

Fabienne Lord: Here you go.

Stephen Barndollar: Is it working?

FL: Yes, it is.

SB: All right. Stephen Barndollar is my name. The company is Seatrade International, Portsmouth, New Hampshire. Recapping our experience of the [19]90s, at that time, we were a processor of dogfish, monkfish, squidwings, and groundfish. Codfish being – cod had [inaudible] in Portland, Maine in 1988, [19]89. By 1990, we were heavily involved in the production of dogfish and monkfish. No skate really to speak of but those two species for the export market, so, underutilized fish, according to the definition by National Fishery Service. We were unloading vessels at [inaudible].

FL: Where is that?

SB: In Portland?

FL: Oh, in Portland.

SB: Yes. It was started in Portland, Maine. So, for the first two or three years, we were actively engaged in exporting species of underutilized fish, encouraged to do so by the data coming out of National Fisheries. There were no quotas on dogfish or monkfish. We did [inaudible] activity in Portland, employing perhaps fifty people, and concentrating on exports sales. Then doing some domestic cutting of flounder, cod, [inaudible] et cetera, lungfish, for the domestic market, primarily institutional sales. So, our growth really came out of working with these underutilized species. We made a decision back in [19]92, I believe, to stop processing groundfish. Not so much because of decline in the availability of fish, the [inaudible] fish from the Portland Fish exchange [inaudible], and some boats being moved there on [inaudible]. But rather because it was such a competitive business. We really weren't set up to compete nationally. So, we concentrated on the underutilized dogfish, monkfish, and occasionally, some skate. We ultimately moved to Portsmouth, New Hampshire, and put the plant here in 1993, end of [19]92, [19]93, where we continued to process dogfish, monkfish, a little bit of skates, and took fish from the Carolinas and from Carolina and Maryland, [inaudible] here, and ultimately processed. I was at the [inaudible] during the wintertime down in [inaudible] New Jersey. We were probably lucky in the sense that we had already gone to underutilized. However, by 1994, [19]95, certainly by 1995, with the new quota system or at least proposed plan on dogfish, to a certain extent, on monkfish, the 20 million pounds that we processed of dogfish at the height of our business in 1991, [19]92, had been reduced down to, if my recollection is correct, to a quota of probably around 4 to 5 million pounds, drastically reducing the availability of underutilized fish. So, the diversion for us wasn't painless. But it was difficult to process these underutilized fish relying on continuing availability and then have that cut back thematically based on data from the councils and particularly from the Northeast Trade Center in Woods Hole. Luckily for us, we fortunately also made a decision in 1997, which, by the decline of the underutilized species, to go into the scallop business. That processing and taking scallops from the boats and buying a small division of another company, that was really at the beginning of the large scallop

quota increases. The hardest thing about scallops really was beneficial for us, availability of large amounts of scallops. So, dogfish decline was dramatic. The fact that, along with that, we moved to two plants in New Bedford. In [19]93, the first plant, and the second plant, I think in [19]97, [19]98. Converted our building here in New Hampshire because we could not process underutilized fish. There wasn't enough availability of [inaudible] to make it a completely scallop operation. So, certainly, 75 percent of our revenue was derived from scallops, and about 25 still from the reduced stock fish quota landings and the [inaudible]. All three species traveled together to Europe, frozen and fresh. So, now, there's a 4-million-pound quota last year [inaudible]. We probably handle 30, 35 percent of that total.

FL: So, did the fish come from Georges Bank and [inaudible]?

SB: No. Dogfish landings, historically, they've been in Massachusetts from [inaudible] to situate some out of the [inaudible] come from [inaudible] like [inaudible], very little from Portland, Maine, where really [inaudible] Portland was very important with dogfish, underutilized monk and dogfish in the early [19]90s. When the cutbacks occurred, most of the processes at Portland went out of business. [inaudible] were closed. The fish continued to be landed to a lesser extent in New Bedford and in Massachusetts waters.

FL: So, you also have divisions in New Bedford?

SB: Yes.

FL: How many plants?

SB: Two plants.

FL: Two plants, and they are still working?

SB: Yes. We still process dogfish. We still process monkfish. We process skate. That's all being done in New Bedford.

FL: Here is the scallops?

SB: Just scallops. In New Bedford, there are scallops too. But it [inaudible] scallops here and [inaudible] just fresh. So, the diversion was painful to try to find another species that would replace what we were doing with underutilized and to – because we no longer also did any groundfish. So, we never had the pain of losing groundfish business, number one, because we were not large enough. Number two, we made the decision to move from groundfish to underutilized, 100 percent, then to scallops prior to the severe cutbacks. But the cutbacks on dogfish and monkfish to a certain degree, and now skate around the corner, they're talking about drastic reduction in the skate limits. Yes, were difficult to, not to recover from, but because we lost a lot of our export business. Because just losing personnel [inaudible]. You let people train as cutters [inaudible] with dogfish. With the cutback, those people will not stay in the seafood business. They move. You just can't retrain people fast enough when [inaudible]. When they're gone, they're gone. So, the personnel [inaudible].

FL: So, how many cycles of losing employees and training them did you go through?

SB: We went through a big one in Maine when we had people in the [inaudible] offices were working when we moved down here and actually moved to Cape Maine, New Jersey that winter. Some people traveled, most didn't. Luckily, we had some ethnic Cambodian workers in Portland that were able to come down here. That proved to be good. They're good people who have been with us for twenty years.

FL: Even in the 1990s, they were Cambodian?

SB: Yes. Portland had a substantial – early [19]90s – a substantial Asian ethnic workforce of Cambodia. Some [inaudible], a certain amount of Central Americans. New Bedford, of course, had the big ethnic community of [inaudible]. So, that was painful. But the [inaudible], if you stay ahead of the game and know where the quotas are going, what species is going to be either rebuilt or available for processing, it's always difficult. So, people carve out little niches. Our niche is not very little. It's scallops. We process about 11 million pounds a year of scallops. So, scallops, thank God, we were able to replace the declines in [inaudible].

FL: But they were big closures in the 1990s for scallops.

SB: They were early. Yes. They were closures in scallops. Scallops were very small resources up until probably [19]96, [19]97, when the closures meant that a lot of these rebuilding stock had to take place. The rotation of closed areas as well as stopping the shell stocking on the boat, they were able to bring in those shell stocks. [inaudible] they cut on the boats, which just meant you had 30, 40, 50 pounds of small scallops being processed. When they went to a larger ring gear, closures reduced the days at sea, and all that resource recovered very substantially from 12 to 15 million pounds in the mid-[19]90s, to 57 million pounds. Two years ago, 65 million pounds. So, it's been, this year, a big cut back in one growth area, which is kind of a technique. However, it declined 10 percent. But the resource is well-managed. Next year, we'll be busy again, I'm sure. That's been a godsend for us to be involved in that industry.

FL: Well, that is a change from what I hear from fishermen.

SB: On cods or on groundfishing?

FL: On groundfishing.

SB: Yes. Now, we try to have everything groundfish. When there was more groundfish, the [inaudible]. It was very difficult to compete in the Northeast market. Pre-process was in Boston. We didn't have good access to any fish that was still coming down by truck in those days. So, much like lobsters in 2001, we made a quick decision to just exit that [inaudible] business. Luckily, it was [inaudible]. That's kind of our story. Our business has grown with the scallop resource. Hope we continue. Again, our export business on dogfish and monk and skate has continued. This year's quota is advertised. It hasn't been approved by [inaudible]. But the Atlantic State Fishery Council has approved 15 million, up from 12 million last year. We are

going to apply for and try to get MSC, Marine Stewardship Council approval certification for dogfish. Scallops are in the process of also getting approval that Canada has [inaudible]. That certification, if we get it, will help tremendously in trying to rebuild the confidence of the European buyers [inaudible]. Fishery is responsibly managed and [inaudible] some of the information that [inaudible] consumers in Europe, particularly in Germany, part of the dogfish, the [inaudible]. Germany is the only place in the world that smokes the dogfish [inaudible]. So, some of the green groups in Europe and in Germany have made sort of an effort to have consumers not utilize the fish. So, despite the fact that the [inaudible], it was tried to [inaudible] on the safety a month ago, and [inaudible]. This is the only information that shows that with the 12 to 15-million-pound quota, [inaudible] a fairly small niche species, but well-managed. We hope that we'll get around it, continue to rebuild some of that business that we lost. We lost [inaudible], from what we hear [inaudible]. We've also lost consumers in Europe for those reasons.

FL: For those reasons?

SB: Yes. In the last couple of years, Germany [inaudible], retailers in France are now [inaudible]. We want to get us a certification. We want to have MSC or ERC or somebody certify that.

FL: We are more environments than [inaudible].

SB: Exactly. Exactly. Everybody wants to know where the fish comes from, how it's managed, and is it sustainable? Exactly. Yes.

FL: That is the way consumers have some power.

SB: Yes. That's right. Consumers have power. You can't [inaudible] dogfish or monkfish or skate. France is a big market. But Germany and Italy, they all eat these fish. So, that's the thing now is we want to keep that export market open however large, small that the [inaudible]. In the meantime, we assume that scallops will continue to be a robust fishery.

FL: If we go back to the [inaudible] and the problems that you had in the 1990s, how can you describe the impact on your workers and basically everything that they're doing [inaudible] the relationship among workers and the relationship with you as a boss? Can you just describe a little bit and talk about that?

SB: About the difficulty?

FL: Yes, everything.

SB: Well, in the early [19]90s, I mean, we only started out in Portland in [19]98. So, in the late [19]90s or early [19]90s, we were still having fish [inaudible] or exporting elsewhere. But we went to Portland in [19]88, I guess, correcting myself, [19]88, [19]89. So, those years, Portland was a tough place to operate in from the standpoint that they were very few trained. If they were trained, the employees that knew how to cut, they were usually working for somebody else.

When I was there [inaudible], they were five or six dogfish plants just in Portland alone, a couple more in South [inaudible]. So, fishery processors all growing on the same pool of people as well as all the groundfish plants. So, it was tough to get multi people working with comp premiums through the roof. [laughter] [inaudible] turnover of such people to come down and work for [inaudible] for two days, a week, whatever, disappear. Drug problems, you name it. So, that was a very unstable workforce. That was one of the reasons we went from Maine and came down here, along with just needing a larger building. So, the workman's comp helped to drive us out of Maine for sure. It was fairly high premiums. So, we worked on that. We had a better workforce here and even a better workforce in New Bedford with some of the ethnic Spanish people in New Bedford. Stable workforce, whole families who used to work in the seafood business, as well as just helping ourselves, getting ourselves from our workman's comp for our insurance [inaudible] safety issues. But we were basically getting a – Portland had a very tough work force. Not so much the ethic, the people that came with [inaudible], but rather the local Anglo-Sax or [inaudible] people who worked the waterfront. They just tended to be, I don't want to say untrainable, but very difficult for us. So, those years were tough [inaudible]. They regularized. The insurance rates came down somewhat when we came to New Hampshire. We got a better moderate rating, instituted some safety ideas for insurance companies, went to new insurance company, and our premiums fell, get the rebates. We had very few injuries. So, a lot of it was around management and getting in a better working environment. I think everyone had a great experience up there, everyone we talked to. I mean, there's still firms that may not know when doing what we did anymore because the fish just [inaudible] landed there. Most of the activities in the [inaudible] of Massachusetts and Gloucester.

FL: Yes, that is my two next places to go.

SB: Oh, okay. [laughter]

FL: Yes. So, that is why I speak [inaudible] Portuguese, all the [inaudible].

SB: Oh good. Okay.

FL: So, I speak [inaudible]. So, I guess I [inaudible].

SB: Yes. Well, everyone speaks if you talk to the – you got the moderate trawling. You've got Eastern Fisheries. You've got Jews in Gloucester. Who else did I miss? I guess that's the dogfish industry, and a bunch of other processors for groundfish things, a whole bunch of people. So, yes, Portuguese may help, but everyone else speaks English. So, I don't know. Everyone has a different experience. We started out late compared to some of these [inaudible] in New Bedford. Although, relative to the underutilized side, the dogfish, we are the oldest continuous process I think as well of the people there.

FL: If you look at the future of the fisheries in general in New England, how do you see that?

SB: That's a tough question. It'd be nice if they're all like scallops.

FL: [laughter]

SB: I'm not really up on the dates. I think the monk and the skate will go through a difficult time right now, probably for a couple years. Luckily, there's not a huge export [inaudible], relatively three or four people. But I look at groundfish and look at dogfish [inaudible] is rebuilt supposedly. But even there, there's problem. So, it'd be a niche for us. You have to mix your operation with –for the most part [inaudible] species are replacing [inaudible] since the more the consumer get tilapia or nile perch or something [inaudible] specific cod, they just get away from many of the local haddock, cods, and the micro species. I can't say the government's done a bad job. But certainly, the rebuilding of some of these stocks have been painful slow. Yet, the other side of the coin is that the consumer doesn't get enough good information about [inaudible] or some of the cod fish landings in the Gulf of Maine rebuilt or flounder species. So, you hear nothing but bad news, bad news, bad news, along with [inaudible] redlining certain species. So, the consumers, I think they get very, very cautious and afraid in terms of sustainability of eating the wrong species, whatever. So, luckily, if you go to [inaudible] fish downtown or you go to fish markets around here, there is a good availability. But a lot of it is imported Central American fish. Haddock is [inaudible]. But you get so much bad news. Nobody eats monkfish in [inaudible]. You can see it on restaurants. You see scallops. Thank God most restaurants carry scallops like lobsters.

FL: Well, monkfish is not common.

SB: What?

FL: Monkfish is not common.

SB: No. No. I mean if you go to France and you go to a French restaurant, usually [inaudible] or something on the menu, and you'll see a monkfish, lots of fish they understand. So, the European like it a lot. Even there, if all parts of the world were able to produce that fish and have comparable species for sale. In this case, the monkfish [inaudible]. But I think that these species will continue. It's just gone as the [inaudible] other than scallops. [inaudible] fish processing in the streets because labor costs are going up. Overhead costs are going up. Fuel for the boats are going up. These guys are unfortunately, what they do is drive – in the scallop business, it's going to drive more IDQs or individuals in the transport [inaudible]. So, you're going to get four, five ahead of firms controlling the biomass and controlling the resource, which is really bad.

FL: [inaudible]

SB: Yes, and the [inaudible] money with the banks and the big companies get together, and they buy license resources. Then you get three or four companies. I hope that doesn't happen here because it would take longer to do it there. But there is a trend to move in that direction obviously, too. But the government also [inaudible] by big firms that already have a say in [inaudible].

FL: Yes. There is a lot of things that they are not tackling in marine fishing and green boats and sustainability, having more efficient equipment.

SB: Yes. They have a [inaudible].

FL: I mean, the price of gas is going to end up at \$10 dollar a gallon

SB: It will also become one. That's right.

FL: Yes. You will need to have mainly a hybrid boat or...

SB: Well, I already [inaudible]. Yes.

FL: Yes. They will have to do something greener because they won't be able to just waste that much fuel. I think people also will be more conscious about agriculture and how we do farming. So, people will start also looking at the sea and saying, "We are seeking resources that we eat. Maybe we should have to look at how we eat fish as well." So, that whole plan of looking at agriculture also moves into how this comes in.

SB: Yes. Makes sense. Canadians have done a good job in [inaudible] industry [inaudible], and cook salmon, farm people in Canada, I think [inaudible]. But, yes, agriculture makes sense for sure. Other than, [inaudible] for \$4 million for [inaudible] boat. You can only fish for thirty-seven or thirty-five days a year, then that's crazy. Yes.

FL: Yes, it is. It does not make sense. So, I think that the consumer has got to ask for more of these things, and the industry will have to adapt. That is going to be a high cost for the industry.

SB: No, for sure.

FL: Then that is going to be passed along to the consumer to some extent.

SB: Yes. Right. Yes. I mean, in China, the areas of the world that are really heavy [inaudible] for China or Africa, but China primarily, Vietnam, are heavily involved just like the shrimp industry was years ago. They have very few restrictions [inaudible] how they grow, where they grow it, the government controls, and lot leases. So, it's not like here, you try to get leases in the State of Maine and if you get it, the [inaudible]. So, politically, they can do it and very efficient, big plants, cheap labor. So, how do you compete against that?

FL: Yes, you cannot, except when it is contaminated. Then the American consumer and the European consumer would rather buy something from the U.S. or from Europe. So, I think that is the card to play.

SB: There is the [inaudible]. Yes. Well, they keep trying to promote local fisheries. But the days of the [19]70s, [19]80s, early [19]90s, [inaudible] come back. You'd see monkfish trips boats coming in with 20,000, 30,000 pounds of monkfish [inaudible]. But, no, we're surviving and happy with the business, [inaudible] business. We'll continue to do our underutilized [inaudible]. They travel with our scallops, so.

FL: Well, that is good.

SB: Yes.

FL: Thank you.

SB: Thank you. Thanks for coming by.

[end of transcript]