Fish Processing Licensing Board

Annual Performance Report 2024

Letter from the Chairperson

In accordance with the Government of Newfoundland and Labrador's commitment to transparency and accountability and on behalf of the Fish Processing Licensing Board (the Board), I am pleased to submit our 2024 Annual Report. The Board is classified as a category three public body under the **Transparency and Accountability Act** and is required to report annually on its performance to the House of Assembly. My signature below, on behalf of the entire Board, signifies the Board's accountability for the actual results reported.

On May 28, 2024, the Minister of Fisheries, Forestry and Agriculture advised the Board that a comprehensive review of issues pertaining to the fishery, including processing capacity, would be initiated. Any recommendations from the review would then be incorporated with previous work undertaken to enhance sustainable management of the fishery and be communicated to the Board.

During 2024, the Board fulfilled its mandate to review and make public recommendations on fish processing licensing applications or requests made to the Department of Fisheries, Forestry and Agriculture (FFA). In doing so, the Board reviewed four applications in accordance with provincial legislation and the Fish Processing Licensing Policy Manual. The Board takes into consideration information received from various stakeholders and responses from the applicant's public advertisement of the application.

Through our work, the Board has contributed to the efficiency of our province's fishing and aquaculture industries by supporting the conditions for a stable and sustainable processing sector. The Board promotes cooperation within industry and supports the maintenance of employment levels for industry participants. Additionally, the Board supports the regional balance of resource availability and processing capacity so that viable fish processing activities can continue to contribute to rural communities throughout Newfoundland and Labrador.

The Board is dedicated to the continued advancement of the provincial fishing and aquaculture industries, and we look forward to another successful year in 2025.

Yours Sincerely,

William (Bill) Carter
Chairperson
Fish Processing Licensing Board

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1.0 Overview

The Board is an arms-length government entity that provides an open and transparent decision-making process for fish processing licensing that is accountable to the public.

Applicants for a fish processing licence must advertise in both a generally circulated and a regional newspaper to allow the opportunity for interested members of the public to provide comments to the Board for consideration. It is the applicant's responsibility to demonstrate the viability of their proposed venture and to comply with all applicable legislation, regulation and policy guidelines.

The Board makes recommendations to the Minister of FFA (the Minister) and the Minister makes the final decision on all licensing matters. The Board's recommendations to the Minister are made public, as are the final decisions of the Minister. To ensure equity and impartiality, all new Board members go through a merit-based process administered by the Public Service Commission and are formally appointed by the Lieutenant-Governor in Council.

As of December 31, 2024, there were 86 active fish processing plants in the province, which included 68 licenses for primary processing, two licenses for secondary processing, five licenses for aquaculture processing and 11 licenses for in-province retail processing.

1.1 Vision

The vision of the Board is to provide an equitable and impartial assessment of fish processing licence applications submitted to FFA. Through this work, the Board supports the vision of FFA.

1.2 Mandate

The mandate of the Board is to make public recommendations on all fish processing licence proposals or requests made to the Board. Routine renewal of fish processing licences is exempt from this process. In keeping with its mandate, the Board's main objectives are to assess and make recommendations to the Minister regarding:

- Licensing applications, including applications for new licences, change of operator, and the consolidation and transfer of fish processing licences;
- Applications for the addition of new species to existing fish processing licences and, where appropriate, recommendations regarding licensing on a regional basis;
- Corporate concentration, merger, and acquisition issues in the context of fish processing licensing matters; and
- Appeals to reinstate licences cancelled because of not meeting the activity requirements outlined in the Fish Processing Licensing Policy Manual.

The Board is also subject to other objectives which the Minister may determine. For other related powers and duties of the Board, please refer to Appendix A.

1.3 Lines of Business

The Board reviews requests for new fish processing licences made to the Board, transfer of licences, change of operators and the addition of species to existing licences. FFA provides licensing policies and procedures to the Board to guide this process. The Board makes recommendations to the Minister who ultimately makes the final decision on all licensing matters.

For additional information regarding licensing policies and procedures, please visit the Department's website at: https://www.gov.nl.ca/ffa. See also the Fish Processing Licensing Policy Manual at: https://www.gov.nl.ca/ffa/files/licensing-pdf-fplp-manual-04-16.pdf.

1.4 Composition of the Board

As specified in the Act, the membership of the Board consists of five members appointed by the Lieutenant-Governor in Council. One member is designated as the Chairperson of the Board by the Lieutenant-Governor in Council and one member is elected Vice-Chairperson of the Board by an internal vote of Board members. Board members are appointed for a period of four years and may continue to serve until reappointed or replaced. Members are expected to understand, but have no affiliation with, the fishing industry.

As of December 31, 2024, the Board was comprised of the following members:

Name	Title	Region	Appointment Date	Expiry Date
William Carter	Chairperson	Central	6/15/2023	6/15/2027
Taylor Colbourne[1]	Vice-Chairperson	Western	8/27/2020	8/27/2024
Michelle Eagles	Member	Eastern	9/23/2021	9/23/2025
George Reid[1]	Member	Western	2/4/2019	2/4/2023
Jerome Ward[1]	Member	Northern	2/4/2019	2/4/2023

[1] In accordance with the Act, members can continue to serve until appointed or replaced. A merit-based process is underway to address members with a term of appointment that has expired.

1.5 Secretariat to the Board

FFA's Licensing, Inspection and Quality Assurance Division serves as the Secretariat to the Board. The duties and responsibilities of the Secretariat include but are not limited to: all administrative functions; review of all applications; and providing background information to the Board for use in its deliberations.

The Director of Licensing, Inspection and Quality Assurance acts as the Recording Secretary for the Board. The Recording Secretary is responsible for preparing and distributing the minutes of all meetings, as well as compiling a record of the Board's recommendations. The recommendations are signed by the Chairperson of the Board and then submitted through the Secretariat to the Minister for consideration and rendering of a final decision.

This report is available in alternate formats. An alternate format can be obtained by contacting the Secretariat at the following address:

Fish Processing Licensing Board Secretariat
Department of Fisheries, Forestry and Agriculture
Government of Newfoundland and Labrador
30 Strawberry Marsh Road
P.O. Box 8700
St. John's, NL A1B 4J6
fplbsecretariat@gov.nl.ca

1.6 Physical Location/Regional Representation

The Secretariat to the Board is in St. John's; however, Board meetings are held throughout the year and may be held at different locations. Meetings of the Board may be conducted by teleconference, videoconference, or by other means, provided that all members may participate simultaneously. Three Board members are necessary to establish a quorum, one of whom must be the Chairperson or Vice-Chairperson. Meetings are held to review applications or to consider requests related to an application. Members of the Board are selected with a consideration of gender balance and regional distribution.

1.7 Primary Clients

In working towards its mandate, the Board identifies individuals or groups whose needs have a key influence on the Board's business. As such, the Board identifies the following as its primary clients:

- The Minister of FFA;
- Fish processors;
- Fish buyers; and
- The people of Newfoundland and Labrador.

1.8 Financial Information

The Board is funded by FFA. This funding is used to cover travel costs, remuneration of Board members (according to Treasury Board guidelines) as well as any other miscellaneous costs associated with meetings. Where possible, the Board operates on a cost-recovery basis through application fees.

In 2024, remuneration costs for Board members totaled $2,540 versus $14,395 in 2023. There were no travel claim expenses incurred as all meetings were held by conference call or virtually, as compared to $6,738 in 2023. Revenues collected from application fees in 2024 totaled $29,000 versus $26,500 in 2023.

2.0 Report on Performance

The Board reviews fish processing applications and requests in accordance with the Fish Processing Licensing Policy Manual and the Act, considering any feedback from the applicant's public advertising of the application, information provided by FFA and information provided by other government departments and agencies. The Board also can hold public meetings, if necessary.

As stated in the Act, Section 10(2)(c):

"The Board shall, after considering the application, make a recommendation to the minister regarding that application, including its reasons for that recommendation."

The Act also states in Section 11:

"The minister shall consider a recommendation of the board made to him or her under paragraph 10(2)(c) and shall, following his or her decision with respect to the application, release both the recommendation of the board and his or her decision regarding the application first to the applicant and then to the public."

In 2024, the Board met on three occasions as shown below:

1. April 22 (conference call);
2. June 25 (conference call); and
3. August 26 (virtual meeting).

The following objectives and indicators, as outlined in the 2023-2025 Activity Plan, will guide the Board in achieving its mandate as the focus of the Board will remain the same for the entire three-year planning period, the Board will report on the same objective and indicator during each year of the plan.

Issue: Fish Processing Licenses

Objective:

By December 31, 2024, the Fish Processing Licensing Board will have made recommendations to the Minister of Fisheries, Forestry and Agriculture on matters pertaining to fish processing licences.

Indicator:

Assessed applications and made recommendations, as required for new licences; change of operator of an existing licence; addition of new species to an existing licence; transfers; and appeals.

- **Assessed Applications and Made Recommendations for New Licences**

In 2024, there were no applications for a new fish processing license reviewed.

- **Assessed Applications and Made Recommendations for Change of Operator of an Existing Licence**

In 2024, there was one application for change of operator of an existing licence reviewed.

1. **Nu Sea Products Inc., Port au Choix**: The species authorizations included groundfish (all species) and shrimp. The Board recommended approval. The Minister of FFA accepted the Board's recommendation.

- **Assessed Applications and Made Recommendations for Addition of New Species to an Existing Licence**

Adding a new species on an existing licence may utilize excess capacity, which may contribute to improved efficiency and enable the enterprise to be more competitive in the marketplace. The Fish Processing Licensing Policy Manual outlines the criteria an application must meet for approval. In 2024, the Board reviewed two applications for the addition of a species category to an existing licence as shown below that were carried over from 2023.

1. **Bay Roberts Seafoods Limited, Bay Roberts**: Application to add the species snow crab to an existing primary processing licence. In October 2023, the Board recommended approval with a restriction on purchases not exceeding two million pounds in round weight form. In December 2023, decisions on all license applications involving snow crab were deferred to spring 2024. On April 1, 2024, the Minister of FFA accepted the Board's recommendation and granted approval with a restriction on purchases not exceeding two million pounds in round weight form for snow crab. On December 6, 2024, the processing cap on this existing fish processing licence for the species snow crab was permanently removed.

2. **HSF Ocean Products Incorporated, O'Donnell's**: Application to add the species snow crab and sea urchin to an existing primary processing licence. In October 2023, the Board recommended approval of sea urchin and snow crab with a restriction on purchases of snow crab not exceeding two million pounds in round weight form. In December 2023, decisions on applications for snow crab and sea urchin were deferred until the spring of 2024. In April 2024, the Minister of FFA rejected the Board's recommendation.

- **Assessed Applications and Made Recommendations for Transfers**

A licence transfer is the movement of one or more species category from one fish processing facility to another, resulting in the elimination of those species or species groups from the originating licence. In 2024, the Board reviewed one application for licence transfer as shown below.

1. **Dandy Dan's Fish Market Limited, Argentia**: Application to transfer In-Province Retail Fish Establishment Licence and Primary Fish Processing Licence from Argentia to Ship Harbour. The Board recommended approval. The Minister of FFA accepted the Board's recommendation.

- **Assessed Applications and Made Recommendations for Appeals**

An appeal is a process for requesting a formal change to an official decision. All appeals are directed to the Board for consideration when the licence holder has lost a species authorization due to inactivity (no reported production) or does not meet the minimum production requirements set out in the Fish Processing Licensing Policy Manual. When appealing a decision, the applicant is not required to advertise. In 2024, the Board received two appeal requests as shown below.

1. **Terra Vista Limited, Glovertown**: Primary Licence Appeal. The Licence holder did not meet the minimum production requirements specified in section 1.6 as set out in the Fish Processing Licensing Policy Manual for groundfish, all species. The Board recommended reinstatement of groundfish, all species to the fish processing licence. The Minister of FFA accepted the Board's recommendation.

2. **Change Islands Fishermen's Improvement Committee, Change Islands:** Primary Licence Appeal. The Licence holder did not meet the minimum production requirements specified in section 1.6 as set out in the Fish Processing Licensing Policy Manual for groundfish, all species and sea cucumber. The Board recommended reinstatement of groundfish, all species and sea cucumber to the fish processing licence. The Minister of FFA accepted the Board's recommendation.

Annex A: Powers and Duties of the Board

Fish Processing Licensing Board Act

9. (1) The board shall

(a) consider an application for a fish processing licence which has been properly made to it, including an application for a new licence, a consolidated licence or a transfer of licence;

(b) consider an application made to it under this Act which it is authorized to consider;

(c) consider a matter referred to it by the minister, where that matter is of one of general application which does not refer specifically to a particular fish processing licence;

(d) consider an application related to corporate concentration, merger and acquisition issues in the context of fish processing licensing matters; and

(e) after considering a matter referred to in paragraphs (a) to (d), make a recommendation, including its reasons for that recommendation, to the minister with respect to a course of action on that matter.

(2) The board may

(a) request that the minister provide professional or technical assistance or advice required by it to make its recommendations to the minister; and

(b) generally, do those other things that are necessary to fulfil its mandate and make the required recommendations to the minister regarding an application under this Act.

Source: https://www.assembly.nl.ca/Legislation/sr/statutes/f12-01.htm