the price lower. What's special for this time – less lobster harvesting and the prices are lower. It's a double hit. A lot of fishermen, they pull their trap back earlier this year. That's what I heard about because no such thing to spend the money, go out there, and only a few lobster and the lobster price is not that high. They just take their trap back earlier. I don't know if it's true or not.

JH: Some of those fishermen on the Miami River, they're saying they're paying almost ten-thousand dollars a month for rent. If the production – you have a bad season or bad production, you can't sustain that kind of overhead. Also, due to the encroachment, all of the development, a lot of them were getting offers to sell to developers and move elsewhere. That's prime property.

SB: So if you think back in the last ten years since you've been in the business, any favorite moment? Anything that you look back and say, "That was a good time?"

WH: Yes, the good time is less competitors come here to fight for the price higher. Then you can sell to China. That's a good time and good for the fishermen – good for everybody. This is a free business country. Everybody be able to come into operations. It's not a difficult business to get in. That's why the competition comes in. You got the last profit. But for beginning, I don't know why we have so much problems from the [inaudible] problem. We face the thing and lost the percentage for the mortality. That's the other thing. Sometimes the Chinese people don't pay. It's the other thing. [laughter] Some company, they don't receive the money one-hundred percent. Yes, that happens. For us, the best time to do it – you have plan one, plan two.

That's why we set up the retail business, and a little wholesale, and the processing. You're going to be good.

SB: If you look back, would you have done something differently in your business?

WH: What does that mean?

SB: If you would be able to start all over again, would you do something different than what you did?

WH: Yes. Don't rely on the live business only. Same idea I develop. We have a retail. We have a processing and wholesale, and then you stay in the business for the next ten years, twenty years – no problem.

SB: Got it. What about you? Would you have liked to have continued in the lobster business if the slow down didn't happen? Is it something that you enjoy?

JH: That was originally the plan for me to go a little more hands-on and take over operations more and more, so my dad could ease up and retire. So around that time, we were developing a bigger facility, but these are circumstances that we couldn't have projected or foreseen. I guess it's like a blessing in disguise. We got into other ventures. But like he mentioned, if we were to do it over, we may have developed a bigger facility for frozen a lot faster. Whereas, we were saying before, the companies who are still here and still doing well have a diversified operation both for live and frozen so they can switch back and forth. In a good season, you do both. In a bad season, you do one or the other.

WH: Yes, that's a good business. If you decide, like Jason say, yes, should be okay. No problem. The only problem is the Chinese Company – they come over. They don't do the research. They just [inaudible] in. They think it's a good business to make a killing. That is the problem. If you understand the business, you'll stay here for a long time. You make a [inaudible]. Yeah, no problem at all. Good.

SB: Do you think you would go back if the prices bounce back?

WH: We'd like to go back because we do have a marina in Marathon. Any time we want to buy lobster, go back to the business [inaudible] but we're just waiting for – I don't like to lease the space, lease the facility, to pay the rent, to do the business again. I like to own the property, and then we're going to get into the business again. I will.

SB: Well, thank you so much. Is there anything that you'd like to add to this interview? Any questions? Anything else that I didn't ask that you think is important for us to understand the lobster business?

JH: No.

SB: No? Okay. Well, thank you so much. I will stop the recording.

-----END OF INTERVIEW-----  
Reviewed by Molly Graham 6/15/2020