

# ANNUAL REPORT 2019/20



## Fisheries, Forestry and Agriculture

## Message from the Minister

It is my pleasure to present the 2019-20 annual performance report for the Department of Fisheries, Forestry and Agriculture, formerly 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 goals from our 2017-20 strategic plan, as well as the objectives outlined in our 2018-19 annual report. I am accountable for the results contained within.

This third and final report on our 2017-20 strategic plan includes highlights of commitments outlined in our **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**, we continued 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 toward achieving this year's objectives. Together, 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.



**HONOURABLE ELVIS LOVELESS, MHA**

Minister of Fisheries, Forestry and Agriculture

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## Departmental Overview

### Organizational Structure

The Department of Fisheries, Forestry and Agriculture (FFA), formerly known as Fisheries and Land Resources, supports and encourages the development and sustainability of the province's fishing, aquaculture, agriculture, and forestry industries, as well as Crown lands and wildlife. The department's main responsibilities include:

- Licensing and regulating the province's fish processing sector;
- Supporting the strategic development of the fishing industry as a key pillar of economic growth within the province;
- Promoting the further development and diversification of competitive and sustainable agriculture businesses;
- Effectively and sustainably managing and developing the province's aquaculture sector;
- Serving as stewards of the province's forests for the benefit of all residents; and,
- Conserving and protecting the province's inland fish, wildlife, forestry 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, please visit the department's website at <https://www.gov.nl.ca/ffa/>.

### Staff and Budget

As of March 31, 2020, the department had 552 employees and 911 positions (seasonal positions begin work later in the spring). For the 2019-20 fiscal year, the departmental budget was \$85,070,500.

Branch	# of Employees	Budget
Agriculture and Lands	177	\$29,474,700
Enforcement and Resource Services	99	\$8,259,900
Fisheries and Aquaculture	59	\$19,137,100
Forestry and Wildlife	205	\$26,593,600
Executive and Executive Support	12	\$1,605,200
<b>Total Department</b>	<b>552</b>	<b>\$85,070,500</b>

The department is headquartered in St. John's, with a total of 85 office locations in 48 communities throughout the province to deliver its programs and services.

## Highlights and Partnerships

### Fisheries and Aquaculture

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

- On April 15, 2019, an agreement was reached between FFA, offshore shrimp companies, and onshore processors to give onshore shrimp processing companies every opportunity to increase production and employment at facilities in Newfoundland and Labrador.
- On June 1, 2019, approximately 2,000 people celebrated World Oceans Day at the Marine Institute in St. John's. The event was organized by a committee of representatives from FFA, Fisheries and Oceans Canada (DFO), the World Wildlife Fund, the Fish, Food and Allied Workers (FFAW), the Canadian Parks and Wilderness Society, and the Marine Institute (MI).
- In 2019-20, the department engaged with industry and other stakeholders to complete an extensive review of the provincial aquaculture governance structure, including work to modernize and enhance its aquaculture licensing policies and



procedures to ensure ongoing success, with changes intended to guarantee open, transparent, accountable, and biosecure environmental stewardship, with established, clear processes, and expectations that support social license and sustainability. Feedback to inform the policy modernization came from a public consultation process that engaged industry stakeholders, Indigenous Governments and Organizations, and the public. The department met with stakeholders in August 2019, while the public was engaged through an Engage NL questionnaire to discuss the modernization of aquaculture policies and procedures. This process highlighted concerns related to the aquaculture sector, including disease, waste management, potential impacts on wild fish and habitat, and increased standards for auditing and inspections. The Aquaculture Policy and Procedures Manual was released in September 2019.

- In 2019-20, the Atlantic Fisheries Fund (AFF) continued to enhance innovation, infrastructure and science partnerships in the fisheries and aquaculture sectors. In partnership with the Federal Government, an investment of more than \$10.1 million was committed to 97 seafood sector projects. Projects include harvesting equipment to support maintaining seafood quality, improving efficiencies on vessels, and ensuring sustainability of the sector. On the processing side, projects included quality and yield improvements in cod fish processing, as well as addressing processing needs for improved efficiency and diversification of the sector.
- In 2019-20, the Canadian Fish and Seafood Opportunities Fund (CFSOF) supported seven projects valued at \$5.4 million, with a contribution of \$860,000 from the province.
- During 2019-20, the department provided grants valued at over \$112,000 to nine seafood companies for marketing and development of value-added fish and seafood products.
- On March 18, 2020, all Atlantic Canadian Fisheries Ministers agreed to work together with the Federal Government to help industry weather the impacts of COVID-19.
- In light of the economic impacts on the Newfoundland and Labrador seafood sector stemming from the ongoing COVID-19 situation, on March 24, 2020, FFA extended

all current valid fish processing and buyers licenses to August 31, 2020, and worked with industry during this extension period to support the issuance of aquaculture licence renewals, and fish processing and buyer licence renewal requests.

- An investment of more than \$10.1 million was committed to 97 seafood sector projects. Projects included harvesting equipment to support maintaining seafood quality, improving efficiencies on vessels, and ensuring sustainability of the sector. On the processing side, projects include quality and yield improvements in cod fish processing as well as addressing processing needs for diversification of the sector and new project developments.
- Through an established intergovernmental partnership, FFA and the Federal Government collaborated to manage Newfoundland and Labrador's fisheries, ocean resources and spaces during 2019-20. This collaborative and integrated approach to management ensures that ocean resource use is sustainable, lucrative, and maintained for future generations.
- Building upon a marine spatial planning (MSP) workshop organized in 2018-19, by the DFO in planning area boundaries. In 2019-20, the Province reiterated its commitment to MSP at a January 15, 2020, Atlantic Canada Fisheries and Aquaculture Ministers' meeting with federal Minister Jordan. MSP fosters an approach for planning ocean activities in an open and collaborative way, in which economic opportunities, social and cultural objectives, and ecological health are balanced.
- In 2019-20, FFA provided \$73,106 to the MI - for a capelin egg and larval study in Placentia and Conception Bays; \$5,000 for the Dr. Wilf Templeman Scholarship; \$15,000 for the Students on Ice program; and \$5,000 for The Professional Fish Harvesters Certification Board's - Meeting the Labour Supply Challenge in the Atlantic Canada Fish Harvesting Industry workshop.



## Agriculture and Lands

During the 2019-20 fiscal year, the Agriculture and Lands Branch worked towards increasing the province's food self-sufficiency by partnering with industry and other Provincial Government departments and agencies. Such partnerships and accomplishments include the following:

- As of November 2019, through the Vegetable Transplant Program, FFA provided 1.7 million vegetable transplants to 54 commercial farmers at cost, compared to 255,800 transplants distributed to 25 farmers in 2018. The program is expected to result in approximately \$1.6 million in combined revenues for recipient farmers.
- Since the launch of our **Agriculture Sector Work Plan**, more than 278.5 acres of land – the equivalent of approximately 211 football fields – have been prepared for fruit and vegetable production. This amount of agricultural land has the potential to produce five million pounds of food for our residents.
- Since April 1, 2019, the federal-provincial-territorial Canadian Agricultural Partnership (CAP) has committed \$6.8 million to 100 projects, including 39 approved to assist 30 new entrants – people who intend to establish a new farm in the province, or have operated an existing agri-business for less than six years, with a focus on secondary processing, food self-sufficiency, climate change, and risk mitigation for the agriculture industry.
- The Provincial Agrifoods Assistance Program (PAAP) has also committed approximately \$1 million for 62 land development projects since April 1, 2019, and approximately \$788,000 for 29 agriculture infrastructure projects. Recently supported infrastructure projects under this program have been used for beef, fruit, and vegetable production.
- FFA collaborated with farmers on the Beef Cattle Enhancement Demonstration Project to evaluate the impact of superior purebred and cross-bred cattle traits on meat production and quality.
- The Provincial Government collaborated with Agriculture and Agri-Food Canada (AAFC), along with Grenfell Campus, Memorial University of Newfoundland (MUN), and Corner Brook Pulp and Paper Ltd. (CBPPL), on a two-year, cost shared \$1.3

million project to help maximize Newfoundland and Labrador's cool-climate growing conditions, while protecting the environment, increasing agriculture production, and utilizing the by-products of other natural resource industries.

- The department supported increased access to adequate, certified cold storage facilities, which is critical for smaller-scale farmers who wish to expand their vegetable production. By establishing cooperative facilities throughout the province, smaller-scale farmers, who might not be ready to make a substantial financial investment into cold-storage infrastructure, are given the boost they need to expand production, improve vegetable quality, and ultimately, improve food self-sufficiency in Newfoundland and Labrador.
- In 2019-20, the Crown Lands Division responded to over 21,000 enquiries and received 2,079 new applications.
- In July 2019, enhancements to the Crown lands application services were announced, including a new feature that allows applications to be completed and submitted online to ensure faster, more efficient processing with a step-by-step process for completing an application online. The new processes are in addition to paper applications that continue to be accepted.

## **Enforcement and Resource Services**

The Enforcement and Resource Services Branch had a busy year in 2019-20, with its enforcement of provincial and federal laws and regulations relating to our inland fish and wildlife resources, and its provision of geographic information services systems and mapping services across the public service.

- On March 12, 2020, the department announced the consolidation of enforcement officers throughout the department into one division, allowing for the sharing of related skill-sets, experience and expertise, and leading to enhanced enforcement services in support of the protection of our wildlife, inland fish, forestry, and land resources.
- Throughout the fiscal year, the public continued to provide important tips about suspected illegal activity in support of investigative efforts, with officers fielding more

than 300 calls by the end of 2019, on the 24/7 toll-free “report poaching line” (1-877-820-0999) to anonymously report suspected illegal activity.

- Officers engaged in community outreach through group presentations, school visits, Law Enforcement Torch Run, festivals, and other public events.
- The Resource Enforcement Division also hosted five on-the-job training cadets from the Atlantic Police Academy in Summerside, PEI, providing valuable and practical work opportunities to students pursuing careers in fish and wildlife enforcement.
- During the weekend of January 17, 2020, eastern Newfoundland and Labrador experienced a record snowfall and strong winds that resulted in a state of emergency being declared in many communities. FFA worked with Statistics Canada and other Provincial Government departments to prepare a digital map application and geo-enabled socioeconomic statistics of the areas most affected. This information was launched in an application used by the Canadian Forces to inform emergency response. This application helped to prioritize snow shoveling and outreach patrols in areas with higher populations of seniors and people living alone.

## Forestry and Wildlife

The Forestry and Wildlife Branch continues to support the diversification of the province’s forestry sector and management of the province’s wildlife. Some highlights are detailed below.

- The overall number of forest fire starts and total area burned was down for the third year in a row during the 2019 fire season, particularly in Labrador. Continued fire fighter training and strategic positioning of fire suppression resources, combined with wildfire safety and prevention efforts, such as encouraging greater public use of online fire hazard forecast maps, and is having a positive impact. In 2019, there were more than 20,000 visits to the department’s fire hazard forecast map webpage.
- In 2019-20, the department’s silviculture section planted 3,431,400 seedlings over 2,142 hectares, completed 663 hectares of site preparation, and 118 hectares of pre-commercial thinning, for a total treatment area of 2,923 hectares.

- In 2019, FFA amended the **Forestry Act** to reduce the administrative burden for timber scalers by increasing certification from one year to five years.
- FFA continued to work with stakeholders to advance initiatives identified in the **Forestry Sector Work Plan**. For example, a legislative amendment was made to the **Forestry Act** regarding the removal of timber from agriculture Crown land to make it easier for farmers to clear land for agriculture purposes.
- FFA provided funding and in-kind commitments to support SERG International initiatives to improve technologies and tools to manage forest pests of importance to the Province. SERG International is a partnership in forest pest management research.
- In 2019-20, FFA reached a bilateral Boreal Caribou Conservation Agreement with the Government of Canada and successfully leveraged \$5.4 million from the Federal Government to conserve and protect Labrador's Boreal Caribou – the Mealy Mountains, Lac Joseph, and Red Wine herds.
- FFA also re-introduced 15 caribou from the St. Anthony herd to Grey Islands to re-establish a resident caribou population in 2019-20.
- The department encouraged increased participation in hunting by entering youth applicants into the big game draw at a higher priority pool (Pool 5) to increase the likelihood of receiving a licence.
- FFA partnered with hunting and fishing associations and other organizations throughout the province in the summer of 2019, to deliver a series of hunting and angling skills workshops to youth aged 12-17.
- The department remains a leader in environmental protection under our Environmental Management System and ISO 14001 Certification for forestry operations, road building, and silviculture activity on crown land. This certification is awarded after being reviewed by external auditors.
- FFA continues to work closely with Indigenous governments through annual forestry agreements and activities in Labrador with the Innu Nation and NunatuKavut Community Council.

## Report on Performance

Given that 2019-20 is the final year of the 2017-20 reporting period, this report on performance will first outline the department's work on the objective indicators for the 2019-20 fiscal year. Secondly, this report will discuss the progress made on indicators for the goals over the entire reporting period. Throughout this period, the department continued to work collaboratively with industry stakeholders and partners, including other Provincial Government departments and jurisdictions, academic institutions, industry partners, non-governmental organizations, and public bodies to advance its mandate.

### Strategic Issue 1 - Food Self-Sufficiency and Security

Food self-sufficiency is a concern in Newfoundland and Labrador, particularly when transportation routes to the province are interrupted. These conditions have highlighted the requirement to grow more food locally. The Provincial Government has committed to increase the province's food self-sufficiency to at least 20 per cent by 2022. In support of this, government has taken steps to increase the availability of Crown lands for agriculture purposes. For the period covered by this plan, the department has increased the province's food self-sufficiency, largely through the development and implementation of a sector work plan, with farmers and other agricultural partners.

### Goal Statement

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

### 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.

### Objective 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.

### Objective Results

This table outlines planned versus actual results for the objective indicators set out in the department's 2018-19 Annual Report.

<b>Partnered with stakeholders to promote the distribution of locally produced food products.</b>
<p>During the reporting period, the department partnered with many stakeholders to promote the distribution of locally produced food products.</p> <p>Throughout 2019-20, the department worked closely with Dominion and Sobeys to arrange meetings with local farmers in order to facilitate increased sales of local products in their Newfoundland and Labrador stores. FFA also held meetings with farmers markets in St. John's, Mount Pearl, Corner Brook, and Clarenville to discuss potential future development and promotional partnerships.</p>



Based on producer's feedback on the Vegetable Transplant Program 2018 pilot project, including suggestions for new varieties and more transplants, the department prepared approximately 1.7 million transplants for distribution to 54 commercial farmers at cost, for the 2019 program, up from 255,800 distributed to 25 farmers in the previous year. These included turnip, onion, kohlrabi, Brussels sprouts, kale, leek, broccoli, and cabbage transplants produced at the Centre for Agriculture and Forestry Development at Wooddale.

During 2019-20, the department also worked with the Newfoundland and Labrador Horticulture Producers Council (HORTNL) to explore the concept of Food Hubs as a potential way to make it easier for locally grown food to reach consumers throughout the province. This included a telephone meeting with the Cape Breton Food Hub to gain some knowledge as to their best practices.

**Contributed to the advancement of research in cool climate agriculture in collaboration with provincial farmers.**

Throughout 2019-20, the department conducted collaborative research with farmers on new crops and new crop varieties, such as grain, grain corn, canola, kale, asparagus, half-high blueberries, and wine grapes, as well as developing best management practices and demonstrating innovative technology to teach farmers how to successfully grow and maximize profitability on new and traditional crops in the province's cool climate.

The department also worked collaboratively with MUN Grenfell Campus, on optimizing canola oil processing and silage corn production; soil health and fertility; management practices that reduce greenhouse gas emissions, sequester carbon, and improve hydrologic conditions of soils. The department collaborated with AAFC on blueberry, lingonberry, and potato trials as well.

The department also worked with AAFC, along with MUN Grenfell Campus, and CBPPL on a collaborative research project to support Newfoundland and Labrador farmers in applying sustainable agriculture practices in cool-climate, boreal ecosystems. The two-year, \$1.3-million project was funded under the \$25-million, three-year (2018-21), federal Agricultural Clean Technology Program, and received a federal investment of \$557,509 from AAFC, a \$773,376 provincial commitment provided from the department, as well as the former department of Tourism, Culture, Industry and Innovation (TCII), along with investments from MUN and CBPPL.

In collaboration with farmers, this project, which includes a number of graduate level research projects, will ultimately help maximize Newfoundland and Labrador's cool-climate growing conditions, while protecting the environment, increasing agriculture production and utilizing the by-products of other natural resource industries.

**Developed agriculture incubators in collaboration with local farms and/or farming organizations.**

As announced on November 30, 2018, the Governments of Newfoundland and Labrador and Canada partnered with the O'Brien Farm Foundation to undertake the development of the 200-year old O'Brien Farm to preserve its history, advance public education on sustainable agricultural practices, and encourage innovation in agriculture at the farm.

The project will involve interior and exterior renovations to Thimble Cottage and improvements to the grounds and parking area, as well as constructing a learning centre, creating a community garden, and developing farm incubator infrastructure, including a barn, fencing, and equipment. The foundation received \$600,000 from Atlantic Canada Opportunities Agency (ACOA) Business Development Program and \$263,750 from TCII's Regional Development Program for this initiative.

Additionally, the Labrador Institute acquired the Grand River Farm, an 85-acre farm in Labrador, locally known as the Pye Farm, in June 2019, and began to create the Pye Centre for Northern Boreal Food Systems. The Institute's intention is to develop it as a social enterprise/food hub that encompasses several potential activities such as cold storage, community gardens, and incubator plots. Establishment of the Pye Centre will also build on MUN Grenfell Campus' new agriculture degree program and connect MUN to an international network of northern farm research centres for north-to-north learning, sharing, and collaboration. FFA was involved in a working group to facilitate the acquisition of the farm. The department continues to review its programs and services to identify ways in which FFA can support the development of the Pye Farm as an agriculture incubator.

**Facilitated the use of local farmed products in food service establishments throughout the province**

The department facilitated the use of local farmed products during the 2019-20 period, through initiatives such as the **Newfoundland and Labrador Farm Guide Website**, which was launched on October 21, 2019, with approximately 100 farms listed. The department worked with other Provincial Government departments to generate a more robust online presence for the Farm Guide, which had previously been published in a paper format.

The online version of the Farm Guide uses new, digitized technology to replace the need for a printed guide. Upon its initial launch, the guide was still in the development stages, and the website grew with new entries submitted for inclusion and the launch of a mapping feature later in 2019-20. The site was referred to consistently by consumers and buyers, including major retailers, and additional content was planned for 2020-21. The new online Farm Guide assists local chefs and restaurateurs to source local products from farms in their respective regions. The **Newfoundland and Labrador Farm Guide** may be accessed at <https://www.gov.nl.ca/farm-guide/>.

### Launched a community garden program

On April 10, 2019, the department launched the Community Garden Support Program to help community groups, municipalities, and local service districts to establish and enhance new and existing community gardens with support from annual grants of up to \$500 each.

The objective of the Community Garden Support Program is to:

- Increase food self-sufficiency;
- Increase access to fresh foods;
- Increase consumption of fruits and vegetables; and
- Increase awareness and appreciation of the importance of local food production and the agriculture sector.

Since launching the Community Garden Support Program, the department has approved 101 eligible applicants, for a total investment of \$50,486. The program helped establish 23 new community gardens and enhanced 78 existing community gardens. Applicants reported that more than 3,500 people participated and benefited from the community gardens including youth, seniors, and Indigenous groups.

## 2017-20 Goal Reporting

### Goal Indicators:

- Completed a review of existing funding programs to create more opportunities to support new entrants in entering the agriculture sector.
- Implemented a new regulatory framework for agriculture development.
- Developed and implemented a sector action plan to support food security and agriculture growth.

## Goal Results

This table outlines planned versus actual results for the goal indicators set out in the department's 2017-20 Strategic Plan.

### **Completed a review of existing funding programs to create more opportunities to support new entrants in entering the agriculture sector.**

In 2017-18, the department completed a review of its existing agricultural business funding programs with the goal of creating opportunities for new entrants to the agriculture sector. The two main agricultural development programs are the CAP, formerly Growing Forward 2, which is cost-shared with the Federal Government, and PAAP.

During the negotiation of the CAP bilateral agreement with the Government of Canada, a series of four industry engagement sessions were held in regions of the province from December 5-11, 2017. The department, the Newfoundland and Labrador Federation of Agriculture (NLFA), and AAFC participated in these to discuss CAP programming and identify program spending priorities for local industry, including opportunities to support new entrants. The CAP, a federal-provincial-territorial Framework Agreement, was launched in Newfoundland and Labrador in May 2018. In 2018-19 alone, CAP invested \$5,809,774 to advance innovation, food safety, market development, public trust, agri-food processing and environmental sustainability in the province. This investment provided \$958,457 to 29 new entrants in 2018-19, and \$1,321,302 to 32 new entrants in 2019-20, to further grow the agriculture sector, including assistance for survey costs to acquire 244 acres of agricultural land.

As a result of a review of the PAAP, and recognizing that many new entrants face difficulty accessing capital, the PAAP funding amount for new entrants was increased from \$5,000 to \$20,000, starting in 2018-19. In 2017-18, before the change, 11 new

entrants were funded under PAAP. In 2018-19, 27 new entrants received funding, while in 2019-20, there were 20 new entrants funded.

Consequently, new entrants have access to financial assistance to develop business plans, conduct market research, complete legal land surveys to acquire agricultural leases, develop agricultural land and on-farm access roads, and acquire equipment and infrastructure through programming offered by the CAP program and PAAP.

These investments helped to address financial challenges experienced by new entrants entering the agriculture and agrifoods industry, and encourage and support new entrants in the sector.

### Implemented a new regulatory framework for agriculture development.

Although a holistic approach to a new regulatory framework was planned, it was determined that there were pressing issues which needed to be addressed prior to undertaking this extensive process.

During this period, the department amended the **Forestry Act** with regard to the removal of timber from agricultural Crown land to make it easier for farmers to clear land for agriculture purposes. In addition, policies and programs were reviewed to ensure new entrants were supported and that land and assistance is available for the expansion of existing operations.

The department is continuing to review its agriculture legislation to ensure it is up to date and meets the needs of the sector. This work remains a priority for FFA.



**Developed and implemented a sector action plan to support food security and agriculture growth.**

The **Agriculture Sector Work Plan** was released on October 23, 2017, and contained 43 actions to support increased agriculture growth, food security, and food self-sufficiency including: implementing a pilot project to serve locally-grown farmed products in public health facilities; provide seedlings to producers at cost for priority crops; and, partner with community organizations and other stakeholders to improve the distribution of healthier, more affordable locally produced food products in Labrador. This document can be found at: [https://www.gov.nl.ca/ffa/files/Agriculture-Sector-Workplan\\_Final.pdf](https://www.gov.nl.ca/ffa/files/Agriculture-Sector-Workplan_Final.pdf).

The Work Plan was jointly developed by the Provincial Government, the NLFA and Food First NL, in collaboration with agriculture sector partners, including Chicken Farmers of Newfoundland and Labrador, Dairy Farmers of Newfoundland and Labrador, Egg Farmers of Newfoundland and Labrador, and others.

Some of the initiatives that have been implemented include:

- FFA 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 are available to be applied for online.
- Through the Vegetable Transplant Program, FFA has provided 1.7 million vegetable transplants to 54 commercial farmers at cost in 2019, compared to 255,800 transplants distributed to 25 farmers in 2018. The program is expected to result in approximately \$1.6 million in combined revenues for proponents.
- In 2017-18, the department transitioned the Wooddale Tree Nursery from a tree nursery to a Centre of Excellence for Agriculture and Forestry Development.

- FFA contributed to the advancement of research in cool climate agriculture in collaboration with provincial farmers on new crop varieties, such as grain, grain corn, canola, kale, asparagus, half-high blueberries, and wine grapes, as well as developing best management practices and demonstrating innovative technology to teach farmers how to successfully grow and maximize profitability on new and traditional crops in the province's cool climate.
- The department also worked collaboratively with Grenfell on: optimizing canola oil processing and silage corn production; soil health and fertility; management practices that reduce greenhouse gas emissions, sequester carbon and improve hydrologic conditions of soils. The department collaborated with AAFC on blueberry, lingonberry, and potato trials as well.

## Discussion of Results

Throughout 2017-20, the department has made great progress in addressing the province's food self-sufficiency and security. It has undertaken and advanced a number of successful initiatives including: the transition of the Wooddale Tree Nursery to a Centre of Excellence for Agriculture and Forestry Development; providing seedlings to producers at cost; improved Crown land approval process; issuing Agricultural AOI for agriculture development; reviewed and revised funding programs to ensure they met the needs of farmers; and launched a community garden program. 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.

## **Strategic Issue 2 – Innovative and Sustainable Resource Growth, Development, and Diversification**

The renewable resource sectors supported by the department have traditionally been, and will continue to be, key employers and contributors to the provincial economy, particularly in rural areas. The long-term social, cultural, and economic sustainability of these resources are vital to the province, and produce numerous economic and social benefits.

The department is committed to innovation, development, and diversification to spur growth, while protecting and ensuring sustainable management of our resources. The department is also committed to developing environmentally-friendly and sustainable industries and the protection of resources, including Crown lands, wildlife, and inland fish.

### **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.

### **2019-20 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.

### **Objective 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.

### Objective Results

The following table outlines planned versus actual results for the objective indicators set out in the department's 2018-19 Annual Report.

#### **Facilitate collaboration between the forestry and agriculture industries regarding the utilization of merchantable timber.**

In April 2019, changes were made to the **Forestry Act** in order to exempt holders of agricultural Crown land leases from the requirement to obtain a commercial cutting permit to clear land where the timber cut is not offered for sale or trade, but is used on the farm for structures or fencing. This reduced red tape helped provide farmers with the tools they need to build a strong foundation in the agriculture industry, while ensuring a level playing field for forest harvesters who make their living selling timber. Addressing this issue resolved a long standing concern for both the forestry and agriculture industries.

#### **Continued monitoring and control of forest pests and explore the development of new mitigation technologies and management tools.**

The 2019-20 fiscal year marked the second year of a four-year Spruce Budworm Early Intervention Strategy (EIS) to monitor and potential use of spruce budworm early intervention strategy to combat impending outbreak. If successful, this strategy

will reduce size and frequency of forest areas requiring treatment for this damaging pest. The EIS was developed to address rising Spruce Budworm populations with early treatment to avoid the negative financial implications of a reactive treatment program for outbreaks. Scientific evidence suggests that EIS is working thus far to prevent outbreaks in New Brunswick. The cost-shared ratio of treatment programs under this EIS is 60/40 (federal/provincial).

The department annually provides funding of \$50,000 and in-kind support to SERG International's research and development initiative to improve technologies and tools to manage forest pests of importance to Newfoundland and Labrador's forest resource. Projects completed in 2019-20, include:

- Comparison of BtK aerial spraying scenarios against the eastern spruce budworm, based on protection timing and intensity during a complete outbreak episode.
- New methods in quantifying stage-specific natural enemy attack on forest pest defoliators.
- Overwintering thermal means and extremes as components of spruce budworm performance and survival in management strategies.
- Long term monitoring of northward range expansion, population dynamics, and adaptation of spruce budworm populations.
- The use of helikites – towed nets to sample mass-dispersing spruce budworm moths.
- Pheromone and host plant odor detection and processing in spruce budworm (year two).

FFA is also a member of the Healthy Forest Partnership (HFP). In 2014, HFP was formed to harness the collaborative power of an Atlantic-wide partnership between researchers, industry, government, and the public to address the impacts of a spruce budworm infestation. The first four-year phase provided the data and information to show that the concept was viable and had the potential to contain the outbreak of spruce budworm radiating from Québec. A second four-year phase was funded in

2018, allowing the research to continue until 2022. Early intervention research focuses on monitoring, detecting, and treating small areas of relatively low but growing populations (hots spots) of spruce budworm before infestation or epidemic levels occur.

An essential part of good forest stewardship is the protection of our forests from uncontrolled outbreaks of major forest pests. The Forest Insect and Disease Control unit is responsible for forest pest management activities. These include:

1. Surveys to monitor and forecast populations of major insect and disease pests;
2. Examination of potential impacts; and
3. The assessment and provision of control options as needed.

Outbreaks of major forest insects such as the eastern spruce budworm and eastern hemlock looper, as well as, introductions of invasive or exotic species can have major impacts on our forests and can also have adverse effects on wildlife habitat and ecosystem processes, as they can increase the risk of fire and reduce forest aesthetics for recreational use and tourism. Healthy forests provide many benefits to the people of the province; they are essential to ecosystem function and biodiversity, they have provided economic opportunities, and they have sustained us, influenced our culture(s), and shaped our history. The department, in partnership with forest industry and other federal and provincial cooperators, remains committed to forest protection and the maintenance of healthy forests through the use of an integrated forest pest management approach.



**Increased education, awareness and communication of forest developments and sustainable forest management practices amongst government, municipalities and the general public.**

In October 2019, the department announced that efforts to create greater public awareness about wildfire safety and prevention, combined with fewer fire starts, were having positive results. The overall number of forest fire starts and total area burned was down again during 2019, particularly in Labrador. This marked the third year where the fire starts and area burned were well below the previous ten-year average.

A significant accomplishment during the 2019 forest fire season, was engaging 12 communities around the province to take part in the FireSmart Canada Communities Recognition program, which was the highest number of grants ever awarded in the province. This program provided support to municipalities to help reduce the risk of wildfire damage to cottages, homes, and neighborhoods. Departmental staff provided support at several Wildfire Community Preparedness Day events. In addition, local FireSmart Representatives worked with a number of municipal fire departments to provide awareness and training about fire operations in the Wildland Urban Interface, the area where houses meet or intermingle with undeveloped wildland vegetation.

Continued fire fighter training and the strategic positioning of fire suppression resources combined with wildfire safety and prevention efforts, such as encouraging greater public use of online fire hazard forecast maps, are also having a positive impact on reducing the overall number of forest fire starts and total area burned . All forest harvesting must take place in approved areas within the current five-year operating plan for the forest management districts. These plans include public, Indigenous, and stakeholder consultations, as well as approval through the Environmental Assessment process. It is through these plans that we are able to sustainably manage the resource for generations to come. Stakeholders are encouraged to attend these meetings and become a part of the planning process.

**Continued to support mussel and salmonid sector growth through leveraged investments in areas such as technology, innovation, research and infrastructure.**

During 2019-20, the department supported mussel and salmonid sector growth through leveraged investments in the following ways:

- With \$694,534 from the AFF, Grieg Nurseries Ltd. worked with a Norwegian company providing automatic vaccinating equipment for the salmonid aquaculture industry, to develop a custom solution to accommodate the vaccination of larger fish sizes, increase accuracy, and uniformity with vaccination activities and decrease long personnel hours and potential injury for workers associated with hand vaccinating large numbers of salmon.
- An AFF investment of more than \$2.6 million to Triton Ocean Products Ltd. for the purchase of equipment used in the secondary processing of mussels. The addition of proposed equipment will position the company to become more efficient, expand operations, and supply a high-grade quality product line to the global marketplace.
- Supported by \$39,206 from the AFF, the Miawpukek First Nation worked with an industry partner to evaluate the potential for utilizing populations of wild cunners as cleanerfish in the salmonid sector. The department's Aquatic Animal Health Division also contributed by conducting aquatic animal health diagnostics for this project. Research is focused on using this strategy in Newfoundland and Labrador to assist in the management of sea lice. Sea lice pose a risk to salmonid aquaculture globally and companies are utilizing innovative strategies to mitigate risk, such as use of cleaner fish.
- In advance of the Newfoundland Aquaculture Industry Association (NAIA) Cold Harvest Conference and Trade Show on September 24, 2019, a Global Cleanerfish Workshop was held by NAIA to highlight technology, innovation, and research into mitigating the impacts of sea lice in the salmon aquaculture sector.

[https://www.coldharvest.ca/cleanerfish\\_workshop/](https://www.coldharvest.ca/cleanerfish_workshop/)

- FFA was a Presenting Sponsor for the 2019 NAIA Cold Harvest Conference and Trade Show, which facilitates collaboration and investment leveraging to benefit technology and innovation in the province's aquaculture industry.
- Badger Bay Mussel Farms Ltd. was provided with \$25,000 from FFA for mussel marketing activities in Canada, the United States, and China.

### **Continued work to modernize aquaculture licensing policies and procedures.**

During 2019-20, the department continued work to modernize its Aquaculture Policy and Procedures Manual, with changes intended to guarantee openness, transparency, and accountability, while increasing biosecurity and environmental stewardship, with established, clear processes and expectations that support social license and sustainability.

Feedback to inform the policy modernization came from a public consultation process that engaged industry stakeholders, Indigenous Governments and Organizations, and the general public. The department met with stakeholders in August 2019, while the public was engaged through an Engage NL questionnaire to discuss the modernization of aquaculture policies and procedures. This process highlighted concerns related to the aquaculture sector, including disease, waste management, potential impacts on wild fish and habitat, and increased standards for auditing and inspections.

Consequently, a revised Aquaculture Policy and Procedures Manual and Environmental Guidance document was released in September 2019.

Modernized licensing policies and procedures included:

- Policies that focused on industry accountability, environmental stewardship, and best practices that meet or exceed industry standards;
- A robust public reporting policy to enhance industry accountability and public trust;

- Multi-year licensing and annual validation process to promote efficient utilization of public resources;
- Security bonding for any environmental remediation resulting from aquaculture activity;
- Requirement for licensees to have the following comprehensive management plans: fish health management plan, environment management, plan, waste management plan and incident management plan;
- Increased operation reporting requirements to ensure sustainable management and growth of the industry;
- Net washing and disinfection procedures to improve aquatic animal health and sustainable management of the industry;
- Species, site separation, and fallowing requirements to promote optimal fish health;
- Formalized departmental oversight for finfish and shellfish surveillance; and,
- Biosecurity auditing of aquaculture facilities, sites and activities to ensure world-class biosecurity standards are maintained.

## 2017-20 Goal Reporting

### Goal Indicators:

- Supported research and development including the areas of biorefining, engineered wood products, and waste management.
- Supported development of value-added products.
- Supported increased aquaculture production capacity.
- Increased the percentage of the Crown Annual Allowable Cut available through Timber Sale Agreements.

## Goal Results

This table outlines planned versus actual results for the goal indicators set out in the department's 2017-20 Strategic Plan.

### Supported research and development including the areas of biorefining, engineered wood products, and waste management.

During the planning period, FFA:

- Provided \$89,000 to the Newfoundland and Labrador Forest Industry Association Inc. in 2017-18, to hire a consultant to prepare a strategic opportunity analysis, develop a strategy, and related research and development projects.
- Provided the Indigenous Qalipu Development Corporation with \$27,000 to assist in the development of a forest management plan and road map to grow their commercial base.

In 2017-18, FFA issued funding of \$11,400 to EnVertis Inc. for the "Evaluation of BTL Fast Pyrolysis Technology," an identified and commercially available fast pyrolysis biorefinery technology that could be introduced to the forest sector within this province. (Pyrolysis is a process of chemically decomposing organic materials at elevated temperatures in the absence of oxygen.) The technology uses forestry/sawmill residues to produce higher value fuels. Residues, such as saw chips and bark, are a storage and disposal issue for sawmills; however, these have value in the form of energy, biochemical, and biomaterials that sawmills could benefit from. The process also produces a biomaterial (biochar) for use as a regional water or wastewater treatment adsorbent to remove target metals.

In 2017-18, the department supported a number of research and development projects under the Seafood Innovation and Transition Program (SITP), including:

- \$70,337 to MI's Center for Aquaculture and Seafood Development to deliver a cod quality project in partnership with Conche Seafoods Ltd. and \$79,272 to assess the adoption of Sunwell ice slurry system for various seafood species.
- \$71,059 to MI's Center for Fisheries Ecosystem Research (CFER) to assess the seasonal patterns of Northern cod.
- \$14,376 to FFAW to study the potential for a whelk fishery on the south coast.
- \$11,845 to ACAP Humber Arm to study impact of green crab predation on lobster.

In 2018-19, the department supported research and development projects under the AFF, including:

- \$41,400 to Seafood Processors of Newfoundland and Labrador to research cod by-product potential.
- \$4,500,000 to the Canadian Centre for Fisheries Innovation for research and development in seafood industry innovations.
- \$52,784 to Association of Seafood Producers for a bioprocessing study for seafood products.
- \$1,353,473 to MUN to research innovations and processes for use of cleaner fish in salmonid aquaculture and \$39,206 to Miawpukek First Nation to research availability of wild cunners for use as cleaner fish in aquaculture.
- \$4,353,901 to MI for electronic tagging and stock assessment research for in their Sustainable Capture Fisheries and their Ecosystem research project.
- \$705,550 to FFAW for their experimental fishery project on selective redfish harvesting technologies.
- \$270,334 to FFAW for cod quality training and analysis.

In 2019- 2020, the Fisheries Research Grant Program provided \$73,106 to the CFER to undertake work on the identification and protection of capelin spawning habitats in Newfoundland and Labrador.

Through the Aquaculture Waste Management Action Plan, FFA has facilitated, advised and provided financial support to industry for applied research and development collaborations between salmon producers, agriculture producers and agriculture research specialist. The action plan prioritized policies and infrastructure that improve on the management of:

- Fish discard, mortality and emergency preparedness;
- On land disposal of biofouling from net washing activities; and,
- Bulk plastics such as feed bags, and expired buoys, netting, piping and rope.

### **Supported development of value-added products.**

From 2017-20, the department supported the development of value-added products through various funding programs, such as the SITP, seafood development grants, and AFF, including:

- \$68,000 to Dandy Dan's Fish Market to invest in vacuum packaging technology to produce value-added cod products in 2017-18.
- \$48,155 to Triton Ocean Products Ltd. to support processing technology for bottled marinated mussels in 2017-18, and \$25,000 in 2018-19, to support marketing initiatives for its bottled mussel products in 2018-19.
- \$19,000 to Labrador Gem Seafood Inc. to support product development and marketing initiatives for value added scallop products in 2018-19.
- \$99,999 to Setting Sea Enterprises Ltd. in 2018-19, for a sea water recirculation system for live scallop transport to allow a new product form to be produced.
- \$4,950,426 to Icewater Seafoods Inc. in 2018-19, for processing equipment to add more value to cod production through increased product quality and yield improvements.

In 2019-20, the development of value-added products was supported by an investment of \$75,183 for an automated eel gutting system for producing value added marinated eel products for the Japanese market. Additionally, \$92,293 was

provided to Atlantic Treasures Seafood Ltd. for vacuum packing technology for value added retail products.

In 2018 and 2019, funding was provided to Sutreen Hardwoods & Moulding Limited for the development of new products from underutilized species and to bring products into the DIY market.

During 2018-19 and 2019-20, CAP invested \$1,342,647 to further support secondary processing of agricultural products in Newfoundland and Labrador. Funding was provided to 14 processors to support value-added agriculture and agri-food processing in the vegetable, blueberry, dairy, beef, and sheep sectors. Investment priority was placed on projects that enhanced economic growth, food self-sufficiency, and new market opportunities. The Agriculture Processing and Value-Added Program, under CAP, invested in secondary processing infrastructure and equipment, including meat processing facilities, blueberry processing equipment, vegetable processing facility and cooling equipment, cheese production infrastructure, and facility construction for honey and berry products.

### **Supported increased aquaculture production capacity.**

During the reporting period, the department completed a number of actions to support increased aquaculture production capacity, including:

- In September 2018, the Government of Newfoundland and Labrador announced a \$30 million investment into in a \$250 million Grieg NL aquaculture project in Placentia Bay.
- In 2017-18, FFA cancelled stale applications in the aquaculture licensing system to free up approximately 460 hectares of area available for production. FFA reviewed and implemented changes to the department's inactive site policy to ensure that unutilized and underutilized sites were not allowed to remain in the licensing system long-term.



- In 2018-19, FFA collaborated with the Department of Finance to complete two surveys to gather information on the Newfoundland and Labrador aquaculture supply and service sector. Growing the aquaculture supply and service sector is an essential part of the sector work plan to support increased aquaculture production capacity.
- A working committee was formed between the Department of Industry, Energy and Technology (then TCII), ACOA, and FFA to examine the supply and service sector. In collaboration with the working committee, the Town of Grand Falls-Windsor hosted an Aquaculture Supply and Service Opportunity Identification Session in Grand Falls-Windsor on May 1, 2019.

**Increased the percentage of the Crown Annual Allowable Cut available through Timber Sale Agreements.**

A new Timber Allocation Policy was unveiled March 23, 2018, with implementation commencing January 1, 2019, that provides a clear process for the renewal of commercial cutting permits, resulting in the increased harvest and improved resource usage necessary to foster more opportunities for industry growth.

Timber Sale Agreements were released through a public tendering process on March 23, 2018, which enables qualifying businesses new access to the provincial Annual Allowable Cut on Crown land through an open, fair, and competitive bidding process.

The Crown Annual Allowable Cut is currently 1,015,000 m<sup>3</sup>. In 2018, 69,544 m<sup>3</sup> was advertised through Timber Sale Agreements and 47,121 m<sup>3</sup> in 2019. The total amount of timber advertised by the end of 2019, was 116,665 m<sup>3</sup>, with 25,208 m<sup>3</sup> being awarded.

**Developed or revised, as appropriate, legislation, policies, and programs to optimize the value of provincial seafood resources.**

Throughout the reporting period, legislation, policies, and programs were developed or revised as required in order to optimize the value of the provincial seafood resources.

In 2018-19, FFA reviewed all aquaculture-related policies and conducted jurisdictional scans to support strengthening the aquaculture regulatory environment in the province.

As part of the Aquaculture Sector Work Plan:

- A comprehensive review and modernization of the provincial aquaculture licensing policy and procedures manual was completed.
- The online licensing system for aquaculture was reconfigured to accommodate the shift from one-year licensing system to a multi-year system to improve the efficiency of departmental administrative processes.
- The provincial license cancellation policy was reviewed and revised in consultation with industry, with inactive licences cancelled to free up water area for aquaculture use.
- Site utilization policies were reviewed, with inactive licences and applications cancelled to increase available water space for aquaculture development.
- In consultation with the shellfish sector, the Aquaculture Capital Equity Program was reviewed to determine alignment with that sub-sector.
- Site marking requirements were updated to reflect vessel size and site parameters.
- Provincial fees were reviewed for the aquaculture industry.

In conjunction with the Federal Government and after feedback from industry, the AFF terms and conditions were revised in 2019, to better meet the needs of

applicants and support the program's objective of improving the value of seafood resources. Revisions included:

- Allowing eligible expenses incurred anytime following the application date to be reimbursed.
- Changing repayment timelines from a maximum of five years after project completion, to a maximum of 10 years.
- Increasing maximum employment levels to allow medium-sized enterprises to avail of a 75 per cent stacking limit on funding allowing better alignment with other funding programs.

Each of these changes allowed more flexibility to the applicants to invest in optimizing the value of our seafood resources.

**Developed and implemented wildlife management plans and guidelines for sustainable development.**

During the reporting period the department developed and implemented a number of wildlife management plans and guidelines for sustainable development. These include:

- In 2019, FFA reached a four-year Bi-Lateral Boreal Caribou Conservation Agreement with the Government of Canada under Section 11 of the **Species at Risk Act** (SARA), which successfully leveraged \$5.4 million in federal funding. Funds were committed solely to the conservation and protection of Labrador's Boreal Caribou, specifically the Mealy Mountains, Lac Joseph, and Red Wine herds. The agreement has three focal areas: improving knowledge, indigenous engagement and caribou guardianship, and habitat protection. The agreement will see increased monitoring, and increased collaboration with the Indigenous peoples of Labrador around the development of a recovery plan and range plans for Labrador's boreal caribou.

- FFA amended the **Wild Life Regulations** under the **Wild Life Act** to regulate hook/catch and release angling in Newfoundland and Labrador to ensure sustainability for generations to come.

FFA also conducted a two-year hook-and-release study (2018-20) specific to the province's environmental conditions. This research will provide clear recommendations and scientific data that both levels of government can use to make informed decisions on the implementation of hook-and-release angling for Atlantic salmon.

## Discussion of Results

For the period covered by the 2017-20 plan, the department supported the growth of the aquaculture and forestry industries by implementing measures to increase the utilization of water area for aquaculture production, improved aquaculture production capacity, and increased the allocation of commercial timber available for harvest. It also supported research and development opportunities, as well as value-added product development, which involved using various methods to enhance the value of raw natural resource products.

During 2017-20, 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, infrastructure, and market development will support innovation, growth, and diversification in the fisheries and aquaculture sectors.

In the aquaculture, forestry, and fishing industries particularly, the focus on industry sustainability is increasingly important given competitive global markets and increased consumer emphasis on the economic, environmental, and social sustainability of

resource products. Innovative solutions are required to foster sustainability of the current renewable resource industries and enable continued expansion.

## 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 residents, particularly in rural areas. The role of the department is to ensure the sustainability of these resources while facilitating growth within the industries that rely on them.

### Opportunities

There are many opportunities for growth and expansion in the renewable resource sectors under the department's mandate. The department is committed to sustainably growing the fishing, aquaculture, agriculture, and forestry industries, and improving regulations, policies, and enforcement activities to protect the natural environment and wildlife of this province.

Continued supports for renewable resource industries will be achieved 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. In the fishing industry, the Fisheries Advisory Council provides industry stakeholders an opportunity to collaboratively discuss strategies and initiatives to increase the overall viability and competitiveness of the industry. The Province has committed to collaborating with the Federal Government on marine spatial planning initiatives adjacent to Newfoundland and Labrador, to ensure a balanced approach to meet ecological, economic, and social objectives across multiple ocean sectors.

There is an opportunity to expand the aquaculture sector with activities and initiatives from the **Aquaculture Sector Work Plan** aimed at positioning the industry to maximize the benefits arising from emerging opportunities. Advancing the supply and service sectors is one such activity. FFA continues to work with international and local aquaculture companies to develop service hubs. The ongoing modernization of the province's aquaculture policies and regulations also provides opportunities to enhance sector competitiveness and sustainability while maximizing local economic benefits.

The development of sector work plans help guide the department's support of the industries it represents. 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 **Agriculture Sector Work Plan**, jointly developed by the Provincial Government and the NLFA, includes actions to achieve the common goal of growing the agriculture industry and stimulating employment. The new collaborative **Forestry Sector Work Plan**, along with other recent and ongoing policy activities, supports the goal to increase timber allocations and harvest levels.

FFA will continue to expand collaboration and partnerships with internal and external stakeholders as part of the ongoing implementation of sector work plans.

## Challenges

The province's fisheries, aquaculture, forestry, and agriculture sectors face several challenges. These sectors all face an aging workforce as well as labour and skills attraction and retention issues, particularly in industries that are largely based in rural and remote areas of the province. International trade is challenged by market price fluctuations, market access issues exchange rate volatility, and competition from producers in other provinces and countries, as well as disruption caused by the current COVID-19 pandemic.

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

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 such as improved cellular coverage for remote areas, reliable modes of shipping and transportation, advances in waste management options, and environmental expertise 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 and build public trust regarding the sustainability of the industry.

This industry also shares the challenges of an aging workforce and increased automation with the commercial fishery. Additionally, there is limited access to trained and skilled aquaculture 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 insect, disease, and fire activity, as well as precipitation and wind activity.



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 product development opportunities.

## Financial Information

<b>Department of Fisheries, Forestry and Agriculture</b>			
<b>Statement (Unaudited) of Expenditures and Related Revenue *</b>			
<b>Summary for the Year Ended March 31, 2020*</b>	<b>ESTIMATES</b>		
	<b>Original</b>	<b>Amended</b>	<b>Actual</b>
	<b>\$62,754,600</b>	<b>\$62,754,600</b>	<b>\$62,768,344</b>
<b>EXECUTIVE AND SUPPORT SERVICES</b>			
<b>Minister's Office</b>			
Minister's Office	246,000	246,000	209,928
<b>General Administration</b>			
Executive Support	1,359,100	1,561,600	1,549,910
Administrative Support	100	100	-
<b>Executive and Support Services Subtotal</b>	<b>1,605,200</b>	<b>1,807,700</b>	<b>1,759,838</b>
<b>FISHERIES AND AQUACULTURE</b>			
<b>Fisheries Programs</b>			
Marketing and Development	1,608,800	1,608,800	1,433,774
Licensing and Quality Assurance	1,693,200	1,693,200	1,647,021
Atlantic Fisheries Fund	10,000,000	10,000,000	7,213,675
Sustainable Fisheries Resources and Oceans Policy	746,200	746,200	670,398
Coordination and Support Services	500,000	500,000	-
Revenue – Federal (Coordination and Support Services)	(500,000)	(500,000)	-
Revenue – Provincial (Seal Product Inventory Financing Repayment)	(150,000)	(150,000)	(27,433)
<b>Aquaculture Development</b>			
Aquaculture Development and Management	913,200	913,200	811,055
Aquaculture Capital Equity Investment	2,000,000	2,000,000	-

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<b>Aquatic Animal Health</b>			
Aquatic Animal Health	1,675,700	1,810,700	1,786,435
<b>Fisheries and Aquaculture Subtotal</b>	<b>18,487,100</b>	<b>18,622,100</b>	<b>13,534,925</b>
<b>FORESTRY AND WILDLIFE</b>			
<b>FOREST MANAGEMENT</b>			
Administration and Program Planning	3,826,900	3,641,900	3,459,599
Operations and Implementation	8,396,800	8,581,800	8,489,541
Silviculture Development	3,663,500	3,663,500	3,586,617
<b>FOREST PROTECTION</b>			
Insect Control	900,800	900,800	813,939
Fire Suppression and Communications	3,420,900	3,360,900	3,046,724
Revenue – Provincial (Fire Suppression and Communications)	-	-	(366,124)
<b>WILDLIFE</b>			
Wildlife Operations	4,750,800	5,264,300	4,830,803
Cooperative Wildlife Projects	1,633,900	1,633,900	971,515
Revenue – Federal	(1,483,900)	(1,483,900)	(758,924)
<b>Forestry and Wildlife Subtotal</b>	<b>25,109,700</b>	<b>25,563,200</b>	<b>24,073,690</b>
<b>AGRICULTURE AND LANDS</b>			
<b>LAND MANAGEMENT</b>			
Land Management	3,636,300	3,142,800	2,798,385
Revenue – Provincial	(14,290,000)	(14,290,000)	(5,289,566)
Land Development	1,301,900	1,301,900	1,025,776
<b>AGRICULTURE PRODUCTION AND RESEARCH</b>			
Agriculture Production and Research	5,662,600	5,687,600	5,533,258
Revenue – Federal (Agriculture Production and Research)	(340,400)	(340,400)	(76,966)
Revenue – Provincial (Agriculture Production and Research)	(19,000)	(19,000)	(12,878)
Marketing Board	211,300	221,300	194,095

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Limestone Sales	431,800	356,800	353,900
Revenue – Provincial (Limestone sales)	(147,500)	(147,500)	(127,298)
<b>AGRICULTURAL BUSINESS DEVELOPMENT</b>			
Agricultural Business Development Administration	1,179,000	1,159,000	1,012,945
Agriinsurance and Livestock Insurance	435,200	435,200	192,223
Revenue – Federal (Agriinsurance and Livestock Insurance)	(202,800)	(202,800)	(114,481)
Agricultural Initiatives	2,250,000	2,075,000	1,957,420
Canadian Agricultural Partnership	7,098,900	7,628,900	7,388,793
Revenue – Federal (Canadian Agricultural Partnership)	(3,819,500)	3,819,500	(3,979,592)
Revenue – Provincial (Canadian Agricultural Partnership)	(10,000)	(10,000)	-
<b>ANIMAL HEALTH</b>			
Administration and Support Services	3,574,800	3,574,800	3,434,766
Revenue - Federal	(90,800)	(90,800)	(90,773)
Revenue – Provincial	(1,200,000)	(1,200,000)	(1,037,719)
<b>LANDS</b>			
Crown Land	3,692,900	3,452,900	3,373,663
Revenue - Provincial	-	-	(707)
<b>Agriculture and Lands Subtotal</b>	<b>9,354,700</b>	<b>8,916,200</b>	<b>16,535,244</b>
<b>ENFORCEMENT AND RESOURCES SERVICES</b>			
<b>POLICY AND PLANNING SERVICES</b>			
Policy, Planning and Administration	1,343,300	1,282,300	1,260,736
Revenue – Provincial	(12,000)	(12,000)	(508,335)
<b>GIS AND MAPPING</b>			
GIS and Mapping	1,377,800	1,327,800	1,055,326
Revenue - Provincial	(50,000)	(50,000)	(38,476)
<b>ENFORCEMENT</b>			

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Compliance	1,244,900	1,063,400	983,321
Enforcement	4,293,900	4,233,900	4,112,075
Enforcement and Resource Services	8,197,900	7,845,400	6,864,647
<b><u>Department Total</u></b>	<b><u>62,754,600</u></b>	<b><u>62,754,600</u></b>	<b><u>62,768,344</u></b>

\*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, 2020*.