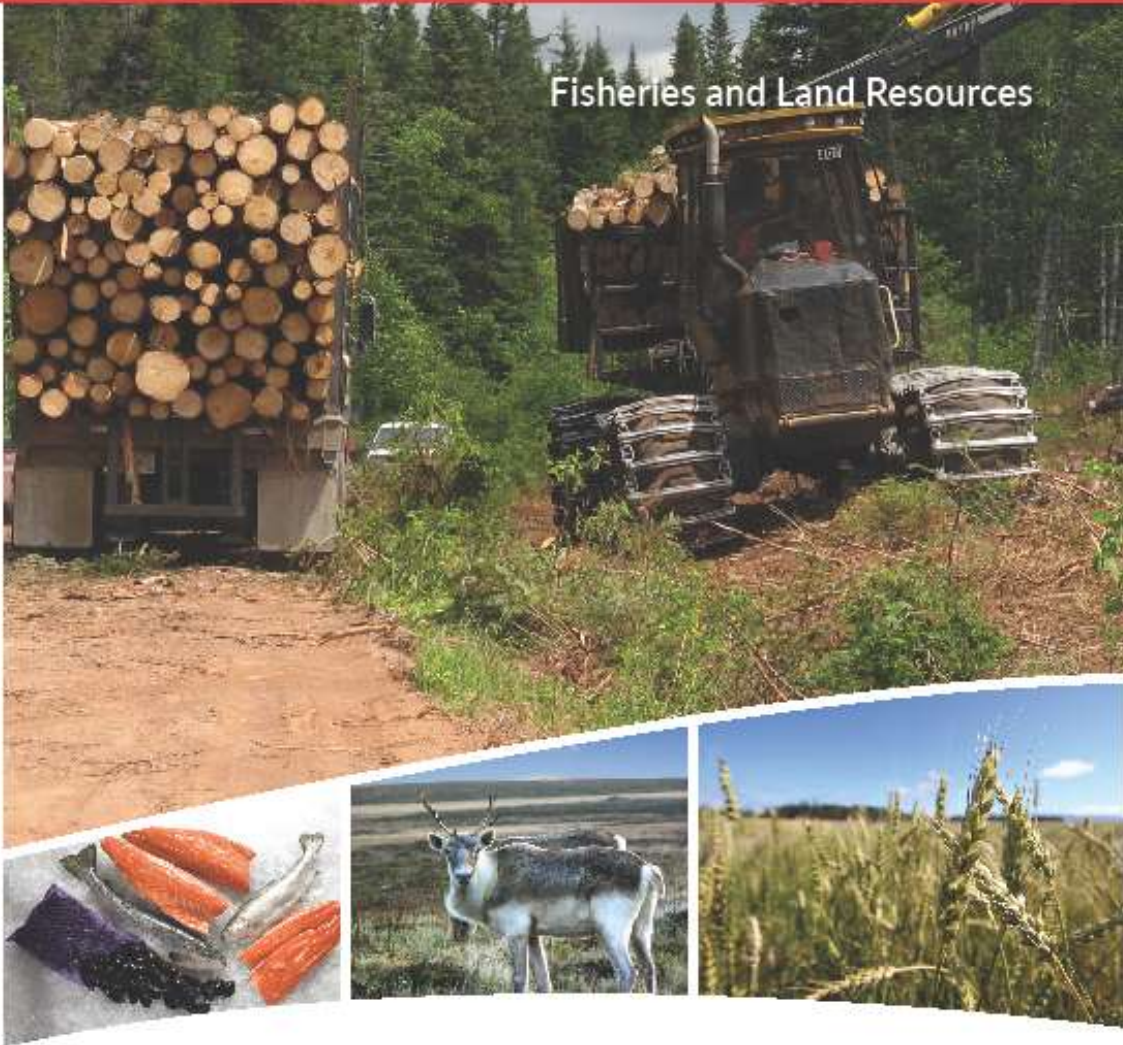


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Fisheries and Land Resources



Message from the Minister

It is my pleasure to present the 2018-19 annual performance report for the Department of Fisheries and Land Resources. This report was prepared in accordance with the **Transparency and Accountability Act** requirements for a Category 1 government entity and details the progress made towards achieving the objectives outlined in our 2017-18 annual report. I am accountable for the results contained within.

This second report on our 2017-20 strategic plan includes highlights of commitments outlined in **The Way Forward, Agriculture Sector Work Plan** and **Aquaculture Sector Work Plan**, as well as strategic accomplishments throughout the fiscal year. With the release of our **Forestry Sector Work Plan** in 2018-19 we continue to align the province's natural renewable resources of fisheries, aquaculture, forestry and agriculture under a common mandate – sustainable growth and development.

I would like to acknowledge the efforts of our departmental staff, our partners, stakeholders and industry for achieving this year's objectives. Together, guided by **The Way Forward** and the Cabinet Committee on Jobs, we are working to revitalize, protect, develop and sustain traditional and emerging industries – on land and on water – that will support and sustain a better future for Newfoundland and Labrador.

A handwritten signature in blue ink, appearing to read 'Gerry Byrne', with a long horizontal stroke extending to the right.

HONOURABLE GERRY BYRNE, MHA

District of Corner Brook

Minister

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Departmental Overview

Organizational Structure

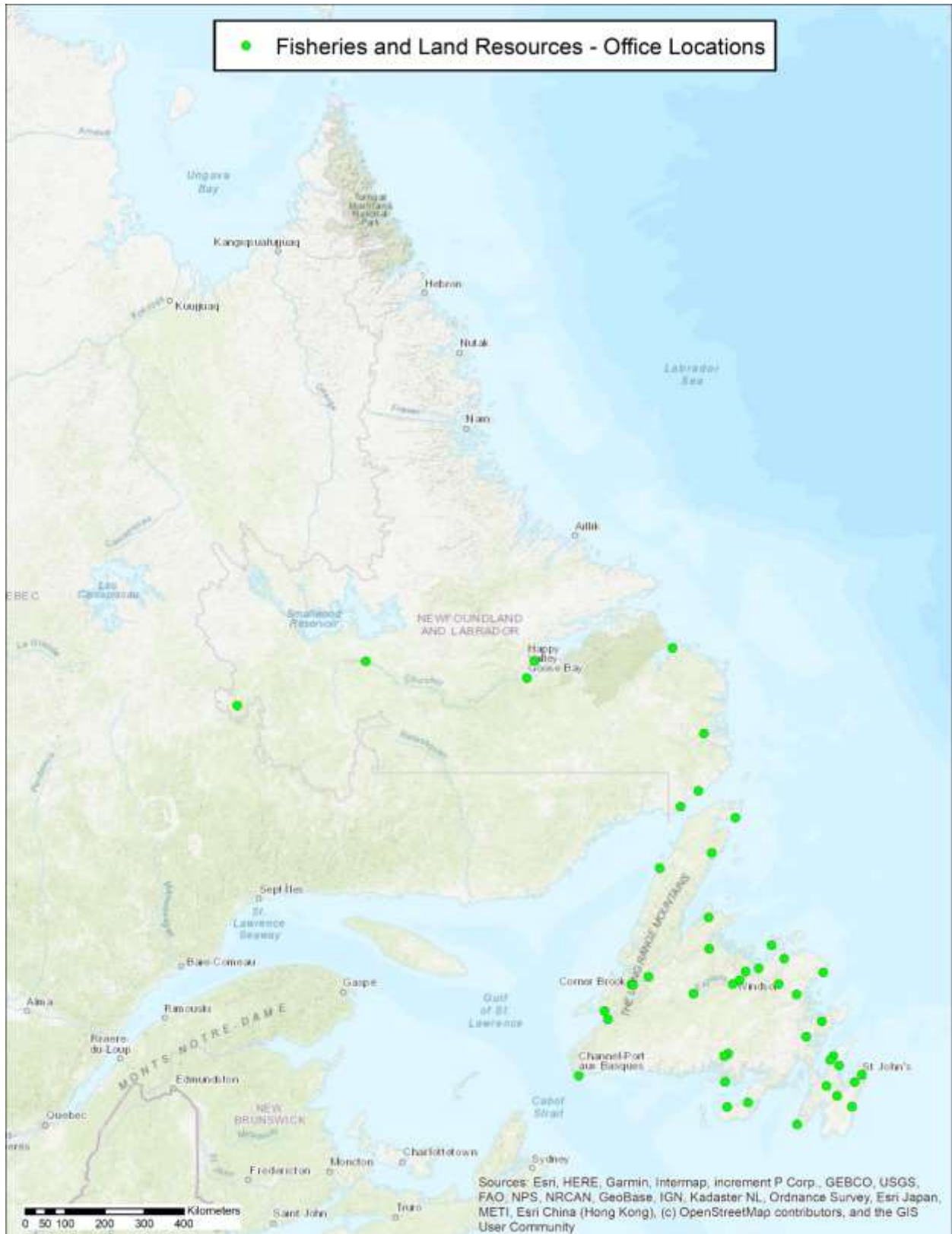
The Department of Fisheries and Land Resources (FLR) supports and encourages the development and sustainability of the province's fishing, aquaculture, agriculture, and forestry industries, and Crown lands. Its main responsibilities include licensing and regulating the province's fish processing sector; promoting the continued development and diversification of competitive and sustainable agriculture businesses; the effective sustainable management and development of the province's aquaculture sector; stewardship of the province's forest environments for the benefit of all residents; and the conservation and protection of the province's inland fish and wildlife, natural areas, and land resources. In addition, the department is responsible for conservation, marketing, sustainable development, and diversification efforts for sectors under its mandate. For additional information, visit the department's website at <http://www.flr.gov.nl.ca/>.

Staff and Budget

As of March 31, 2019, the department had 893 positions, which includes a significant number of seasonal positions which start later in the spring, and 563 employees. For the 2018-19 fiscal year, the departmental budget was \$63,465,700.

Branch	# of Employees	2018-19 Budget
Fisheries and Aquaculture	66	\$17,713,900
Forestry and Wildlife	206	\$25,297,600
Agriculture and Lands	181	\$10,436,900
Enforcement and Resource Services	97	\$8,406,800
Executive and Executive Support	13	\$1,610,500
Total Department	563	\$63,465,700

Office Locations



Highlights and Partnerships

In 2018-19, collaborative advancements in key areas enhanced the department's programs and services to ensure that the department and its reporting entities worked together to the benefit of the renewable resource industries and the residents of Newfoundland and Labrador. The details below explain some of the significant accomplishments of the past year.

Fisheries and Aquaculture

The Fisheries and Aquaculture branch partnered with other Provincial Government departments, the Federal Government, industry and academia to support growth in the fishing and aquaculture industries. Specific examples include the following:

The department continued to support and partner with the Marine Institute's Centre for Fisheries and Ecosystems Research (CFER) through the provincial Fisheries Research Grant Program. The Department contributed \$20,000 to Atlantic halibut projects to improve science on the stock. This funding helped secure more than \$500,000 from the Natural Science and Engineering Research Council of Canada (NSERC).

The department continued its work with provincial and federal partners to deliver the Atlantic Fisheries Fund (AFF). As of March 31, 2019, there were over 300 applications submitted to AFF from Newfoundland and Labrador. In 2018-19, approximately \$18.8 million was approved for 65 fisheries and aquaculture projects in the province.

- The projects approved for the harvesting sector focus on improving the quality of landings through the adoption of harvesting and on-board handling technologies for inshore groundfish fisheries.
- In the processing sector, an investment of over \$4.6 million was made for five projects located throughout the province and focus on cutting-edge technology, automation and improving quality. Four projects in the aquaculture sector with a concentration on improved technology and innovation to support sustainability for mussel, oyster and salmon growing operations were approved. One five-year science partnership project

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was approved, which will fill key knowledge gaps to improve stock assessments, contribute to fisheries certification, and inform strategies for managing the impacts of climate and competitiveness changes. A project was also approved in applied innovation/research and development focused on driving innovation in the seafood sector by linking demands of industry with the capabilities of universities and colleges.

A partnership between Fisheries and Oceans Canada (DFO) and provincial/territorial governments called the Canadian Fish and Seafood Opportunities Fund launched in December 2018. This \$43 million national program is focused on promoting market access and development for the seafood industry, thereby expanding seafood exports, increasing public perception of the fish and seafood sector, increasing employment and supporting coastal and inland communities. An Expression of Interest and Request for Proposals process was initiated in December 2018 to run until spring 2019, with approved projects to be announced sometime in the 2019-20 fiscal year.

On September 14, 2018, representatives from Grieg NL officially launched the company's \$250 million aquaculture project in Placentia Bay with support from both the Provincial and Federal Governments. Grieg NL plans to invest more than \$210 million in the project, which will include establishing a hatchery and land-based smolt production facility, as well as sea-based operations. They are joined in the endeavor by provincially-based partner Ocean Choice International.

As the project successfully satisfies employment and performance targets, the Government of Newfoundland and Labrador will provide repayable financial assistance to support the development, totaling up to \$30 million, through the Aquaculture Capital Equity Program. Provincial funding will complement a \$10 million repayable federal investment through the Atlantic Canada Opportunities Agency's Business Development Program. A financial and economic impact analysis by the Department of Finance estimates that, once fully operational in 2025, this project will generate \$33 million in labour income and \$82.5 million in Gross Domestic Product annually. This project represents a significant step towards achieving the goal set out in **The Way Forward on**

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Aquaculture to increase salmonid aquaculture production to 50,000 tonnes per year, and double provincial employment in aquaculture.

In 2018-19, the department also continued work toward fulfilling action items in the **Aquaculture Sector Work Plan**. Through the work plan, FLR collaborated with the Newfoundland Aquaculture Industry Association (NAIA), the Department of Advanced Education, Skills and Labour, and the Fisheries and Marine Institute of Memorial University to address human resource challenges facing the aquaculture industry and review opportunities in the mussel aquaculture sector value chain.

The department collaborated with the Department of Tourism, Culture, Industry and Innovation (TCII) and the Town of Grand Falls-Windsor to advance the aquaculture supply and service sector by planning an aquaculture supply and service opportunity session in Grand Falls–Windsor, which will take place in the spring of 2019. The event was designed to further advance knowledge and collaboration to maximize local economic benefits and enhance competitiveness within the aquaculture sector. NAIA, Cooke Aquaculture Inc., Mowi Canada East and Gael Force Group will present on their supply and service requirements. This event will provide participants with an opportunity to hear the needs of companies first-hand and identify potential partnership opportunities to deliver supplies and services to the NL aquaculture industry.

Companies such as Marbase (Joint Venture - Pluto Investments Inc. and Amar Group AS) and Gael Force Group are looking to establish primary supply and service hubs in Marystown and Grand Falls-Windsor, respectively, to service the Atlantic Canadian aquaculture industry. Opportunities also exist for alternative service hubs to service remote areas in the Bays West region.

Agriculture and Lands

During the 2018-19 fiscal year, the Agriculture and Lands branch worked towards increasing the province's food sustainability by partnering with industry and other

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Provincial Government departments and agencies. Such partnerships and accomplishments include the following:

The Canadian Agricultural Partnership (CAP), a Federal-Provincial-Territorial Framework Agreement, was launched in Newfoundland and Labrador in May 2018. In 2018-19, CAP invested \$5,809,774 to advance innovation, food safety, market development, public trust, agri-food processing and environmental sustainability in the province. The department is committed to growing the agriculture sector and enhancing food self-sufficiency in the province. This investment:

- supported 120 projects, including the enhancement of an additional 127 acres of new agricultural land;
- provided \$958,457 to 29 new entrants in 2018-19 to further grow the agriculture sector, including assistance for survey costs to acquire 244 acres of agricultural land; and,
- enhanced agriculture awareness and public trust with continued support for projects delivered by the Newfoundland and Labrador Federation of Agriculture, including Agriculture in the Classroom, Open Farm Day, Agriculture Expo, and the Young Farmers Forum.

In 2018-19, the Provincial Agrifoods Assistance Program invested \$2,688,928 in a total of 99 agricultural development projects. The program provided \$569,052 to 27 new entrants in 2018-19. The department supported 54 agricultural land development projects that resulted in the enhancement of 492 acres of new agricultural land. It also supported 45 agriculture infrastructure projects, including crop harvesting systems, land development equipment, field irrigation, and livestock facilities.

FLR advertised its second large scale land development project in December 2018. The successful applicants were announced at the Federation of Agriculture Annual General Meeting held on January 30, 2019 in Gander and given the opportunity to lease approximately 20 acres of agricultural land, located in Cormack.

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FLR has identified 59 agricultural areas of interest (AOI) totaling approximately 62,000 hectares. To date, 49 AOI's have been reserved for agriculture development and 49,009 hectares is available to be applied for online.

The Land Consolidation Program provides the opportunity for individuals to sell land back to the Crown so that it can be made available as a Crown lands lease to existing farmers or new entrants. In 2018-19, 65.5 hectares (162 acres) of land was purchased for a total cost of over \$474,000.

In a 2018-19 pilot project, over 250,000 vegetable transplants were grown at the Centre for Agriculture and Forestry Development located in Wooddale and shipped to farmers.

In December 2018, FLR took the first steps to provide Crown lands applications online. FLR is continuing to further enhance online services for Crown lands, including the ability to pay for and track applications online.

Enforcement and Resource Services

Fish and Wildlife Enforcement Officers had a busy year in 2018-19 with their enforcement of provincial and federal laws and regulations relating to our fish and wildlife resources. In total, officers responded to 389 complaints of illegal activity and laid 584 charges. Again this year, the general public played a key role in providing information of illegal activity to officers.

Common violations included carrying a loaded firearm on a vehicle, shooting across a road, and shooting near a school or playground. These types of violations have a direct negative impact on public safety, with potentially severe consequences. Furthermore, compared to the previous year, officers laid three times as many charges relating to inland fish species.

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In undertaking enforcement activities, the department partners with the Royal Newfoundland Constabulary, the Royal Canadian Mounted Police, DFO, Environment and Climate Change Canada, Parks Canada, and Nunatsiavut Conservation Officers.

In 2018-19, The Geographical Information System (GIS) and Mapping Division initiated work with the Office of the Chief Information Officer (OCIO) to create a new scalable and expandable Geospatial Data Infrastructure Project (GDI Project). In keeping with **The Way Forward's** direction to achieve efficiencies, this infrastructure will enable GIS users and enhance their ability to share and disseminate geographic information, while providing greater efficiency and governance of GIS use throughout government.

Forestry and Wildlife

This branch continues to support the province's forestry and wildlife sectors. Some highlights are detailed below.

Following six months of intensive industry–government consultations, in January 2019, the Provincial Government launched the **Forestry Sector Work Plan** in partnership with the Newfoundland and Labrador Forest Industry Association and forest sector stakeholders. It contains 32 recommended action items and outlines how partners will pursue opportunities and remove barriers related to five main themes: sustainable forest management; research, innovation and diversification; business development and risk management; public awareness; and human resources, skills and labour. Implementation of the plan will continue to evolve in 2019-20.

In 2018-19, Corner Brook Pulp and Paper Ltd. (CBPPL) was assigned Countervailing and Antidumping Duties on uncoated groundwood paper totaling 32.09 per cent, the highest percentage of any company in Canada impacted by these duties. To address the challenges imposed by these duties, FLR officials, along with the Intergovernmental Affairs Secretariat - Trade Policy Division, were heavily involved in the United States (US) Department of Commerce's investigation and audit process, and supported CBPPL in their defense of the allegations imposed by the US industry. On August 29, 2018, the US

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International Trade Commission (US ITC) announced that it voted to eliminate the tariffs that had been placed on imports of Canadian newsprint and other uncoated mechanical papers. FLR is pleased with the decision by the US ITC to eliminate the tariffs on uncoated groundwood paper. This was a major win both for CBPPL and the entire forestry industry in the province.

Also in 2018-19, CBPPL began the process of converting to mass scaling as their method of wood measurement. Two weight scale systems were purchased: one for the weighing of wood chips purchased from integrated sawmills and the other for weighing of pulpwood. FLR has been working in collaboration with CBPPL on this transition, which will align scaling practices with other Canadian jurisdictions and create efficiencies. In the fall of 2018, the FLR Chief Scaler and members of the CBPPL woodlands division attended a study tour of mill yards in Nova Scotia and New Brunswick to gain knowledge of sampling and stratification methods, weight scale specifications, mill yard configurations and volume reporting software. The weighing of pulpwood will require the development of a conversion factor system to convert wood weights to wood volumes in cubic metres. This work will continue through to 2019-20.

The province's sawmilling sector continued to thrive in 2018-19 and lumber production continues to steadily increase. In 2018, lumber production was over 94 million board feet, an increase of 12 per cent over 2017 (Figure 1). This increase has been supported by improved sawlog availability and capital improvements at the three larger mills. The sawmilling sector continues to provide support to other industries with animal bedding and hog fuel shipments reaching over 70,000 tonnes and pulp chip shipments over 154,000 cubic metres.

In 2018-19, the department received 624 forestry, wildlife, animal health and motorized snow vehicle/all terrain vehicle-related complaints of illegal activity and documented 1034 breaches of legislation. The department continues to enforce its mandate to protect the province's natural resources from detrimental impact of these offences.

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- In 2018-19, there were 22,131 enforcement checks, 208 sawmill inspections, and 1,624 Crown land referrals completed. In addition, the department received 2,297 problem wildlife complaints.

- As part of the International Organization for Standardization (ISO) 14001 Environmental Management System (EMS) commitment to manage forestry operations from an environmental perspective and meet the requirements of the SEA, a total of 2,338 environmental management compliance inspections were carried out on commercial and domestic harvesting operations, road building, silviculture, and the department's insect and disease program.
 - The department successfully maintained its EMS accreditation for 2018-19. Furthering its commitment to the environment the department's EMS was accredited to the new ISO 14001-2015 standard in August of 2018 after an intensive external audit. This supports the department's commitment to responsible stewardship of the province's forests, sustainability of the resource, and ensuring forest related activities are conducted under approved environmental procedures.
 - A significant step forward in environmental management was the inclusion of waste associated with forestry activities as a significant environmental aspect (SEA) in the department's EMS.
 - Results of the department's internal audit of the EMS resulted in one major non-conformity and one minor non-conformity. The external audit provided two minor non-conformities; action plans to rectify nonconformities from both audits were developed and have been implemented.

In order to sustainably manage the province's forest ecosystems, it is essential that the department maintain a current and accurate inventory of the forest resource. The department coordinates the detailed characterization of the forest resource for timber attributes such as tree species composition, forest site productivity, tree heights, tree diameters, and timber volume.

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- In 2018-19, new forest inventories were completed for Forest Management Districts 11 and 12 using advanced high resolution (30 cm pixel) 4 band multi-spectral imagery and a state-of-the-art photogrammetric software process. These new forest inventories were created using a standardized and accurate (2-5m) base map.
- Using 10 m Sentinel II satellite imagery, the 2018 commercial timber harvest areas were captured and used to update existing forest inventories.

The forest inventory is the foundation on which the department manages and sustains the province's forestry industry and forest ecosystems. The forest inventory also sets the stage for future expansion, while helping to maintain the long term viability of our existing forest industries. The department maintains a network of ground plots (tree level measurements) that help support the department's forecasted sustainable wood supply volumes and timber growth and yield projections. New plots are added as local volume information is needed or to address the constant changing state of the forest as stands develop naturally or are treated silviculturally. In 2018-19 approximately 350 forested plots were sampled, with tree level data collected.

The department's Wildlife Division surveyed nine moose areas in 2018-19. It also surveyed south coast (island) caribou herds and Labrador caribou, completed a survey of polar bear populations in the Davis Strait, and launched a ptarmigan research program. A conservation agreement for the conservation of boreal caribou in southern Labrador was negotiated with the Government of Canada.

In 2018-19, the minimum age requirement to shoot small game, coyotes and other furbearers was lowered from 16 to 12 and the minimum age requirement to shoot big game was lowered from 18 to 16. In total, 493 youth applied for licences this year, and 66 were successful based on the priority pool application process. The Hunters and Anglers with a Disability program was also revised. Effective in 2018-19, a designated hunter can remain within 800 metres or line of sight, whichever is greater, of the person with a disability. These changes support the Provincial Government's commitment to

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provide all residents of the province with the opportunity to share in the experience and benefits of hunting.

Also in 2018-19, the Provincial Government launched the international year of the salmon celebrations, the first year of the Provincial Atlantic Hook and Release Study was completed with 160 salmon being tagged and tracked using radio telemetry, and the Province joined the Canadian Delegation to the North Atlantic Salmon Conservation Organization.

Report on Performance

Throughout the 2018-19 fiscal year, the department continued to work collaboratively with industry stakeholders and partners, including other jurisdictions and government departments, academic institutions, and public bodies to advance its mandate. This section of the Annual Report details the significant work undertaken and completed by the department on its goals during the 2018-19 reporting period.

Strategic Issue 1 - Food Self-Sufficiency and Security

As part of the **Agriculture Sector Work Plan**, Government has committed to increase the province's food self-sufficiency to at least 20 per cent by 2022. Reaching this level of self-sufficiency will require the province to increase the production, both primary and secondary, of crops, livestock and other farmed products. Improving food self-sufficiency can generate jobs on farms and in manufacturing, particularly in secondary processing activities such as industrial milk, industrial eggs, cranberries, fruit and vegetables, and meat. Efforts to address this issue align with **The Way Forward** commitment to focus on food production and increased food self-sufficiency.

Goal Statement

By March 31, 2020, the Department of Fisheries and Land Resources will have increased the province's food self-sufficiency.

2018-19 Objective

By March 31, 2019, the Department of Fisheries and Land Resources will have continued activities to support increased food self-sufficiency and security.

Indicators:

- Implemented a pilot project to serve locally-grown farmed products in public health facilities.
- Provided fruit and vegetable seedlings to producers at cost for priority crops.

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- Supported negotiations with industry stakeholders towards establishment of an egg quota for Labrador.
- Identified new land for agricultural zoning in Labrador, including encouraging use of land already identified.
- Identified means to provide abattoir services to producers in Labrador to support the establishment of viable local livestock operations.
- Identified options to establish an inspected slaughter facility for the production of meat products for retail in the province, including undertaking a study to examine the feasibility of creating a mandatory meat inspection program in the province.

Results

Implemented a pilot project to serve locally-grown farmed products in public health facilities

This commitment was included in the **Agriculture Sector Work Plan**, with FLR, the Department of Health and Community Services and Food First NL (FFNL) as the leads. Having previously conducted research in 2017-18 on farm to health care initiatives internationally and developed best practices and considerations for Newfoundland and Labrador, FFNL took the lead of this project.

A steering/advisory committee was set up to address this commitment. Membership includes representatives from the department, along with regional health authorities and industry stakeholder groups.

The department participated in the advisory committee and provided support and information to FFNL and the health authorities on the province's agriculture industry and the availability of local foods. The advisory committee worked to strengthen the networks between the agriculture industry and health care facilities.

Western, Central and Eastern Health have submitted expressions of readiness outlining its proposed plans/options to incorporate local farm products and identifying required supports to conduct a pilot. As of the end of 2018-19, FFNL was working with the

Regional Health Authorities to develop implementation plans for these proposals. FFNL was also developing a proposed plan for 2019-20 to support the implementation of Farm to Health Care pilots. Launch of the pilot project is anticipated in fall 2019.

Provided fruit and vegetable seedlings to producers at cost for priority crops.

This indicator has been partially met with the provision of vegetable seedlings to producers at cost. In 2018, the department introduced a Vegetable Transplant Program to increase crop diversity and production. During 2018-19, 255,800 vegetable seedlings were produced at the Wooddale facility utilizing four greenhouses. These priority crops, including kale, yellow onions, kohlrabi, brussel sprouts and leek, were chosen in consultation with industry specifically for the vegetable transplant program. These transplants were then sold and distributed at cost to 25 commercial farms across the province.

The approximately 250,000 transplants produced from the program will be enough to supply 9.4 acres of vegetable land. The estimated crop yield from all the transplants sold would total approximately 252,082 lbs. of produce.

There was no propagated fruit material distributed in 2018-19. For this pilot year, fruit distribution was not a priority as industry was aware that it would take time to produce material. The department did propagate some blueberry and lingonberry cultivars, but these could not be distributed to farmers until sufficient quantities were produced.

Producers indicated their overall satisfaction with the program, including the quality of transplants provided. Based on the response, the department has added broccoli, cabbage, cauliflower and rutabaga (turnip) to the list of available transplants for the 2019-20 season.

Supported negotiations with industry stakeholders towards establishment of an egg quota for Labrador.

In 2018-19, the department supported and led negotiations with the Egg Farmers of Newfoundland and Labrador (EFNL), the commodity board responsible for administering the Egg Regulations, to develop a means to provide for commercial egg production in Labrador.

The Egg Regulations and EFNL's New Entrant Policy guide/govern egg production in the province. Since eggs are supply-managed, it was determined that egg production in Labrador would require adjustment to the Egg Regulations and to EFNL Policy. EFNL proposed to have the next available new entrant quota pool advertised for the Labrador region only.

The department, along with the NL Federation of Agriculture, held consultations with Labrador stakeholders in September 2018. Participants included MUN-Labrador Institute, Lake Melville Agricultural Association, Food First NL, TCII, EFNL, MUN-Grenfell Campus, Nunatsiavut Government, Labrador Affairs Secretariat, and the Innu Nation. There was great interest shown in starting an egg operation in Labrador.

Discussion and negotiations resulted in the initiation and development of a draft new entrant policy by EFNL's New Entrant Committee as the means by which a new entrant quota could be made available exclusively for the Labrador region

As of March 31, 2019, FLR and EFNL were engaged on how to execute the quota allocation for Labrador and issue an appropriate Call for Proposals. This work will continue into 2019-20.

Identified new land for agricultural zoning in Labrador, including encouraging use of land already identified.

This indicator has been met with the identification of new land for agriculture zoning in the Sheshatshiu area, outside of land previously identified in agricultural areas of

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interest in Labrador. Soils mapping of this agricultural land in the Sheshatshiu area was completed in 2018-19. Identification of new land for agriculture will be ongoing as staff visit new areas within Labrador, through regular soil survey work and through site inspections of agriculture lease applications.

Potential agricultural land identified in Labrador through the Agriculture Areas of Interest process were advertised on the department's website throughout 2018-19 to encourage applications for land user/open call for proposals. Compliance checks for development on existing agriculture leases encouraged use of land already issued for agriculture purposes.

Identified means to provide abattoir services to producers in Labrador to support the establishment of viable local livestock operations.

A meeting was held in March 2019 with stakeholders in Labrador to discuss opportunities for local abattoir services. Interest was expressed in constructing an abattoir as part of a Labrador pilot farm that Memorial University (MUN) had anticipated developing; however, this farm has not yet been acquired by MUN. Once MUN acquires the farm, the department will continue to work with MUN to explore the possibility of establishing an abattoir at this location.

Identified options to establish an inspected slaughter facility for the production of meat products for retail in the province, including undertaking a study to examine the feasibility of creating a mandatory meat inspection program in the province.

In 2018-19, FLR identified options to establish an inspected slaughter facility in the province and completed a comprehensive study of provincial meat inspection programs across the country to examine the feasibility of creating a mandatory meat inspection program in the province.

The department also explored the option of mobile abattoirs. The Canadian Food Inspection Agency is currently reviewing their meat inspection policies for mobile

abattoirs to determine whether or not they would consider licensing these facilities (federally).

In addition, the department developed a meat inspection training program in consultation with the province of Saskatchewan, and several departmental staff took part in the training program in 2018-19.

Discussion of Results

Throughout the 2018-19 fiscal year, the department has addressed the province's food self-sufficiency and security by continuing activities to support increased food self-sufficiency and security, including: providing seedlings to producers at cost; exploring options to provide abattoir services in Labrador and the feasibility of a mandatory provincial meat inspection program; and supporting negotiations towards establishing an egg quota for Labrador; identifying a new agricultural land in Labrador.

The department has taken significant steps towards doubling food self-sufficiency by 2022 and work will continue to build on many of these important initiatives.

2019-20 Objective

By March 31, 2020, the Department of Fisheries and Land Resources will have enhanced programs or initiatives to support increased food self-sufficiency and security

Indicators:

- Partnered with stakeholders to promote the distribution of locally produced food products.
- Contributed to the advancement of research in cool climate agriculture in collaboration with provincial farmers.
- Developed agriculture incubators in collaboration with local farms and/or farming organizations.
- Facilitated the use of local farmed products in food service establishments throughout the province.
- Launched a community garden program.

Strategic Issue 2 - Innovative and Sustainable Resource Growth, Development, and Diversification

The renewable resource sectors of Newfoundland and Labrador are key employers and contributors to the provincial economy. The Provincial Government is committed to supporting economic development, particularly in rural communities, through investments in growth, expansion and diversification. These vital resources require innovative solutions to foster sustainability and enable continued expansion. The department is dedicated to collaborative innovation, development, and diversification activities to grow our renewable resource sectors, while protecting and ensuring sustainable management of these resources. Efforts to address this issue align with the strategic directions of Government and contribute to focus areas including: sector growth, development, and modernization; research and development; market development; resource protection and sustainability; and natural area protection. This work also contributes directly to commitments in **The Way Forward** with a focused approach to supporting economic development and growth in Newfoundland and Labrador's renewable resource industries.

Goal Statement

By March 31, 2020, the Department of Fisheries and Land Resources will have supported the innovative and sustainable growth, development, and diversification of renewable resource sectors.

2018-19 Objective

By March 31, 2019, the Department of Fisheries and Land Resources will have developed and implemented initiatives to support the sustainable growth, development and diversification of renewable resource sectors.

Indicators:

- Shift to a multi-year licensing system that corresponds to the life-cycle of the fish.

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- Worked with counterparts of the Atlantic Fisheries Fund to provide funding for technology innovation, research and infrastructure to support mussel and salmonid sector growth.
- Contributed to the development of a forestry sector work plan to support diversification in the province's forestry sector.
- Reviewed and strengthened the development conditions on agriculture leases.
- Participated in the comprehensive national review of agricultural business risk management and increased promotion of business risk management programs to provincial farmers.

Results

Shift to a multi-year licensing system that corresponds to the life-cycle of the fish.

In 2018-19, the department amended the aquaculture licence renewal policy to shift from an annual licence renewal to a six-year licence term for all aquaculture licences. FLR worked with OCIO to reconfigure the department's web-based licensing system in order to implement this change, and FLR issued its first six year license in March 2019.

The six-year term more closely corresponds to the life cycle of fish, generally covering at least one and possibly two production cycles, depending on the species and other conditions.

This change, for which the aquaculture industry has advocated, better enables the maintenance of eco-certifications. In addition, sites may be listed as assets to secure financing and longer term licences may strengthen the financial viability of companies. Implementation of multiyear licences also reduces the administrative burden of annual renewals. The department still requires annual reporting of statistics and licences remain subject to existing polices in order to keep the license active.

Worked with counterparts under the Atlantic Fisheries Fund to provide funding for technology innovation, research and infrastructure to support mussel and salmonid sector growth.

In 2018-19, FLR worked with its federal and provincial counterparts under the Atlantic Fisheries Fund (AFF) to provide funding to support mussel and salmonid sector growth.

As a result of recommendations and feedback from this province's industry, the AFF general principles were updated to include application guidance for companies that provide products and/or services to the fish, seafood and aquaculture sectors. More specifically, this program clarification will enhance support for the expansion of the aquaculture supply and service sector essential to the sustainable development of our province's growing aquaculture sector.

A meeting with the mussel sector took place in December 2018 to further articulate the AFF guidelines and funding criteria. The mussel sector identified its key priorities and NAIA worked with and will continue to work with FLR to submit proposals to address sector-wide challenges.

FLR continued to work with DFO in 2018-19 to ensure a strategic approach was taken to allocating AFF funds based on provincial priority initiatives. FLR staff will continue to participate in aquaculture working groups to support the future growth of the sector.

In 2018-19, four aquaculture projects were funded through the AFF, with a total investment of over \$1.6 million. A salmonid aquaculture project involved cleaner fish research to further develop cost effective and green solutions for sea lice control. The remaining three projects included the purchase of equipment to improve harvesting efficiencies and sustainability for mussel and oyster aquaculture farms. The department continued to support innovative research and development that mitigates known challenges that exist in the aquaculture sector.

Contributed to the development of a forestry sector work plan to support diversification in the province's forestry sector.

As part of **The Way Forward**, industry and the Provincial Government partnered, through the Cabinet Committee on Jobs, to support economic growth and foster private sector job creation by contributing to the development of a forestry sector work plan in 2018-19. The development of the **Forestry Sector Work Plan** was led jointly by Public Engagement and the Newfoundland and Labrador Forest Industry Association through a Forestry Sector Work Plan Steering Committee. The Steering Committee included various members for industry and industry groups, as well as representatives from Provincial Government departments, including three members from FLR. The **Forestry Sector Work Plan** includes actions that each of the partners and other industry stakeholders will take to achieve their collective goals. The **Forestry Sector Work Plan**, released on January 28, 2019, includes 32 collaborative actions to diversify the forest industry in Newfoundland and Labrador, support economic growth, and foster private sector job creation.

The **Forestry Sector Work Plan** is an interactive and working document that outlines how partners will pursue opportunities and remove barriers related to sustainable forest management; research, innovation and diversification; business development and risk management; public awareness; and human resources, skills and labour. The collaborative actions outlined in the plan are intended to foster diversification and increase efficiency in the forest sector.

For more information, a copy of the sector work plan and other materials can be found online at www.flr.gov.nl.ca/forestrysummit

Reviewed and strengthened the development conditions on agriculture leases.

In 2018-19, FLR's Land Management Division completed a review of agriculture lease practices in other jurisdictions. This included reviewing published information available on government websites and conducting telephone interviews with agriculture representatives from other provinces and territories to discuss their current agriculture

practices. FLR reviewed the development conditions on agricultural leases, along with the leasing policy on duration of leases, rental costs and lease renewal terms. The department will make improvements to development conditions in 2019-20.

Participated in the comprehensive national review of agricultural business risk management and increased promotion of business risk management programs to provincial farmers.

During 2018-19, the department participated in the comprehensive national review of agricultural business risk management. Federal, provincial and territorial governments (FPT) undertook a review of Business Risk Management (BRM) programs during this time to assess program effectiveness and impact on growth and innovation. The review covered the AgriStability, AgriInvest and AgriInsurance programs. An expert panel consisting of producers, academia and global experts was created to provide input throughout the review. Departmental officials participated in this review through the BRM Policy Working Group by providing technical analysis and information to the expert panel.

The Panel's recommendations, which were submitted to FPT Ministers of Agriculture at their annual meeting in July 2018, included continuing the work of the BRM review with ongoing engagement with industry. To that end, the National Program Advisory Committee (NPAC) was appointed to continue work on the evaluation of BRM programs. Newfoundland and Labrador has three members appointed to NPAC, including one official of the department.

With regard to increased promotion of BRM programs to producers, FLR conducted the following new or enhanced activities in 2018-19:

- Set up a BRM booth at the NLFA annual general meeting in January 2019;
- Provided a BRM presentation and had a booth at the NL Horticulture Producers Council meeting in March 2019;
- Placed an AgriInsurance advertisement in the industry AgriView newsletter (Winter edition);

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- Farm visits and phone calls/emails made by departmental staff to promote BRM programs to farmers (this was a priority for an Agriculturist II position hired in 2018-19); and,
- Included AgriInsurance documents on the department's website and promoted the AgriStability 2018-19 application deadline via the department's Twitter account.

Discussion of Results

During 2018-19, the department developed and implemented initiatives to support the sustainable growth, development and diversification of Newfoundland and Labrador's renewable resource sectors. The implementation of a multi-year aquaculture licensing system will contribute to the sustainability of the aquaculture sector. The department's work with AFF counterparts to leverage funding for technology innovation, research and infrastructure will support innovation, growth and diversification in the aquaculture sector. The **Forestry Sector Work Plan** represents a collaborative approach by all stakeholders to move forward in support of sustainable growth, development and diversification of the forestry sector. Additionally, a completed review of the development conditions on agricultural leases has informed the strengthening of these conditions to ensure the development of the province's limited arable soils for future agricultural activity.

2018-19 Objective

By March 31, 2020, the Department of Fisheries and Land Resources will have continued activities to support the sustainable growth, development and diversification of renewable resource sectors.

Indicators:

- Facilitate collaboration between the forestry and agriculture industries regarding the utilization of merchantable timber.
- Continued monitoring and control of forest pests and explore the development of new mitigation technologies and management tools.
- Increased education, awareness and communication of forest developments and sustainable forest management practices amongst government, municipalities and the general public.
- Continued to support mussel and salmonid sector growth through leveraged investments in areas such as technology, innovation, research and infrastructure.
- Continued work to modernize aquaculture licensing policies and procedures.

Opportunities and Challenges

The renewable resources of Newfoundland and Labrador are vital to the province. They are important economic drivers and provide employment opportunities to the residents of this province, particularly in rural areas. The role of the department is to ensure the sustainability of these resources and facilitate growth within the industries which rely on them.

Opportunities

There are many opportunities for companies and individuals involved in renewable resource sectors under the department's mandate. These include sustainably growing the fishing, aquaculture, agriculture and forestry industries, and improving regulations that protect the natural environment and wildlife of this province. The department supports fisheries and land resources through policies and programs aimed at helping these industries adapt and succeed, encouraging innovation, and supporting new opportunities that improve efficiency and product quality, while mitigating environmental impacts and promoting sustainability.

New trade agreements, eco-certification, and product traceability initiatives provide opportunities for industries to expand through increased market access and the development of high quality and value-added products. The recent implementation of a multi-year licence regime for aquaculture is an initiative which will support such opportunities. In the fishing industry, the Fisheries Advisory Council provides industry stakeholders an opportunity to collaborate on initiatives to increase the overall viability and competitiveness of the industry, including the ongoing development of a Groundfish Action Plan. There is an opportunity to expand the aquaculture sector to 50,000 tonnes for salmonids and 10,750 tonnes for mussels. The **Aquaculture Sector Work Plan** outlines activities and initiatives aimed at positioning the industry to maximize the benefits arising from emerging opportunities.

The **Aquaculture Sector Work Plan** identifies targets to advance the aquaculture service and supply sector, providing development opportunities to maximize local economic benefits and enhance sector competitiveness.

FLR has met with international aquaculture companies to discuss the potential for developing a local aquaculture service sector via the establishment of aquaculture supply and service hubs in Placentia Bay and central Newfoundland and Labrador.

The development of sector work plans help guide the department's support of the industries it represents. For land resources, there is opportunity to build on the accomplishments to date relating to natural heritage and wildlife, and to generate strong solutions for sustainability, food self-sufficiency, and food security. The new collaborative **Forestry Sector Work Plan**, along with other recent policy activities, supports the goal to increase timber allocations and harvest levels by 20 per cent by 2020 as stated in **The Way Forward**.

FLR will continue to expand collaboration and partnerships with internal and external stakeholders as part of ongoing sector work plan initiatives.

Challenges

The province's fisheries and land resources face several challenges. These sectors all face an aging workforce as well as attraction and retention issues, particularly in industries that are largely based in rural areas of the province. International trade is challenged by market price fluctuations, exchange rate volatility, and competition from producers in other provinces and countries.

The province's fishing industry is facing a regime shift, as shellfish resources such as snow crab and shrimp decline, to an industry which becomes increasingly focused on groundfish. This shift will present challenges such as resource uncertainty, overcapacity in both the harvesting and processing sectors, and seasonality of the industry.

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The aquaculture industry will experience a different set of challenges as it continues to expand, including the need for regional and local infrastructure and supply and support services to keep pace with industry expansion. Other challenges include increased capital costs for remote site access and development, requirements for real-time data collection, adaptation to climate change, and the need to address public misinformation regarding the aquaculture industry.

This industry also shares the challenges of an aging workforce and increased automation with the commercial fishery. Additionally, there is limited access to aquaculture trained and skilled workers for all aspects of the value chain to meet the needs of this growing industry, particularly in remote areas.

The agriculture industry faces challenges in increasing local agriculture production in an economically viable and sustainable manner to ensure optimal benefits to the agricultural community. Our cool wet climate and rocky soils make agriculture in this province challenging, increasing the costs of production for most producers and leaving them vulnerable to price-based competition from elsewhere. Development of new agricultural land can also be quite costly.

The forest industry faces challenges relating to rising transportation costs, trade barriers, maintaining a competitive advantage, and a decline in global demand for newsprint and other print materials. Climate change also has the potential to significantly disrupt available fiber through mortality from increased activities related to insects, disease, precipitation impacts and wind

Other challenges include the availability of markets for small diameter timber and saw mill residue; land use conflicts; a need for investments in silviculture and forest access roads; and, increasing secondary processing and value added opportunities.

ANNEX A

Financial Statements

Department of Fisheries and Land Resources Statement (Unaudited) of Expenditures and Related Revenue *			
Summary for the Year Ended March 31, 2019*	ESTIMATES		
	Original	Amended	Actual
	\$	\$	\$
EXECUTIVE AND SUPPORT SERVICES			
Minister's Office			
Minister's Office	244,800	244,800	242,757
General Administration			
Executive Support	1,365,600	1,451,600	1,432,027
Administrative Support	100	100	-
Executive and Support Services Subtotal	1,610,500	1,696,500	1,674,784
FISHERIES AND AQUACULTURE			
Fisheries Programs			
Seafood Marketing and Support Services	1,707,300	1,635,800	1,495,215
Licensing and Quality Assurance	1,789,400	2,039,400	1,998,689
Atlantic Fisheries Fund	10,000,000	10,001,500	6,277,358
Sustainable Fisheries Resources and Oceans Policy	755,100	623,100	570,634
Coordination and Support Services	500,000	500,000	231,985
Revenue – Federal	(500,000)	(500,000)	(275,000)
Seal Product Inventory Financing	(150,000)	(150,000)	(88,199)
Aquaculture Development			
Aquaculture Development and Management	936,400	800,400	779,949
Aquaculture Capital Equity Investment	1,000,000	1,000,000	-
Revenue – Provincial	-	-	(9,249,126)

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Aquatic Animal Health			
Aquatic Animal Health	1,675,700	1,765,700	1,761,741
Fisheries and Aquaculture Subtotal	17,713,900	17,715,900	3,503,246
FORESTRY AND WILDLIFE			
FOREST MANAGEMENT			
Administration and Program Planning	3,587,700	3,758,400	3,653,286
Operations and Implementation	8,423,400	8,514,400	8,393,678
Silviculture Development	3,847,100	3,847,100	3,605,631
FOREST PROTECTION			
Insect Control	900,800	900,800	799,610
Fire Suppression and Communications	3,418,800	3,418,800	2,714,827
Revenue – Provincial	-	-	(3,527)
WILDLIFE			
Administration, Licensing and Operations	881,800	960,300	927,015
Endangered Species and Biodiversity	409,400	424,400	409,869
Stewardship and Education	887,900	926,900	893,833
Habitat, Game and Fur Management	1,646,100	2,006,100	1,929,419
Research	1,157,400	1,403,700	1,187,685
Cooperative Wildlife Projects	409,200	416,200	279,931
Revenue – Federal	(272,000)	(272,000)	(151,245)
Forestry and Wildlife Subtotal	25,297,600	26,305,100	24,640,012
AGRICULTURE AND LANDS			
LAND MANAGEMENT			
Land ManagementM	2,323,400	2,151,400	1,853,378
Revenue – Provincial	(190,200)	(190,200)	(13,412)
Land Development	1,301,900	1,301,900	475,532
AGRICULTURE PRODUCTION AND RESEARCH			
Agriculture Production and Research	4,658,600	4,720,100	4,307,313

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Revenue – Provincial	(11,000)	(11,000)	(14,444)
Marketing Board	211,700	216,200	180,842
Research and Development	1,147,500	1,157,500	971,512
Revenue - Provincial	(8,000)	(8,000)	-
Limestone Sales	411,800	511,800	435,217
Revenue - Provincial	(140,000)	(140,000)	(142,712)
AGRICULTURAL BUSINESS DEVELOPMENT			
Agricultural Business Development - Administration	1,273,100	1,046,100	990,021
Agriinsurance and Livestock Insurance	435,200	435,200	183,954
Revenue – Federal	(202,800)	(202,800)	(133,453)
Agricultural Initiatives	2,750,000	2,750,000	2,725,510
Canadian Agricultural Partnership	7,098,900	7,098,900	5,922,163
Revenue – Federal	(3,819,500)	(3,819,500)	(4,042,588)
Revenue – Provincial	(10,000)	(10,000)	-
ANIMAL HEALTH			
Administration and Support Services	3,493,000	3,493,000	3,385,518
Revenue – Provincial	(1,200,000)	(1,200,000)	(1,204,297)
LANDS			
Crown Land	3,700,200	3,745,200	3,699,647
Land Management and Development	1,321,100	731,100	637,091
Revenue - Provincial	(14,108,000)	(14,108,000)	(5,498,619)
Agrifoods and Lands Subtotal	10,436,900	9,668,900	14,718,173
ENFORCEMENT AND RESOURCES SERVICES			
POLICY AND PLANNING SERVICES			
Policy, Planning and Administration	2,880,600	2,479,600	2,368,346
Revenue – Provincial	(62,000)	(62,000)	(953,784)

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ENFORCEMENT			
Compliance	1,260,900	1,246,900	1,115,248
Enforcement	4,327,300	4,414,800	4,338,022
Enforcement and Resource Services	8,406,800	8,079,300	6,867,832
<u>Department Total</u>	<u>63,465,700</u>	<u>63,465,700</u>	<u>51,404,047</u>

*Expenditure and revenue figures included in this document are based on public information provided in the *Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended March 31, 2019*.

ANNEX B**FLR Entities Subject to the Transparency and Accountability Act**

Entity	Year End	Category
Agricultural Land Consolidation Review Committee	March	3
Farm Industry Review Board	March	3
Livestock Owners Compensation Board	March	3
Newfoundland and Labrador Crop Insurance Agency	March	3
Newfoundland and Labrador Geographical Names Board	March	3
Species Status Advisory Committee	March	3
St. John's Land Development Advisory Authority	March	3
St. John's Urban Region Agricultural Appeal Board	March	3
Wilderness and Ecological Reserves Advisory Council	March	3
Wooddale Land Development Advisory Authority	March	3
Appeal Board of the Professional Fish Harvesters Certification Board	December	3
Chicken Farmers of Newfoundland and Labrador	December	3
Fish Processing Licencing Board	December	3
Professional Fish Harvesters Certification Board	December	3