

Annual Report 2010 - 11


Newfoundland
Labrador
Fisheries and Aquaculture



Message from the Minister

As Minister of Fisheries and Aquaculture, I am pleased to present the department's 2010-11 Annual Report. This report was prepared in accordance with the *Transparency and Accountability Act* and I am accountable for the results reported herein. This report details the progress made toward achieving both the commitments outlined in our 2008-11 Strategic Plan and the strategic directions of the provincial government as they relate to this department.

Throughout the period April 1, 2010, to March 31, 2011, the department worked to enhance the sustainability of the aquaculture industry and strengthen the role of the fishing industry as a key pillar of sustainable economic growth, both of which are strategic directions of our government. The department is looking forward to continuing its work with industry stakeholders and partners in support of the long-term sustainability of these industries.

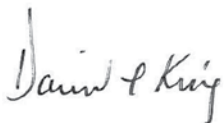
Our aquaculture industry has become a national leader. In the last five years, aquaculture production has increased 88 percent while market value rose by 246 percent. In 2010-11, the department invested \$16.6 million to support the expansion of aquaculture operations in the province.

The department continued to work with the Fish, Food and Allied Workers and the Association of Seafood Producers, under a Memorandum of Understanding (MOU), to address the internal structural challenges facing the fishing industry. The MOU provided the most comprehensive financial analyses, to date, of the province's fishing industry. Industry proposals mainly focused on rationalization without any support for structural changes. However, our government sees merit in advancing several elements of the MOU proposals, particularly those related to marketing and the Newfoundland and Labrador lobster industry.

On July 2, 2010, the province announced an investment of \$11.75 million to fund the establishment of the Centre for Fisheries Ecosystems Research through the Fisheries and Marine Institute of Memorial University of Newfoundland, and to charter a research vessel. The Centre will focus on offshore fisheries studies, coastal fisheries studies, international collaboration and fisheries conservation studies. The Centre will also train graduate students in fisheries science and management.

The department continued to monitor, participate and provide input into federal government policies pertaining to fisheries, aquaculture, trade, and coastal and ocean management throughout the year. The department engaged in various processes to communicate its position on these issues. In this way, the federal government was informed of the province's priorities with respect to these matters. This work supports our government's strategic direction to enhance the province's position on fishery matters which fall under federal jurisdiction.

This year marks the end of our 2006-11 mission cycle. I am pleased with the accomplishments achieved within this time frame and would like to acknowledge all those who contributed to the successes of the department over the past five years. Their hard work and dedication have been instrumental in realizing the goals set out in the department's 2006-08 and 2008-11 Strategic Plans.



Darin T. King, PhD
M.H.A., District of Grand Bank
Minister

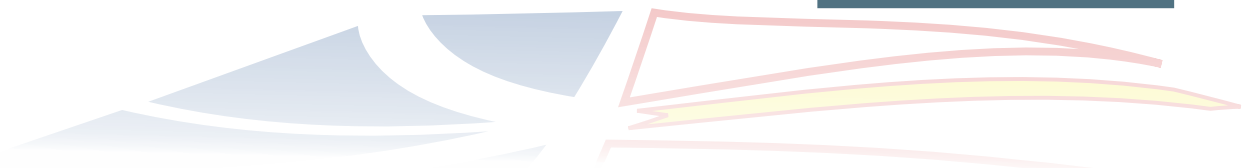


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Publication Prepared by:
 Planning Services Division
 Department of Fisheries and Aquaculture

Departmental Overview



Introduction

The Department of Fisheries and Aquaculture (DFA) supports and encourages the development and sustainability of the province's fishing and aquaculture industries. The department is responsible for the licensing and regulation of fish processing for both the fishing and aquaculture sectors. DFA also contributes to the expansion and sustainable management of the province's growing aquaculture industry through the development of extension services, infrastructure, and investment incentives.

This Annual Report illustrates the work accomplished by DFA, during the last five years of its mission period (2006-11), towards delivering on its commitments regarding the development and sustainability of the seafood industry. This document also reports on the department's activities pertaining to its mission reporting on the three-year goals outlined in the 2008-11 Strategic Plan and provides a detailed overview of the highlights, expenditures and collaborative activities of 2010-11, as committed to in the department's 2009-10 Annual Report.

Vision

The vision of the Department of Fisheries and Aquaculture is sustainable fishing and aquaculture industries that achieve their optimum economic contribution to the Province of Newfoundland and Labrador.

The work the Department of Fisheries and Aquaculture has done in support of its vision from 2008-11 is outlined in the performance reporting section of this report, where the work completed to support the department's five strategic issues, as well as its mission, is discussed in detail.



Lines of Business

Policy and Planning

The department develops, implements, and provides advice on fisheries and aquaculture policies in support of resource and industry management, growth, and development. Specific activities include fisheries and aquaculture policy review, analysis and development; review of fisheries management plans and scientific assessments conducted by Fisheries and Oceans Canada (DFO); strategic planning; program development and review; review and analysis of legislation; information management and administration; seafood trade policy research and analysis; collection, compilation and presentation of statistical data; and completion of economic, financial and statistical analyses.

Through this line of business, the department maintains close affiliations with other government departments and agencies whose programs impact on the province's seafood industry. In addition, the department represents the province's interests in national and international venues and provides input into the resource assessment and ocean management process of DFO, and to those international bodies responsible for fisheries assessment and management. Specifically, the department assesses scientific advice for various stocks and species, participates in resource assessment and on management advisory committees, and assesses the environmental impact of development upon fisheries resources.

Furthermore, the department plays a lead role in fisheries and integrated ocean management within the province, promoting and supporting initiatives which allow for organized and efficient structures to deal with ocean management issues.

Inspection, Compliance and Regulatory Enforcement

DFA provides policy direction and support to its regional inspection staff in the delivery of compliance and enforcement programs. The department conducts comprehensive inspection, compliance, enforcement and regulatory programs for the fishing and aquaculture industries within its legislative authorities.

Inspectors educate the seafood industry on proper handling techniques and regulatory requirements, and conduct inspections of fish at fish buying stations, processing plants, aquaculture sites, dockside and on board vessels. In addition, the department is responsible for auditing fish buyers and processors located throughout the province to ensure compliance with regulations, policies and conditions of licenses.

Aquaculture and inspection staff examine aquaculture sites for the presence of disease, compliance with the Code of Containment and proper site boundary markings. Programs related to the maintenance, biosecurity, surveillance and regulation of fish health on aquaculture sites throughout the province are included in this line of business. These activities ensure compliance with the *Fish Inspection Act* and Regulations, the *Aquaculture Act* and Regulations, and Ministerial Directives. The department reviews infractions of the acts and directives and takes appropriate action.

Innovation and Development

The department places a strong emphasis on fishery and aquaculture research, innovation and development. It assists the fishing and aquaculture industries through the provision of technical and financial support in the development of harvesting, culturing, processing and marketing. Innovation within the fishing and aquaculture sectors is fostered through extensive interaction with the private sector and private sector organizations, other government departments and academia. This support includes the following activities:

Harvesting and Resource Development

The primary focus of this activity is to oversee the design and implementation of fishery development projects with a focus on the assessment of underdeveloped species, resource surveys, the development of commercial species, and the utilization of appropriate onboard handling technologies aimed at maximizing catch value. The department is also responsible for providing a range of technical services to the fishing industry, including expertise on vessel efficiency, sustainable fishing technology and safety.



Processing Development

The goal of this activity is to enhance the productivity and competitiveness of the processing sector with a focus on the development of value-added and secondary production, development of underutilized species, and by-product recovery. Assistance is provided in the form of technical and financial support related to product development, design and recommendations on packaging systems to plant processing specifications, processing efficiency and general product research and development.

Aquaculture Development

The department provides for the administration, planning, development and delivery of aquaculture policy and programs within the province with the goal of ensuring the orderly and sustainable development of aquaculture. This includes the assessment of species and sites, the review of development proposals, and the conducting of research to overcome biological, technical and/or economic impediments to development. These activities support evidence-based policy decisions leading to an orderly, sustainable aquaculture industry.

Licensing and Quality Assurance

Licensing

DFA is responsible for the issuance of fish buyers licenses, fish processing licenses, and aquaculture licenses, as well as the development and implementation of policies and regulations related to each of these types of licenses. The department provides processing licensing policies and procedures to the Fish Processing Licensing Board. The Board reviews all requests for new processing licenses, transfers of licenses, and changes of ownership for fish processing operations. In its role as a licensing agency for aquaculture, as regulated under the *Aquaculture Act*, the department coordinates input from all relevant provincial and federal agencies, as well as any organizations, groups or individuals which have interests in proposed aquaculture development.

In addition to the issuance of licenses, the department is responsible for the administration of the licensing system and database, which includes the collection and analysis of all statistical information associated with fish purchases, production and employment; and cataloguing the current and past history of fish buyers and fish processing licenses. Through these licensing processes, the department collects processing and aquaculture statistics. Statistics collected include processing plant production volumes, fish purchases, plant employment, production on aquaculture farms, aquaculture employment, fishery and aquaculture infrastructure, financial information, and inspection information.

Quality Assurance

The Quality Assurance Program supports the department's efforts to promote quality awareness in the fishing industry. The department monitors and assesses the quality of fish at dockside, in transport, and as it enters plants for processing; develops and evaluates new techniques to assess quality; produces and disseminates information on quality issues to industry participants; and implements measures for quality enhancement.

Seafood Marketing

DFA provides marketing support services to the Newfoundland and Labrador (NL) seafood industry and works with industry on collaborative approaches to seafood marketing. The department's primary seafood marketing activities include:

Market Development

The department works with the seafood industry to enhance market awareness within the industry and increase seafood sales to markets throughout the world. These market support services provided to industry include the organization of trade shows and missions, assistance with market promotions, preparation of high quality promotional materials, and the encouragement of private sector marketing initiatives.

Market Intelligence and Analysis

The department provides market analysis and support to industry by coordinating the collection and dissemination of market intelligence to industry stakeholders. This information is provided to the Standing Fish Price-Setting Panel, as required by the *Fishing Industry Collective Bargaining Act*, and to processor associations such as the Association of Seafood Producers (ASP) and the Seafood Processors of Newfoundland and Labrador (SPONL), and to the Fish, Food and Allied Workers (FFAW). Information is also provided to the Newfoundland Aquaculture Industry Association (NAIA) and aquaculture companies.

Outreach

The department interacts with other provincial and territorial government departments, the seafood development branches of other seafood producing provinces, the federal Departments of Agriculture and Agri-Food, Fisheries and Oceans Canada, and Foreign Affairs and International Trade (DFAIT) in order to coordinate various trade shows, missions and other marketing and promotional events.

Mandate

The mandate of the Department of Fisheries and Aquaculture is derived from the *Executive Council Act* and includes:

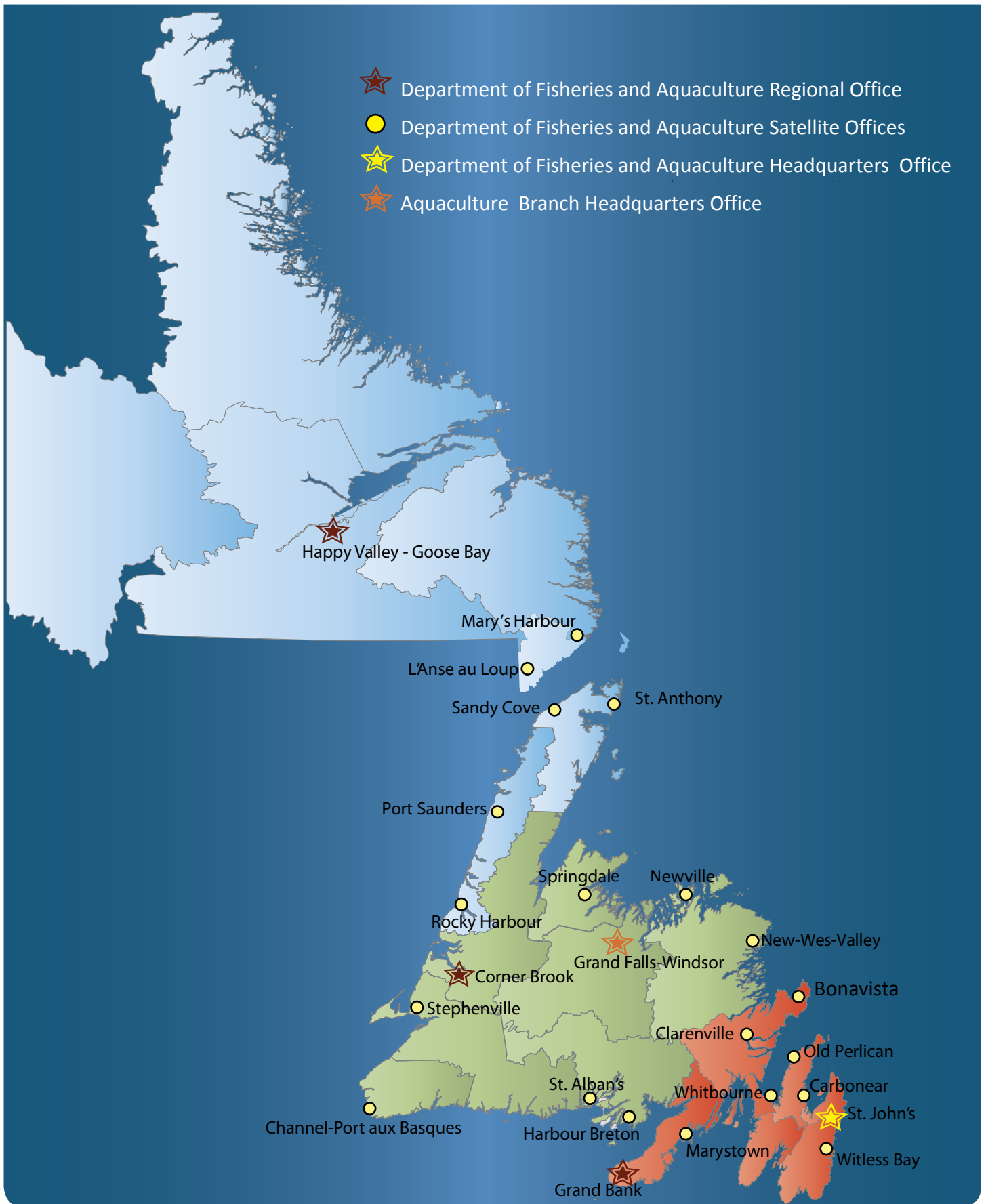
the supervision, control and direction of all matters relating to:

a. the promotion, development, encouragement, protection, conservation and regulation of fisheries and aquaculture; and

b. the administration of the Acts set out in the Schedule and of all orders and regulations passed or made under those Acts, including those powers, functions or duties necessary or desirable for carrying out the purpose of those Acts,

which are not, or in so far as they are not, the responsibility of another minister, agency, body, corporation, board, organization or person.

DFA headquarters is located in St. John's and the Aquaculture Branch main office is located in Grand Falls-Windsor. The department has 3 regional offices and 20 satellite offices situated throughout the province.



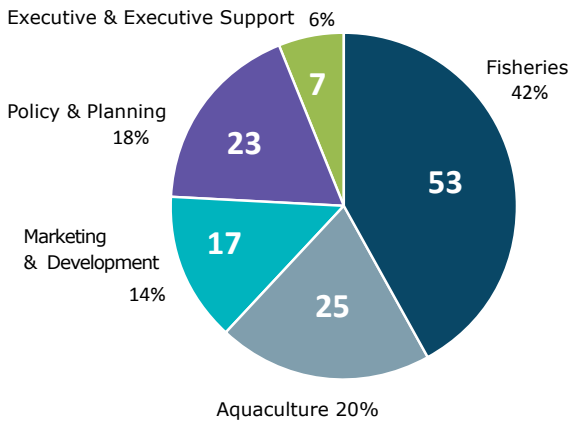
Number of Employees

The department employs 125 people, who work in four branches:

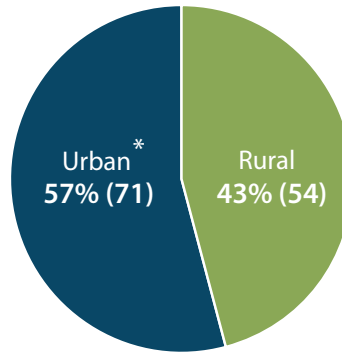
- a) Fisheries, b) Aquaculture, c) Marketing and Development, and
- d) Policy and Planning.



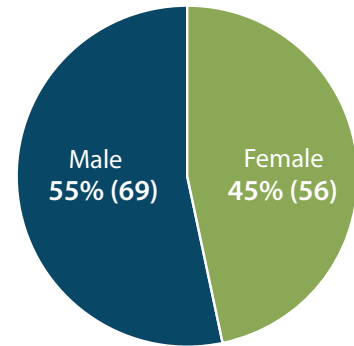
Employee Distribution by Branch



Employee Distribution by Rural/Urban



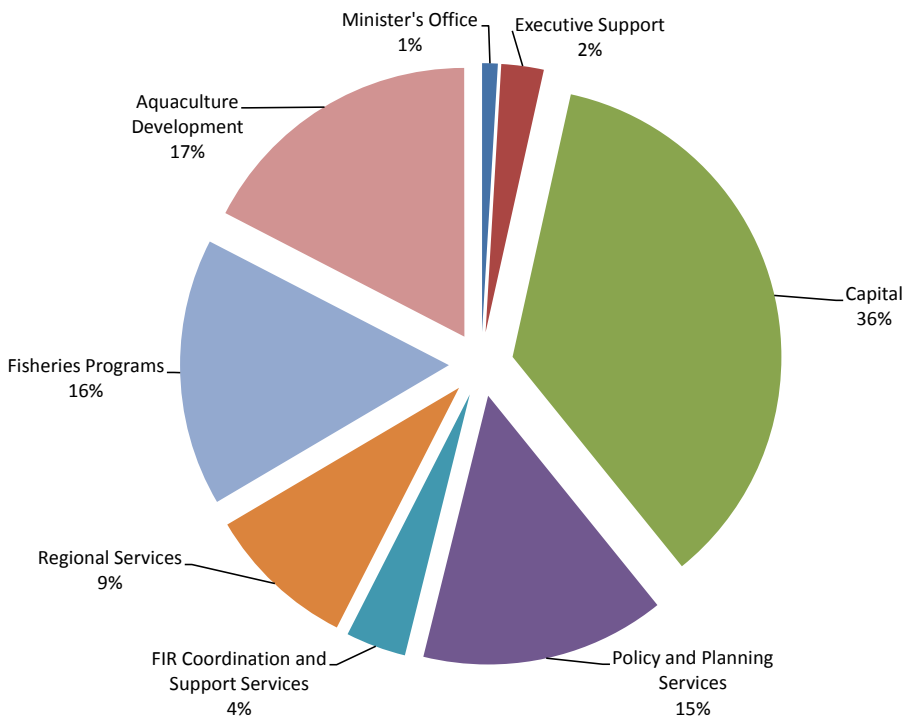
Employee Distribution by Gender



Aquaculture 20%

*For the purpose of this report, urban is defined as St. John's and the metropolitan area.

Distribution of Actual Net Expenditures 2010-11 *All numbers are rounded



Legislation

The department's work is guided by the following provincial and federal legislation:

Provincial Legislation

- ◀ *Aquaculture Act* and Regulations
- ◀ *Fisheries Act* (Schedule of the *Executive Council Act*)
- ◀ *Business Investment Corporation Act* (Fisheries Loan Guarantee Program)
- ◀ *Fish Inspection Act* and Regulations
 - Fish Inspection Administrative Regulations
 - Fish Inspection Operations Regulations
 - Fish Inspection Ticket Offences Regulations
 - In-province Retail Fish Establishment Regulations
- ◀ *Fishing Industry Collective Bargaining Act*
- ◀ *Fish Processing Licensing Board Act*
- ◀ *Fisheries Restructuring Act*
- ◀ *Professional Fish Harvesters Act*

Federal Legislation

- ◀ *Fisheries Act*
- ◀ *Fish Inspection Act*
- ◀ *Oceans Act*
- ◀ Marine Mammal Regulations

Department of Fisheries and Aquaculture
Statement (Unaudited) of Expenditures and Related Revenue
Summary for the Year Ended March 31, 2011*

	ESTIMATES		Actual \$
	Original \$	Amended \$	
EXECUTIVE AND SUPPORT SERVICES			
Minister's Office			
Minister's Office	400,500	400,500	326,033
General Administration			
Executive Support	1,121,900	989,900	891,904
Capital	16,957,300	16,957,300	12,501,534
Policy and Planning Services			
Planning and Administration	1,090,000	1,225,500	917,735
Revenue - Provincial	-2,000	-2,000	-39,776
Sustainable Fisheries Resources and Ocean Policy	1,282,100	4,512,100	4,268,450
Fishing Industry Renewal Strategy			
Coordination and Support Services	1,861,800	1,355,400	1,266,971
Executive and Support Services Subtotal	22,711,600	25,438,700	20,132,851
FISHERIES DEVELOPMENT			
Regional Services			
Administration and Support Services	3,670,300	3,580,300	3,217,708
Revenue - Provincial	-44,500	-44,500	-58,779
Fisheries Programs			
Seafood Marketing and Support Services	1,643,800	1,693,800	1,447,680
Licensing and Quality Assurance	773,400	742,400	516,321
Revenue - Provincial	-1,707,000	-1,707,000	-647,884
Compliance and Enforcement	627,000	697,000	558,845
Fisheries Innovation and Development	4,696,000	4,019,900	3,750,066
Fisheries Development Subtotal	9,659,000	8,981,900	8,783,957
AQUACULTURE DEVELOPMENT			
Aquaculture Administration and Support Services	6,411,300	4,361,300	3,597,019
Revenue - Provincial	-1,250,000	-1,250,000	-1,250,000
Aquaculture Capital Equity Investment	6,600,000	6,600,000	3,750,000
Aquaculture Development Subtotal	11,761,300	9,711,300	6,097,019
Department Total	44,131,900	44,131,900	35,013,827

*Source Document: [Report on Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended 31 March 2011 \(Unaudited\)](#).

Note: Audited financial statements are not required of the Department of Fisheries and Aquaculture.

Shared Commitments



Throughout the 2010-11 fiscal year, the department continued to deliver on government's strategic directions through work with industry stakeholders and partners, including other government departments, academic institutions and public bodies. The following are examples of some of the collaborative activities the department was engaged in that supported the strategic directions of government:

Strategic Direction 1: Enhanced the Sustainability of the Provincial Aquaculture Industry.

The majority of aquaculture development has been occurring in the Coast of Bays and Green Bay regions. To expand and sustainably manage the aquaculture industry, DFA partnered with NAIA, the Fisheries and Marine Institute of Memorial University (MI), the Aquaculture Association of Canada, and industry stakeholders throughout 2010-11 to undertake various initiatives. Examples of these initiatives are provided below.



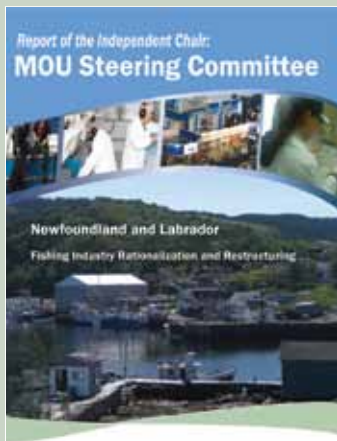
The Coast of Bays region has become the largest aquaculture production region in the province, directly and indirectly employing approximately 1,000 individuals. The provincial government has invested \$8.8 million in the establishment of the Centre for Aquaculture Health and Development (CAHD) in St. Alban's. Additional funding in the amount of \$10 million was allocated for the construction of biosecure aquaculture wharves in the region.

- In 2010-11, DFA worked with the Atlantic Canada Memorandum of Understanding Committee to conduct a regulatory analysis of aquaculture in the Atlantic provinces. This will support improvement in sustainable development.
- The National Aquaculture Strategic Action Plan Initiative (NASAPI) is a collaborative exercise led by the Canadian Council of Fisheries and Aquaculture Ministers (CCFAM). DFA, along with representatives from DFO and other provinces, participated in the development of this initiative during 2010-11, which has enhanced and advanced economically, environmentally and socially sustainable aquaculture development in Canada. More specifically, the action plan:
 - o Outlines areas where efforts are required to improve public governance and utilize federal-provincial bilateral committees to implement specific action plan initiatives. Extensive consultation with provinces, territories and industry was undertaken to determine priorities in subsectors of the Canadian aquaculture industry.

- Enables federal, provincial, and territorial governments to work cooperatively to develop Canada's potential in the aquaculture sector in an environmentally responsible way and in a manner that respects the jurisdictions of both orders of government.

Strategic Direction 2: Strengthened the role of the Fishing Industry as a Key Pillar of Sustainable Economic Growth within the Province.

- In 2010-11, DFA collaborated with the FFAW and ASP to address challenges in the fishing industry. This is in line with increasing fisheries sector efficiency, a component of this strategic direction.



After a 2009 dispute over the price of shrimp, DFA agreed to work with the FFAW and ASP on the internal structural challenges facing the fishing industry. A Memorandum of Understanding on Fishing Industry Rationalization and Restructuring, commonly referred to as the MOU, was signed in July 2009 and in February of 2011 the Report of the Independent Chair: MOU Steering Committee was released. The report provides one of the most comprehensive financial analyses of the province's fishing industry and presents an overview of the current state of both the harvesting and processing sectors provincially. A copy of the report can be viewed at: <http://www.fishaq.gov.nl.ca/publications/mou.pdf>.

- In January 2011, DFA provided support to the Canadian Sealers Association to have a comprehensive review completed to assist the organization in developing a new governance model to better enable them to work with the provincial government on sealing industry issues such as product development. This work will enable the association and its members to help promote quality in sealing industry products and more effectively focus on the strategic development of the seal resource.
- The department has a strong working relationship with the Canadian Centre for Fisheries Innovation (CCFI), Memorial University of Newfoundland (MUN) and MI. Collaborations in 2010-11 included research in and development of innovative technologies, new products, and training for fish harvesters. This work fosters development opportunities and quality assurance, both of which are components of this strategic direction.

On July 2, 2010, the Government of Newfoundland and Labrador announced a \$14 million investment which will significantly expand long-term fisheries science capabilities for the province. Of this amount, \$11.75 million was committed to the establishment of the Centre for Fisheries Ecosystems Research at MI and the chartering of offshore fisheries research vessels. In early 2011, the RV Celtic Explorer was chartered from the Marine Institute of Ireland, marking the first time in NL's history that the province solely funded and deployed a fisheries science vessel.

In addition, \$200,000 was also committed for a highly sophisticated inshore fisheries research vessel, the RV Gecho II. This vessel will allow for the further study of inshore fish stocks and habitats.



- DFA partnered with MUN, MI, CCFI, FFAW, ASP, SPONL, the National Research Council Canada and other provincial government departments to deliver the Fisheries Technology and New Opportunities Program (FTNOP). FTNOP has been the cornerstone for fisheries research and development work in the harvesting and processing sectors. Projects have focused on more efficient utilization of traditional species, better use of underutilized species, innovative approaches to sustainable harvesting and processing, energy efficiency, industry safety, market research and promotion, and enhanced value realization of all fisheries resources.



In 2010, the department collaborated with CCFI, MI, and the National Research Council Canada, to support sea trials of two newly designed shrimp trawls, one manufactured by Hampidjan Canada, Spaniard's Bay, and the other manufactured by Frank's Net and Rigging, Stephenville. The trawls were to be comparatively tested against the gear traditionally used on the F/V Atlantic Challenger, Port de Grave, and the F/V Newfoundland Spirit, Comfort Cove. It is hoped that the sea trials, which were ongoing at the time of this report, will demonstrate a decrease in drag, thereby potentially reducing fuel consumption for the more than 300 vessels involved in the inshore shrimp fleet, as well as reducing seabed impact.

- The department partnered with the Workplace Health, Safety & Compensation Commission (WHSCC), CCFI and the Professional Fish Harvesters Certification Board on fisheries safety. In line with the strategic directions of the department, ensuring safety in the fishing industry contributes to efficiency, thereby strengthening the role of the industry as a key pillar of sustainable economic growth within the province.

Fish harvesters identified the need for a multimedia video resource to increase awareness of vessel safety and stability issues in the province's fishing industry. In May of 2010, the fisheries safety video, Getting Back Home, was launched at the Marine Institute. The purpose of the video is to help eliminate fatalities and injuries in this high risk industry. The video was distributed to all fish harvesters in the province. The Fisheries and Marine Institute of Memorial University produced the video in conjunction with Memorial University's Distance Education and Learning Technologies service.



- The department continued to collaborate with various industry organizations such as the NAIA, the Lobster Council of Canada and the Mussel Industry Council of North America to help promote their products in local, national and international markets. All of these collaborative activities supported the province's strategic efforts to enhance the marketing of NL seafood products.
- DFA continued to participate in the Federal-Provincial Market Development Council Export Market Analysis Consortium. The consortium shares information on market research project proposals to find areas of common interest where projects can be carried out in a more cost-effective way for the greater benefit of the sector. Benefits have been realized through the sharing of market information reports, databases and tools developed by the consortium partners.

- DFA sits on the Atlantic Canada Seafood Trade Group, which is involved in a number of activities that promote Atlantic Canadian seafood internationally. In 2010-11, this included an Atlantic pavilion at the International Boston Seafood Show and marketing events around the European Seafood Exposition. The group is currently in the process of redesigning the Atlantic Canada Exports website.
- DFA collaborated with Agriculture and Agri-Food Canada and the other Atlantic provinces on various international trade and market development initiatives, including the International Boston Seafood Show, European Seafood Exposition and China Fisheries and Seafood Expo, as well as incoming seafood buyers' missions.

In September 2010, Agriculture and Agri-Food Canada, in cooperation with the four Atlantic provinces, organized a Costco USA seafood buyers' mission to New Brunswick and Newfoundland and Labrador. Two buyers from Costco USA's head office in Seattle came to the province to learn more about the NL seafood industry and to meet with prospective seafood suppliers. The seafood buyers are responsible for sourcing fresh and frozen seafood for over 380 of Costco's warehouse stores in the United States. Costco is the third largest retailer in the United States with sales of over \$72 billion and employs more than 142,000 people. DFA representatives presented Costco with an overview of the NL seafood industry and facilitated one-on-one meetings with five NL seafood companies who were qualified to participate in the program. This mission proved to be very successful and was a very efficient way for Costco to understand the potential of NL companies to be a supplier of sustainable seafood products. This mission is a good example of how DFA works with our federal/provincial partners to provide a strategic platform for our seafood companies to network with buyers and present an ideal opportunity for our seafood companies to gain access to new markets.



Strategic Direction 3: Enhanced the Province's Position on Fishery matters falling under Federal Jurisdiction.

- DFA participates in a number of processes and committees with other organizations to provide advice on the sustainable management and conservation of our adjacent fish resources. The following are some examples from 2010-11:
 - o The Committee on the Status of Endangered Wildlife in Canada assesses the status of wildlife species that are suspected of being at risk in Canada. The committee is currently made up of 31 voting members. A representative from DFA is the voting member from NL on marine fish species.
 - o Through the DFO fisheries science and management advisory process, DFA provides advice on the interpretation of scientific information collected on adjacent fish stocks and management measures to DFO.
 - o DFA participates in the Northwest Atlantic Fisheries Organization (NAFO) as a member of the Canadian delegation. Along with other delegates, including the FFAW, representatives from offshore groundfish and shrimp sectors, and the Fisheries Council of Canada, DFA provides advice to the federal government on the position for Canada at NAFO.

- DFA partnered with DFO, the World Wildlife Fund, FFAW, the Canadian Parks and Wilderness Society, Environment Canada and Parks Canada to increase youth awareness of the role oceans play in our lives.



In 2010-11, DFA collaborated with the Fisheries Resource Conservation Council to advocate the province's position on conservation measures. This council was created in 1993 to form a partnership between the scientific and academic communities, and all sectors of the fishing industry. It consists of 12 members from academia and industry, as well as representatives from the Atlantic provinces and Quebec. Together, council members make public recommendations to the Minister of Fisheries and Oceans Canada on conservation measures for the Atlantic fishery. The Fisheries Resource Conservation Council is currently developing a framework for a recovered Atlantic Canadian groundfish sector.

- DFA supported increased market access for seal products. Since April 2007, the provincial government has encouraged the federal government to take action against the European Union (EU) ban on Canadian seal products, as this is outside the province's jurisdiction, and supported those stakeholders with similar interests, including the Inuit Tapiriit Kanatami and the Fur Institute of Canada.



In 2010-11, DFA provided \$25,000 to support the Inuit Tapiriit Kanatami and the Fur Institute of Canada in their legal action in the EU General Court of Justice, challenging the constitutionality of the proposed regulation to ban the importation of Canadian seal products into the EU and seeking an annulment of the ban.

The department would like to thank all of those individuals and groups with whom it pursued collaborative endeavours throughout 2010-11.

Mission Report

Opening Discussion

Throughout the strategic planning cycle, the province's fishing industry has been challenged by the appreciation of the Canadian dollar, competition from low cost producers, trade bans, tariffs, depressed market prices for seafood products and adverse exchange rates. These factors have contributed to poor returns for processors and lower than average raw material prices. In response to these challenges, the department has engaged in a number of initiatives and processes in an effort to strengthen the industry. The department has been actively involved at the federal level to effect reductions in seafood trade barriers, has worked with industry and the federal government on marketing initiatives, introduced a Quality Compliance and Enforcement Program, and aided industry on development and quality enhancement initiatives. These initiatives were designed to both enhance the overall quality and value of the resource.

The province's fishing industry is also characterized by overcapacity and limited resource availability. In 2007, to assist the industry in dealing with these issues, the federal and provincial governments collaborated in a province-wide consultation process which resulted in the development of the Canada-Newfoundland Fishing Industry Renewal (FIR) strategy. This strategy identified a number of initiatives designed to strengthen the fishing sector. The department has worked on these initiatives throughout the five-year planning cycle. The 2009 MOU was a continuation of the FIR process and was intended to accelerate the approach to achieving the FIR objectives.

The above processes and initiatives support government's strategic commitments to strengthen the role of the fishing industry as a key pillar of sustainable economic growth within the province and to enhance the province's position on fishery matters falling under federal jurisdiction.

Although the aquaculture industry has been similarly challenged by economic and trade issues over the past five years, aquaculture production has increased 88 percent while market value has risen by 246 percent. The increases are attributed to significant private and public sector investment in the salmonid sector since 2006-07. In addition, market demand has been strong for salmonids and farm gate prices have increased. DFA has had to respond to the increasing demand for sites and the need for more efficient governance of the aquaculture sector. The department has been actively involved at the federal and provincial levels to ensure systems for sustainable management and the site licensing process are both streamlined and efficient. Fish health and biosecurity have become a primary focus of the department and this is evident in the creation of a dedicated Aquatic Animal Health Division within the department and the construction of the CAHD. Initiatives such as these have led to our aquaculture industry becoming a leader in the Canadian aquaculture industry. This work serves to enhance the sustainability of the provincial aquaculture industry, a strategic direction of government.

Mission Statement: By 2011, the Department of Fisheries and Aquaculture will have supported the strengthening of the fishing sector and the expansion of the aquaculture industry to create economic opportunities for the province.

Measure 1: Supported the strengthening of the fishing industry to create economic opportunities for the province.

Indicators:

- **Improved the value of the resource.**
- **Implemented a formal training process for inspection staff.**
- **Secured the province's share of fish resources.**
- **Developed and implemented a strategy to reduce seafood trade barriers.**
- **Increased quality awareness.**
- **Implemented the Fishing Industry Renewal strategy.**

Indicator: Improved the value of the resource.

- From 2006 to 2011, the value of both landings and production in the capture fisheries has fallen by 11.7 percent and 9.7 percent respectively. This is largely the result of unfavourable exchange rates, the global economic recession of 2008, resource issues and quota cuts. However, it is worth noting that if exchange rates were the same in 2010 as they were in 2005, production value would have increased by 17.5 percent.
- Production value increased 14 percent in 2010 as compared to 2009.
- The department, through FTNOP and partnerships with industry, academic organizations and research groups such as the MI and CCFI, has invested in seafood marketing and development to improve the value of the resource. Projects focused on safety, energy efficiency, marketing, product development and diversification, all of which contributed to improving the value of the resource.
- The department continues to work with industry to strategically develop new products and improve marketing approaches with respect to edible seal products destined for China.
- DFA inspectors performed inspections at processing facilities, aboard vessels, on wharves and on freight vehicles to help ensure the quality of the resource, which in turn contributed to increases in value.

Indicator: Implemented a formal training process for inspection staff.

- In 2007, DFA introduced the Quality Compliance and Enforcement Program, a modular training program designed to enhance and expand the skills of inspection staff. This program provides inspectors with both classroom and hands-on training in compliance and enforcement techniques, and quality assessments, including legislation and licensing, criminal law and law enforcement ethics.
- The department partnered with the College of the North Atlantic, Bay St. George campus, to produce this program.
- The Quality Compliance and Enforcement Program contains 17 modules and is administered in partnership with the College of the North Atlantic and MI. Each year, 4 to 5 modules are offered and each module can accommodate, on average, 15 to 20 participants. There are approximately 34 inspector positions, including 3 supervisory positions, within the department.

- All inspectors are participating in the training program. Over the 4 years the program has been offered, approximately 20 inspectors have completed 10 modules and are expected to finish the program within the next 2 to 3 years.

Indicator: Secured the province's share of fish resources.

Throughout the planning period, the department has worked to secure the province's share of fish resources. By this we mean both protecting our allocation of the quota as set by DFO and working to ensure the sustainable management of the resource by DFO, thereby maximizing the amount of resource available on an ongoing basis.

- Throughout the planning period, DFA has participated in NAFO, Fisheries Resource Conservation Council, and numerous resource management meetings, to ensure the sustainable management of fish resources by DFO. In this way, quotas can be assured and where increases in sustainable resource abundance warrants, quotas can be increased.
- The department constantly monitors quotas and the province's allocation of the quotas. DFA works to protect the province's share by lobbying the federal government, participating in the NAFO process, writing to the federal minister and participating in various resource management meetings. Examples of the department's work in this regard include:
 - o The province's shares of NAFO-managed stocks have remained consistent since 2008. DFA has consistently conveyed to DFO that quotas should be based on sound scientific advice and has opposed any quota increases which cannot be supported by science. Throughout this period, in fisheries such as yellowtail flounder, 3L shrimp and Greenland halibut, DFA lobbied to maintain the Canadian share of these adjacent fish stocks, and was successful in maintaining/securing the province's share.
 - o Inside Canadian waters, some resources such as shrimp have declined. In 2010-11, northern shrimp quotas were reduced based on scientific assessments of this resource, and DFA supported the decision. However, DFO's application of a Last-in First-out policy in the allocation of the quota reduced the amount of shrimp available to the province. DFA does not support allocation decisions based solely on this policy and made numerous representations to the federal minister in the past two years. The federal government will review the allocation of shrimp and the Last-in First-out policy in the coming years due in large part to the approach and position taken by the department.

Indicator: Developed and implemented a strategy to reduce seafood trade barriers.

Although the federal government has jurisdictional responsibility for international trade, the department is diligent in its efforts to ensure Canada is fully apprised of the province's interests and positions on seafood trade-related matters that affect our fishing industry.

A strategy was developed which included increasing human resource capacity, increasing trade intelligence activities and trade research, consulting with industry and government participants on an ongoing basis, developing provincial positions on various trade issues, presenting positions to the federal government, participating in government trade-related processes where possible, and encouraging Canada to represent the province's interests in international negotiations.

- Human resource capacity was increased with the hiring of a trade analyst and a trade economist.
- Trade research was conducted on a continuous basis.
- Industry was consulted to determine its concerns around seafood trade-related issues and DFA consulted regularly with DFAIT, the Department of Innovation, Trade and Rural Development (INTRD) and the Department of Justice on trade issues and strategy.
- The department worked throughout the planning period to effect reductions in tariff and

non-tariff barriers, communicating its position to the federal government. The department's efforts contributed to the continuation of the EU Autonomous Tariff Rate Quota (ATRQ) of 20,000 tonnes with no tariff on cooked and peeled shrimp. Under the same ATRQ, yellowtail was included in the flatfish category, with an ATRQ of 10,000 tonnes with no tariff.

- On March 17, 2011, the provincial government announced it would take a more active role in the Canada-European Union negotiations towards a Comprehensive Economic and Trade Agreement (CETA). The Department of Fisheries and Aquaculture has been an active advisor throughout these proceedings and follows the negotiations closely to help determine the optimal outcome for industry.
- The Minister and Deputy Minister ensured fish remained a priority during trade negotiations by addressing various forums and pressuring both the federal government and European Commission.
- DFA continues to support litigation challenges of the EU regulation that restricts the trade of seal products. The Minister wrote federal counterparts in DFO and DFAIT, expressing concern about the ban. Through CCFAM's Deputy Ministers' Committee on Seals, DFA receives updates on the status of the World Trade Organization (WTO) action.
- DFA continues to work with the federal government (DFO, DFAIT) to encourage more active involvement in the WTO process, particularly on the EU seal products ban.

Indicator: Increased quality awareness.

Throughout the five-year planning period, the department successfully increased quality awareness through support for a variety of initiatives. These initiatives included:

- Providing support to CCFI for the investigation of high-pressure processing.
- Partnering with Iceswater Fisheries to conduct cod quality workshops in various locations on the west coast and northern peninsula.
- Implementing the issuance of Summary Offence Tickets to enforce quality infractions.
- Evaluating onboard handling requirements for yellowtail.
- Preparing various information documents, including:
 - o Preparing pelagic and whelk quality booklets for industry.
 - o Writing a manual for the grading of seal pelts in 2008 for the benefit of inspection staff. DFA also partnered with DFO, Canadian Food Inspection Agency (CFIA) and FFAW in March of this year to conduct sealing quality workshops throughout the province.
 - o Producing several species manuals, including shrimp, whelk and crab, via funding from FTNOP.
 - o Preparing brochures to inform industry on the Fish Inspection Act and Regulations, and on the powers of inspectors.
- Assisting in the development and roll-out of workshops and training initiatives such as:
 - o Quality, health and handling information workshops, led by DFA inspectors, were offered to sealers within the province. The workshops provided information related to:
 - The new Canadian Food Inspection Agency Code of Practice.
 - The obligations and requirements of sealers to comply with regulations on the quarantine and health requirements for edible seal products exported from NL to China.
 - Training of inspection staff to assess the quality of a number of key commercial fish species.

Indicator: Implemented the Fishing Industry Renewal Strategy.

The FIR strategy was the result of a federal and provincial collaboration in a province-wide consultation process designed to identify issues negatively impacting the province's fishing industry. The strategy included both federal and provincial elements designed to address those issues that were identified during the consultation process. The implementation of the provincial aspects of the FIR has been partially successful. While the department was

successful in implementing some elements of the strategy, there were other elements, for reasons outside its control, where it was unsuccessful or partially successful. Following are the provincial elements and a summary of the work accomplished towards their implementation:

Processing Policy Renewal:

- In 2008, DFA was given approval to move forward with changes to the province's fish processing policies and, on October 27, 2008, announced changes to the province's seafood processing policy framework.
- The new framework strengthened processing policies and included:
 - o more rigorous policies related to the issuance of new licenses and retention of existing licenses;
 - o a more restrictive transfer policy;
 - o a more stringent policy on cancellation of licenses; and
 - o a clear policy on the limited circumstances under which the province will consider intervening when a plant closes.
- The tightening of processing policies supported a more vibrant fishing industry in the province, and resulted in the permanent closure of nine primary processing facilities, as they were unable to achieve the maintenance requirements prescribed under the new policy.

Implementation of Fish Auctions:

The department was not successful in the implementation of fish auctions due to factors outside its control. The department committed \$500,000 towards this initiative. DFA was successful in setting up the process through which a fish auction would be established and in 2008 entered into an agreement with the Fish Harvesters Resource Centre to establish an independent auction house. On June 23, 2008, a pilot project for 3Ps cod was conducted. The pilot project was terminated in September 2008 due to a lack of participation by both harvesters and processors. Because of the lack of interest on the part of both harvesters and processors in regards to fish auctions, the department determined it would be an unwise use of funds to further pursue an initiative that was not supported by industry.

Enhanced Marketing:

This indicator has not been met due to circumstances beyond the control of the department. Under the FIR strategy, the province committed \$3 million to enhance market research and promotion efforts over a three-year period with the creation of a seafood marketing council. The department worked with industry throughout the planning period to establish the marketing council. Industry was unable to come to a consensus on the establishment of a council, thus it has not been set up. Under the MOU process, a seafood marketing council was again considered and was recommended in the final report. This work will continue in the 2011-12 fiscal year.

Increased Fisheries Research and Development:

Throughout the planning cycle, DFA has increased both funding for research and development primarily through the FTNOP. This program provided support to the harvesting, processing, and marketing sectors, in order to diversify, innovate and increase the overall viability of the provincial seafood industry.

- Through FTNOP, the province invested \$2.4 million per year over three years (2008-11) towards research and development. This included the department's base budget of \$400,000 per year for research and development initiatives. Prior to the introduction of FTNOP, funding for fisheries research and development was averaging \$450,000 per year with approximately 20 to 25 projects conducted annually.

- FTNOP has received 235 applications since its inception, 136 of which were approved throughout the province. Total investment in these projects by both government and industry approximated \$26.9 million. Examples of projects funded include:
 - o Development of water jet cutting technology for yellowtail
 - o Product development and marketing of frozen cod products
 - o E-simulator distance education program for stability management
 - o Improving the fuel efficiency of NL inshore shrimp trawls

Occupational Health and Safety:

In 2007, DFA announced its intention to establish a fishing industry safety council as part of provincial initiatives under the FIR strategy. The department worked with WHSCC and industry throughout the planning cycle to establish the council, however, the formation of the council was delayed while the three parties considered options for the council. Given the unique safety issues associated with both the harvesting and processing sectors, it was determined that two safety organizations would be established – the Fish Harvesting Safety Association and the Fish Processing Sector Safety Council. On December 7, 2010, DFA and WHSCC announced funding of \$1 million (\$500,000 each) to establish these two organizations for a three-year period. DFA continues to work with WHSCC and the fishing industry to establish the two fishing industry safety councils.

Enhanced Fisheries Loan Guarantee Program:

The department, in conjunction with INTRD, was successful in implementing most of the planned enhancements to the Fisheries Loan Guarantee Program (FLGP). The FLGP was administered by INTRD. This department has since been restructured and is now the Department of Innovation, Business and Rural Development (IBRD). These enhancements included:

- o increasing the loan ceiling from \$1.3 million to \$2.0 million;
- o refinancing loans from processors for vessel related costs up to 85 percent of the appraised value of the asset;
- o a fixed interest rate option (in addition to the current floating interest rate);
- o an extension of repayment for new fiberglass vessels from a maximum of 15 years to a maximum of 20 years;
- o establishment of repayment terms for the upgrade or rebuilding of used vessels at a maximum of 12 years; and
- o the reduction of the letter of credit for vessel construction or refurbishments from 25 percent to 15 percent.
- The department was not successful in efforts to expand the FLGP to include the combining of enterprises as an eligible item for the following reasons:
 - o Subsequent to the announcement of the FIR strategy in 2007, DFO determined that licenses and quotas could not be used as collateral and, as a result, the issue of extending the FLGP to include the combining of enterprises remained outstanding.
 - o On October 24, 2008, a decision was made by the Supreme Court of Canada to allow licenses to be considered “property” under the *Personal Property Security Act*.
 - o In response, the federal government advised commercial banks of new policy arrangements that can provide sufficient security for banks to finance license acquisitions.
- DFA continues to work with IBRD and the Department of Finance to implement this change to the program.

Fishing Industry Workforce Adjustment:

- Under the FIR strategy, the provincial government developed a workforce adjustment program to assist individuals who are impacted by capacity reductions in the industry. Throughout the planning cycle, DFA worked with the Department of Municipal Affairs (MA), INTRD and the Department of Human Resources, Labour and Employment (HRLE) in the delivery of workforce adjustment services. Services included:
 - o transitional employment counselling;
 - o started in 2007, to help displaced workers permanently transition to other employment.
- The province budgeted \$2.55 million for this three-year initiative (2008-11).
- Since its inception, the workforce adjustment framework has been deployed in six communities: Fortune; Marystown; Port aux Basques; Trouty; Englee; and Gaultois.

Discussion of Results: Fishery

Although the overall value of production in the capture fisheries fell over the five years of the planning cycle, the support the department provided to the industry through investments in research, development, product diversification, quality enhancement, securing the province's share of fish resources, marketing efforts, strategies to reduce seafood trade barriers, and the implementation of the FIR strategy, helped to mitigate the negative effects of resource challenges, the global recession and unfavourable exchange rates. To ensure that acceptable standards of quality were met, a new mandatory formal training process was developed. These efforts, in combination, served to strengthen the fishing industry as a key pillar of sustainable economic growth within the province, a strategic direction of government.

Measure 2: Supported the expansion of the aquaculture industry to create economic opportunities for the province.

Indicators:

- **Established access to a capital program for the aquaculture industry.**
- **Collaborated with the federal government on funding issues.**
- **Increased internal capacity to support aquaculture in the areas of health, development, policy and licensing.**
- **Expanded initiatives to increase private-sector investment in the aquaculture industry.**
- **Increased economic value as measured by market value and employment levels.**
- **Increased volume of production.**

Indicator: Established access to a capital program for the aquaculture industry.

Within the five-year planning cycle, the department was successful in establishing two programs designed to facilitate access to capital for aquaculture industry participants. These programs were intended to encourage the further development and expansion of the aquaculture industry.

- The Aquaculture Capital Equity Program (ACEP) was established in 2006 to partner with industry to increase production from both hatcheries and marine sites throughout the province. The program will provide a minimum investment to projects of \$250,000 for finfish operations and \$100,000 for shellfish to match a private sector cash investment.
- The Aquaculture Strategic Development Program (ASDP) was established in 2008-09 to support growth in the aquaculture industry by providing funding to diversify production; maintain competitiveness; increase capacity in the supply and service sector; improve product quality; and enhance sustainability.

Indicator: Collaborated with the federal government on funding issues.

DFA collaborated with the federal government on funding issues as follows:

- Provided technical and biological assessments to DFO and the Atlantic Canada Opportunities Agency (ACOA) on industry-led aquaculture-based initiatives.
- Worked with federal/provincial/territorial (f/p/t) governments from 2006 to 2008, through the Aquaculture Task Group of CCFAM, to lobby for the Aquaculture Framework Agreement. This work successfully facilitated the release of the Sustainable Aquaculture Program worth \$70 million over five years in federal support for aquaculture in Canada. The program encompasses regulatory reform, science and market access initiatives, as well as the Aquaculture Innovation and Market Access Program. For the three-year period 2008-11, this program provided over \$2.7 million in funding for aquaculture projects in Newfoundland and Labrador.
- Collaborated with the federal government and industry, through CCFAM, to develop the NASAPI. Under NASAPI, national/ provincial/regional priorities for aquaculture initiatives were determined to guide decision-making on the eligibility of aquaculture projects for federal funding.

Indicator: Increased internal capacity to support aquaculture in the areas of health, development, policy and licensing.

DFA increased internal capacity to support aquaculture in the areas of health, development, policy and licensing as follows:

Health:

- Construction of the Centre for Aquaculture Health and Development in St. Alban's to increase diagnostic and applied research capability and capacity. The centre will officially open July 14, 2011. Full functionality will occur shortly thereafter.
- Increased human resource capacity to enhance aquatic health services through the addition of:
 - o a biosecurity auditor
 - o two aquaculture veterinarians (one in August 2006 and the other in March 2011)
 - o a laboratory technician
 - o a registered veterinary technologist
 - o a veterinary laboratory technologist

Development:

- Budget was increased to build internal capacity to support the sustainable expansion of the aquaculture industry.
- To assist in the development of a sustainable industry, an environmental planner was hired.
- A new position, regional aquaculture manager, was created in St. Alban's to assist in the management of the department's activities and the growth of the aquaculture sector in the region.
- To further support the regions growth in the aquaculture sector, the offices in St. Alban's were expanded, an aquaculture development officer was relocated to St Alban's and a clerical support position was created.

Policy:

- A program and policy development specialist position was created to assist in managing policy and program initiatives in the Aquaculture Branch.

Licensing:

- DFA continues to work with the Office of the Chief Information Officer to identify new software to facilitate the aquaculture site licensing process.

- A data entry operator position was created to support the licensing function.
- A site holding process was introduced to allow an applicant to have a site held while they complete the necessary site work required to submit an application package.

Indicator: Expanded initiatives to increase private-sector investment in the aquaculture industry.

- The department's Aquaculture Branch created and promoted a strategic approach, Cultivating Your Investment, to promote investment opportunities and attract capital investment in the NL aquaculture industry.
- The ACEP and the ASDP were created to provide support for industry expansion and to attract investment to the province through increased access to capital.
- Aquaculture staff attended numerous aquaculture conferences, trade shows, major seafood shows and expositions throughout the world to promote and discuss the investment opportunities in the province's aquaculture industry.
- Since 2006, there has been a significant increase in private sector investment in the aquaculture industry. From 2009-10 to 2010-11 alone, capital investments increased approximately 83 percent, up to \$15 million, leveraging approximately \$300 million in private sector investment.

Indicator: Increased economic value as measured by market value and employment levels.

- The market value of the aquaculture industry has increased from \$33.5 million in 2005 to \$116 million in 2010, an increase of 246 percent.
- Direct employment in the aquaculture industry increased 178 percent, from 246 in 2005 to 684 in 2010.

Indicator: Increased volume of production.

- Production volumes have increased from 8,164 metric tonnes in 2005 to 15,360 metric tonnes in 2010. This is an increase of 88 percent over the period January 1, 2006, to December 31, 2010.

Discussion of Results: Aquaculture

The support which DFA has provided to the aquaculture industry has led to significant expansion of the industry. The creation of programs to encourage and support aquaculture investment and development has resulted in new investment in the industry and the expansion of existing companies. Direct employment has increased 178 percent; production volumes have increased 88 percent; while market value has risen 246 percent over the five years of this planning cycle.

Cooke Aquaculture began operations in the province in 2006 as a result of strategic investment by the province through the ACEP. Soon after, Northern Harvest Sea Farms entered the industry and began to expand its operations in Fortune Bay and Harbour Breton Bay. The province invested in Gray Aqua Group in 2008 through a loan guarantee program and the ACEP. The salmonid aquaculture industry has now expanded to include operations throughout the Coast of Bays region on the south coast (Bay D'Espoir, Hermitage Bay, Harbour Breton Bay, Great Bay De L'Eau, and Fortune Bay), a hatchery in Stephenville and significant investment in Daniel's Harbour.

The same level of expansion was not experienced in the mussel sector. Both production and value showed a steady increase in growth from 2006 to the first quarter of 2008 but by the mid part of that year, mussel processors/marketers reported a significant drop in sales. This drop was

attributed to the global financial crisis which had a significant impact on the sale of mussels. By the end of 2009, overall production had dropped below 2004 levels. Through increased effort from the producers, processors and marketers, and with support from the provincial government, sales began to increase in 2010 and the trend appears to be continuing into the first quarter of 2011.

The expansion of the industry has created the need for support services for the industry. The province has extended its programs to include companies that directly support the aquaculture industry. Service and supply companies can now avail of the ASDP to help grow their businesses to keep pace with the expanding industry.

The department continues to improve its aquaculture programs and services. The support the department provided to the aquaculture industry throughout the planning period clearly demonstrates its commitment to government's strategic direction to enhance the sustainability of the provincial aquaculture industry.





1 STRATEGIC ISSUE

Expansion of the Province's Aquaculture Industry

Opening Discussion

NL's aquaculture industry has been experiencing tremendous growth over the past five years. Aquaculture production in 2009 increased 18 percent over 2008 levels, while in 2010, production was up a further 12.7 percent from 2009. The market value of aquaculture also rose to \$116 million in 2010, 26.1 percent over its 2009 value. In 2010, aquaculture production reached a record level of 15,360 tonnes. Currently, there are approximately 130 licensed sites in the province, directly employing nearly 700 people. Direct jobs in the industry also generate indirect jobs in spin-off industries. The province has provided support to ensure growth in the aquaculture sector and introduced measures to ensure growth proceeds in a sustainable manner. Throughout the planning cycle, the department has focused on enhancing access to capital, infrastructure and biosecurity.

Goal 1: By March 31, 2011, the Department of Fisheries and Aquaculture will have supported the expansion of the province's aquaculture industry.

Measure: Supported the expansion of the province's aquaculture industry.

Indicator: Increased internal human resource and infrastructure capacity.

Internal human resource and infrastructure capacity was increased in the following ways:

- Funding of \$10 million was allocated for the construction of biosecure aquaculture wharves in the Coast of Bays region. These new wharves will enable the aquaculture industry to develop and operate in a healthy and biosecure manner. Some of the wharves are 90 percent complete and will be operational by the summer of 2011, while others will be constructed in the next fiscal year. Issues with identifying the most appropriate sites for these wharves delayed construction.
- An Aquatic Animal Health Division (AAHD) was created within the department to increase internal human resource capacity and support the expansion of the aquaculture industry. As of March 31, 2011, the division had eight full-time staff, including a veterinary director, two aquaculture veterinarians, a biosecurity auditor, two veterinary technologists, and two laboratory technicians. The department will hire another veterinarian and aquaculture technician for the St. Alban's office and an aquaculture technician for the Grand Falls-Windsor office. In 2008, there were only two aquaculture veterinarians to serve the entire province and there was no division within the department dedicated to aquatic animal health.
- The construction of the CAHD in St. Alban's, valued at \$8.8 million, is almost complete and the centre is due to officially open in July of 2011. The CAHD represents government's commitment to the health and sustainable development of the province's aquaculture industry.
- Funding of \$350,000 was provided for the implementation of a pre-commercial land-based net washing facility to service the aquaculture industry in the Coast of Bays region.
- Since 2008, DFA has assisted in the construction phase of a salmon hatchery facility in St. Alban's, the upgrading of a hatchery in Daniel's Harbour, and committed funds towards a new hatchery in Stephenville.

Indicator: Developed and implemented expansion strategies for commercial species.

Throughout the planning period, a number of expansion strategies for commercial species were developed and undertaken. Fish health and the construction of infrastructure specific to the aquaculture industry were determined to be essential to the sustainable expansion of commercial species.

- The Province allocated \$9 million in 2010-11 for construction of four aquaculture specific wharves. Inflow wharves for Hermitage, Pools Cove, Belleoram and Harbour Breton were approved. The wharves in Pools Cove and Hermitage wharves are 90% complete and will be operational by the summer of 2011. It is anticipated that Belleoram and Harbour Breton wharves will be constructed in the 2011/12 fiscal year. The Department has taken over ownership of the Transport Canada wharves in Milltown and St. Albans in 2010-11 through Transport Canada's divestiture program. These wharves will be upgraded and/or repaired in 2011/12 to provide biosecure inflow and outflow wharves to the aquaculture industry in the Bay D'Espoir area.
- Funding was also provided for the construction of the Centre for Aquaculture Health and Development (CAHD). This state of the art facility will serve as an international model for aquatic diagnostics and marine biosecurity, help ensure fish health and enhance the province's ability to grow the aquaculture industry.
- To further ensure fish health, the department is working to establish Bay Management Areas. In 2009, a Bay Management Area working group documented an approach to guide the process and method for developing bay management areas. DFA has worked with DFO in the collection of oceanographic data over the past two years. Several years of this type of data collection is required to inform the process and work in this regard is ongoing.
- An additional funding program, the ASDP, was introduced to promote the growth and development of aquaculture in the province by providing investment and access to capital.

Indicator: Initiated startup and operation of a cod demonstration farm.

Initial startup and operation of a cod demonstration farm was accomplished.

- DFA partnered with DFO, ACOA and Cooke Aquaculture to pilot an Atlantic cod demonstration farm in the Coast of Bays region. On March 2, 2009, DFA announced that it would contribute \$2 million to this \$8.5 million project. DFA also supported the demonstration farm project by serving on a technical steering committee and an advisory committee. In the 2010-11 fiscal year, projections of the commercial potential of the demonstration farm were revised, the scale of the farm operation was reduced accordingly and the corresponding funding from DFA was reduced as well. The focus of the project was changed to one of research and development. DFA continued to work with its partners to determine the future shape and scope of the project.
- In 2009-10, a nursery facility was opened in Belleoram, including the establishment of a cage site and stocking of the facility, to provide juvenile cod for the demonstration farm.

Indicator: Developed and implemented a process to address resource conflict.

This indicator has not been met.

- Upon further consideration, the department felt resource conflict would be best addressed by industry through NAIA. This decision is in keeping with departmental licensing policy which requires all new licensing applicants to undergo consultations with stakeholders as part of the licensing application process. The department provided funding to NAIA to hire a consultant to assist it in this work. In addition, industry

(represented by NAIA) and the FFAW formed a working group to address areas of conflict between the fishing and aquaculture industries. The department provides technical briefings and information support to the working group.

Objective 3: By March 31, 2011, the Department of Fisheries and Aquaculture will have supported the expansion of the aquaculture industry.

Measure: Supported the expansion of the aquaculture industry.

Indicator 1.1.1: Continued the implementation of approaches of the Aquaculture Development Framework: Infrastructure.

Throughout the fiscal year, substantial investments were made in infrastructure to support the aquaculture industry. The improvements to existing infrastructure, along with new infrastructure, support each commercial species in the aquaculture sector. Work related to infrastructure has been largely informed by the 2009 Rutter Engineering Infrastructure Study and other local infrastructure needs assessments. The focus in 2010-11 was on developing infrastructure capacity, mainly to support the sustainable development of key species such as salmonids.

- The province allocated \$9 million in 2010-11 for construction of inflow wharves for Hermitage, Pool's Cove, Belleoram and Harbour Breton. This funding is in addition to \$1 million previously committed. This work is funded by the province and each project is estimated to cost \$2.5 million. The wharves in Pool's Cove and Hermitage are 90 percent complete and will be operational by the summer of 2011. It is anticipated that the Belleoram and Harbour Breton wharves will be constructed in the 2011-12 fiscal year.
- The department took ownership of the Transport Canada wharves in Milltown and St. Alban's in 2010-11 through Transport Canada's divestiture program. Transport Canada allocated \$3.025 million to DFA to upgrade these wharves. Upgrades and/or repairs will be completed in 2011-12. The upgrading of these wharves will increase the number of biosecure inflow and outflow wharves for the aquaculture industry in the Bay d'Espoir area.
- Work continued throughout the fiscal year on the construction of the CAHD. Much of the building was constructed by March 2011. The CAHD will open in July 2011.
- The Wastewater Treatment Program provided funding for a system installation in Harbour Breton in 2010-11. Upgrades were also completed to the St. Alban's processing plant in 2010-11 under this program.
- The provincial government supported Northern Harvest Sea Farms Ltd., with a commitment of \$8 million, in its \$23.5 million expansion of its NL operations. In addition to expanding its marine cage farming operations in the Coast of Bays region, this expansion will include the construction of a smolt hatchery in Stephenville. To assist the company with setting up operations in the province, the provincial government provided 50 percent of the cost of setting up the hatchery and 25 percent of the cost of expanding marine farming sites, through the ACEP, which gives government an equity position in the expanded company.
- Funding was provided to Newfoundland Aqua Service Ltd. to implement a pre-commercial land-based net washing facility. Over two years, DFA committed \$350,000 to this project. The net washing facility was established in the Milltown area and will be used by the salmonid sector in the Coast of Bays region.
- During 2010-11, DFA participated in preliminary discussions around the establishment of a marine industrial park in the Harbour Breton area to service the aquaculture industry.

Indicator 1.1.2: Continued the implementation of approaches of the Aquaculture Development Framework: Salmonids.

This fiscal year, the focus for salmonids was on sustainable management and infrastructure development to promote fish health in the industry.

- **Bay Management Areas** - The establishment of Bay Management Areas is a proven best practice in biosecure and sustainable salmonid aquaculture. DFA, in partnership with DFO, continued to collect oceanographic data to inform the establishment of Bay Management Areas and developed a strategy to engage industry in the process. A Bay Management Areas Technical Committee has been set up to help guide this process and will convene its first meeting early in 2011-12. The committee will be composed of representatives from DFA, DFO, and NAIA.
- **Hatchery Facilities** - Completion of the new hatchery in Stephenville, for which the province provided 50 percent of the cost, will support the growth of the salmonid sector by ensuring the security of the smolt supply for the provincial industry. It will also provide for greater biosecurity in the transport of smolt and allow the aquaculture industry to take advantage of the full growing season. In addition, the overall cost for smolt will be reduced, providing greater flexibility in stocking fish and increasing the competitiveness of the industry.
- **Fish Health Facility** - The CAHD will provide necessary infrastructure for sustainable expansion of the salmonid sector by ensuring access to a state-of-the-art fish health facility. As well, the establishment and staffing of the new AAHD, particularly the hiring of additional veterinarians, technologists and technicians, has and will continue to enhance the province's fish health capacity and the sustainable development of the salmonid aquaculture industry.
- **On-land net washing** - This project functions to alleviate potential biosecurity risks, providing the technology and infrastructure vital to the planned expansion of the province's south coast aquaculture industry, and demonstrates the province's commitment to support the implementation of new aquaculture technology.

Indicator 1.1.3: Continued the implementation of approaches of the Aquaculture Development Framework: Mussels.

This indicator has not been met. The mussel portion of the Aquaculture Development Framework (ADF) has not yet been drafted because the department has determined that, due to the unique challenges encountered in the mussel sector since 2008, a separate mussel industry strategy will be required. This represents a necessary shift in direction from the original intention of the mussel section of the ADF. The focus in 2010-11 was instead on mussel marketing, as marketing efforts were seen to be the first step in addressing the current difficulties in the mussel industry. The continuation of poor markets for NL mussels has halted the further development of the mussel aquaculture sector, as most growers have had significant excess production in the last two seasons. During 2010-11, information gathering commenced for the development of a mussel strategy in the next fiscal year. This strategy will be largely informed by a recently completed Newfoundland and Labrador Mussel Market Study (June 2010) commissioned by the department.

Indicator 1.1.4: Continued the implementation of approaches of the Aquaculture Development Framework: Cod.

This indicator has been met, and work continued on the cod portion of the ADF.

- In 2010-11, the department worked with Cooke Aquaculture Inc. to continue work on the cod demonstration farm project. The province has committed \$1 million to this venture. The farm project has and will provide valuable information on Atlantic cod aquaculture, which will form the basis of developing a successful Newfoundland and Labrador-based commercial program in the future. It is anticipated that the cod demonstration farm will complete operations in September 2012, and a final project report will be completed in December 2012.
- MUN Ocean Sciences Centre Research - The department has contributed \$50,000 to the Ocean Sciences Centre, through the ASDP, to assist with a project investigating methods of reducing early maturation of Atlantic cod and production costs. These issues are limiting factors for commercial cod aquaculture, from both a financial and product quality perspective. The research team is investigating the short-term use of artificial lighting regimes to inhibit early maturation, which reduces product quality and extends production times. This research is very promising and could provide low-cost solutions to substantial production issues.
- The department reviewed multiple research proposals that have been submitted to other funding agencies, and offered support for promising projects that are looking into disinfecting eggs with ozone and optimizing the diets of larval and juvenile cod.

Discussion of Results

In the Coast of Bays region, aquaculture is a cornerstone of the area's economy. The industry's principal need, at this point in time, is a sufficient amount of biosecure infrastructure to allow for the environmentally and economically sustainable expansion of the industry. To meet this need, inflow and outflow wharves, hatcheries, and a new aquatic animal health facility were built to accommodate aquaculture growth. To achieve a sustainable aquaculture industry in light of rapid expansion, investments were made in infrastructure to support growth in the priority aquaculture sectors of salmonids, mussels and cod. Funding and support were provided to stakeholders through FTNOP, the department's Seafood Marketing and Support Services Division and the ASDP to pursue mussel studies, mussel marketing initiatives and to aid in the development of marketing and promotional materials. Though not all indicators were met, DFA's ability to fulfill its goal to support the expansion of the province's aquaculture industry was not affected, as reflected in its many achievements.

Since 2005, the provincial government has invested \$18 million in the aquaculture industry which has leveraged over \$300 million in private sector investment. Aquaculture production in the province has reached 15,360 tonnes, a record level for the province. This trend is expected to continue with projected production amounts reaching close to 20,000 tonnes by 2013, assuming markets and environmental conditions remain stable. Direct employment has almost tripled in this industry since 2005 and it is anticipated that the industry will provide employment opportunities for generations. Government has made significant investments in infrastructure in the last five years contributing to regional growth and sustainability. This is in line with government's strategic direction to enhance the sustainability of the provincial aquaculture industry through aquaculture investment and supporting sustainable growth and development.



Sustainable Management of the Aquaculture Industry

2 STRATEGIC ISSUE

Opening Discussion

In 2009, the department began work on drafting an Aquaculture Sustainable Management Framework (ASMF) to support and guide the development and governance of the province's aquaculture industry. The policy framework is a compilation of existing procedures, guidelines, legislation, regulations, support programs, compliance programs, communication processes, and area management plans. The ASMF outlines objectives and guiding principles that are in line with existing policies and practices of the department but also outlines clear direction for future policy development.

Goal 2: By March 31, 2011, the Department of Fisheries and Aquaculture will have implemented a sustainable management framework for the aquaculture sector.

Measure: Implemented a sustainable management framework for the aquaculture sector.

Indicator: Completed an internal review of aquaculture policies, regulations and the Act to support sustainability and changed as necessary.

This indicator has been partially met. An internal review of the department's policies and the Aquaculture Act and regulations was completed in 2008-09. Some policy changes, necessary to support the sustainable management of the industry, were identified. Revisions to departmental policies could not be completed until amendments to the Aquaculture Act were completed. Amendments to the Aquaculture Act give the department the legislative ability to address the regulatory environment. Preliminary work to amend the Aquaculture Act began in 2009-10 with consultations between DFA, provincial and federal departments and industry. The formal process of amending the Aquaculture Act was deferred in late 2010 due to a civil court suit challenging the province's constitutional right to regulate aquaculture in coastal waters. Once the court challenge has been resolved, work to change the act and regulations, as well as aquaculture policies, will proceed.

Indicator: Developed a comprehensive sustainable management framework.

This indicator has been met. A draft comprehensive sustainable management framework document was developed in 2009-10, revised in 2010-11, and is now in the process of being approved internally.

Indicator: Developed and implemented a communication process to promote environmental sustainability.

This indicator has been met. The three main communication processes the department has implemented to promote environmental sustainability include:

- The use of the department's website is the main conduit for the dissemination of information about aquaculture governance, various reports, and other sources of aquaculture-related information on environmental sustainability. It is also a means to provide contact information for departmental representatives and invite industry feedback, ensuring optimum communication between industry and government. In 2009, as part of a government-wide initiative, the department's website was significantly upgraded.

- The aquaculture licensing and referral process facilitates interagency, stakeholder and public input on aquaculture applications. During the licensing process, DFA requires applicants to consult with all stakeholders and record their concerns and comments. These stakeholders may include local fishers' committees, thereby providing an opportunity for local and traditional knowledge of potential aquaculture sites to be considered, as well as recreational boaters and regional economic development boards. It is DFA's belief that this communication process contributes to more sustainable development of aquaculture sites.
- Through the facilitation of workshops and the support of workshops hosted by other stakeholders, DFA increases industry and stakeholder awareness of science, technology and best practices which support sustainability. For example, in 2009-10, DFA held industry workshops on environmental management planning with representatives from DFO, NAIA and individual growers.

Indicator: Implemented a sustainable management framework.

This indicator has been partially met. Implementation of some activities has commenced and involves the application of framework objectives and guiding principles that set a clear direction for future policy development. It should be noted that the draft ASMF outlines many existing departmental policies and best practices, which have been implemented or are in the implementation process. These include area management planning, stringent fish health and biosecurity protocols, as well as new and improved marine infrastructure to support sustainable management.

The ASMF is a living document, the content of which will change as industry, technology, best practices and policy change. As such, objectives envisioned in this document will evolve over time and cannot have an anticipated end date. However, other specific pieces of work, such as the construction of hatcheries, wharves, and wastewater treatment facilities which support these objectives commenced during the planning period, but not all were completed due primarily to time constraints. The department has provided substantial funding for these initiatives during the past three years.

Objective 3: By March 31, 2011, the Department of Fisheries and Aquaculture will have implemented a sustainable management framework for the aquaculture sector.

Measure: Implemented a sustainable management framework for the aquaculture sector.

Indicator 2.1: Development of Sustainable Management Framework completed.

This indicator has been partially met. The ASMF has been developed and is undergoing internal approval.

Indicator 2.2: Implemented the Sustainable Management Framework.

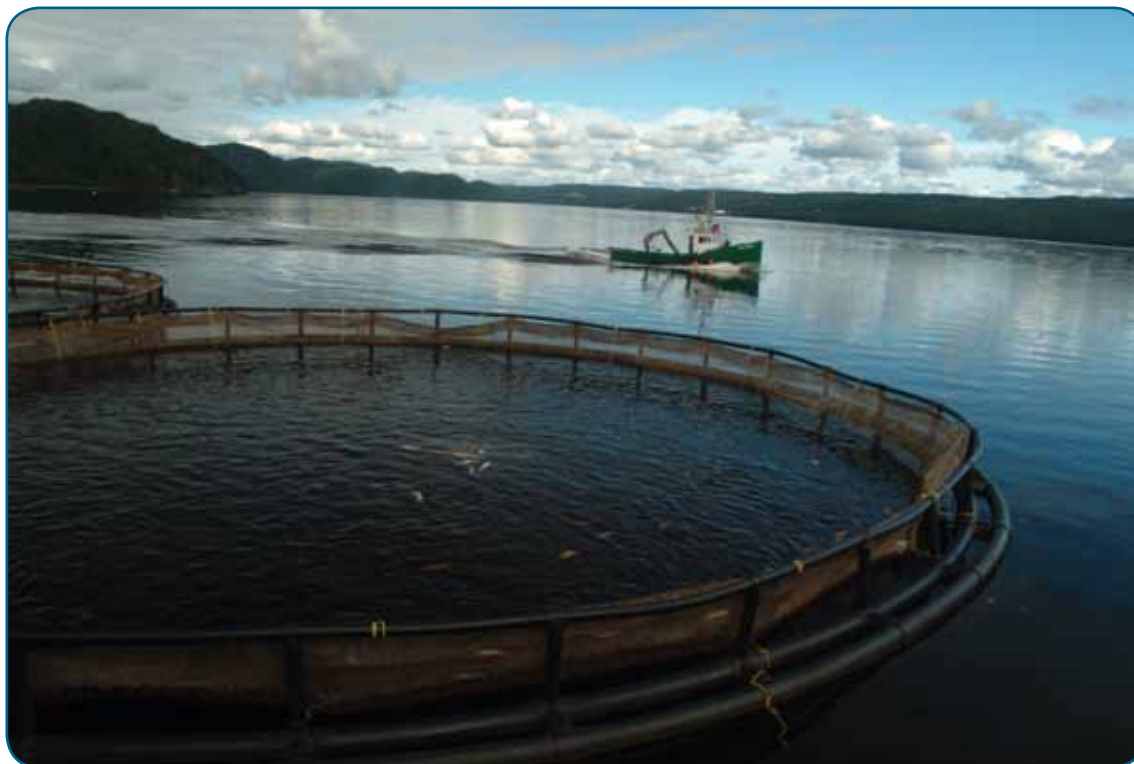
This indicator has been partially met. A final draft of the ASMF document has been completed and submitted for departmental approval. Once internal approval is received, the department will release the policy framework. The framework does not outline specific initiatives but is a policy framework for existing and forthcoming priorities with respect to the sustainable management of aquaculture, and as such is a living document. The ASMF will be reviewed and updated on a regular basis.

Specific pieces of work, such as the construction of hatcheries, wharves, and wastewater treatment facilities which support the objectives of the framework commenced during the planning period, but not all were completed due primarily to time constraints. The department provided substantial funding for these initiatives during the fiscal year. Full implementation of the ASMF has been carried forward as a commitment in the department's 2011-14 Strategic Plan.

Discussion of Results

DFA is committed to the sustainable management of the province's aquaculture industry. The sustainable development of this industry, key to the creation of opportunities in rural areas of our province, is paramount. A sustainable management framework has been drafted as an overarching policy and procedure framework to support this goal.

Though the ASMF document is subject to internal approval, much of the legislation, policies and DFA program information that are a part of the framework are already established. For example, fish health and biosecurity capacity within the department has been enhanced significantly during the past five years. The department has undertaken the data collection necessary for the implementation of Bay Management Areas, and a number of infrastructure needs have been addressed. The principles governing the ASMF will continue as a part of DFA's 2011-14 Strategic Plan. This work supports government's strategic direction to enhance the sustainability of the provincial aquaculture industry.





3 STRATEGIC ISSUE

The Province's Position on Fishery and Aquaculture Matters Falling under Federal Jurisdiction

Opening Discussion

Throughout 2010-11, DFA continually monitored the status of all issues affecting NL marine fisheries, aquaculture, seafood trade and coastal and ocean management. The department is conscientious in its review of the status of these issues and in ensuring the federal government is aware of the province's position on those matters which fall under federal jurisdiction. Of equal importance, the department ensures the impact of federal policy on the seafood sector is conveyed and also advocates for decisions favourable to the province. The department examines federal positions in comparison to what the province has advocated to determine the effectiveness of its efforts to have federal policy reflect provincial positions. This work supports government's strategic direction to enhance the province's position on fishery matters falling under federal jurisdiction.

Goal 3: By March 31, 2011, the Department of Fisheries and Aquaculture will have demonstrated a leadership role in relation to federal policy pertaining to marine fisheries, aquaculture, trade and coastal and oceans management.

Measure: Demonstrated a leadership role in relation to federal policy pertaining to marine fisheries, aquaculture, trade and coastal and oceans management.

Indicator: Encouraged the federal government to represent, on behalf of the province, the interests of the NL fishing and aquaculture industries to the WTO and the European Union.

This indicator has been met as evidenced by the following activities in which DFA encouraged the federal government to represent the province's interests in interactions with the WTO and EU:

- Participated in federal/provincial/territorial Committee on Trade (C-Trade) meetings to stay informed of developments related to the WTO and EU that may impact the province's fishing and aquaculture industries in order to effectively continue its encouragement of the federal government to represent the province's interests.
- Conducted ongoing analysis of WTO rules, tariff negotiations, CETA negotiations, and the EU trade ban on seal products. DFA communicated its position internally, through Intergovernmental Affairs Secretariat and INTRD, and to the Government of Canada (DFO, DFAIT), and encouraged the fair representation of the province's interests in all international forums. In the case of WTO negotiations, no new text has been released since 2008 to be analyzed. Therefore, DFA continued to monitor the negotiations and present its position to the federal government.
- To enhance and expand the province's access to international markets for seafood products, issues in international trade are carefully monitored and representation is made to the federal government. One example of DFA's success in this regard was the change to the EU's ATRQ. In 2009, the province's efforts resulted in changes to

the EU's ATRQ which allowed up to 20,000 metric tonnes of Canadian shrimp to enter European markets with no tariff applied. Amounts exceeding the ATRQ are subject to a 20 percent tariff.

Indicator: Worked with the federal government to address the issue of trade bans on seal products.

- Through its participation in the Atlantic Council of Fisheries and Aquaculture Ministers (ACFAM) Deputy Ministers' Committee on Seals, established in 2009, DFA collaborated with other provinces and the federal government on sealing industry issues. The DMS' Committee identifies priority areas requiring f/p/t cooperation. One such area that has been identified is the European Union's trade ban on seal products.
- In November 2009, Canada formally launched the dispute resolution process at the WTO, a decision which was encouraged and supported by the province.
- The department routinely corresponds with and meets with the Ministers of DFO and DFAIT to present the views of both the sealing industry and the province in regards to seal product trade bans. In a letter to the Ministers of DFO and DFAIT in August 2010, Minister Clyde Jackman expressed the province's desire to be more involved with Canada in the dispute resolution process, and to be kept informed of all progress and developments.
- DFA actively encouraged the Canadian government to seek an agreement with China for the sale of edible seal products and worked with federal officials pursuing the agreement. Minister Jackman met with Chinese trade officials in November 2010 and visited China to participate with other Canadian officials in the China Fur and Leather Products Fair in January 2011. During this visit, the Canadian government achieved a tentative agreement with China for the sale of edible seal products.

Indicator: Evaluated the effectiveness of NAFO reforms against a custodial management arrangement.

This indicator has been met as evidenced by the following:

- Protecting the Canadian share of NAFO-managed stocks remained a priority throughout the reporting period. DFA monitored the outcomes of each NAFO meeting to keep track of developments and modifications resulting from NAFO reforms. The department determined that custodial management was in the best interest of the province.
- On December 11, 2009, the province issued a news release calling on the Government of Canada to reject the changes to the NAFO Convention and pursue custodial management. Until it is proven that NAFO can adequately manage and control the fishery outside the 200 mile limit, the province will continue to ask for Canadian custodial management to protect straddling fish stocks on the Grand Banks. Minister Clyde Jackman, in a letter to Minister Gail Shea, reiterated the province's position that Canadian custodial management is the solution to the management of straddling fish stocks in the long term.

Indicator: Pursued agreements with the federal government on coastal and oceans management.

This indicator has been partially met. In 2008-09, the department worked in cooperation with the federal government, through the Canada-Newfoundland Coastal and Ocean Management Committee, to more clearly define provincial and federal responsibilities. As noted in our 2008-09 Annual Report, the federal government changed Canada's Oceans Strategy to one based on the health of the oceans. In consideration of this change of focus, the department determined that the development of a provincial coastal and ocean strategy and policy framework should be developed prior to the pursuit of agreements with the federal government on coastal and ocean management. It was felt the development of this strategy and policy framework would put the province in a better position from which to pursue agreements with the federal government. It is worth noting that this strategy will be released early in the 2011-12 fiscal year and Newfoundland and Labrador will be the first province in the country with a coastal and ocean strategy.

Indicator: Participated in federal processes to influence outcomes of provincial interest.

Throughout 2008-11, DFA participated in a number of federal processes to influence outcomes of provincial interest. For example:

- DFA participated in meetings of the Canadian and Atlantic Councils of Fisheries and Aquaculture Ministers and Deputy Ministers each year. These meetings provide a forum to discuss issues of common interest in both the fishing and aquaculture sectors, and provide an opportunity both for input into decisions that affect the province's interests, and to serve on committees, task groups and working groups that deal with specific issues (i.e. the Deputy Ministers' Committee on Seals, the Aquaculture Strategic Management Committee, and the Traceability Task Group).
- The department monitored issues in international trade in order to enhance and expand our access to international markets for seafood products.
- DFA participated in C-Trade meetings to stay informed of developments related to the WTO and EU that may impact the province's fishing and aquaculture industries.

Indicator: Pursued federal government funding for aquaculture projects identified by the province.

The department pursued federal funding for aquaculture projects identified by the province as evidenced by the following:

- DFA representatives provided input into the development of the National Aquaculture Strategic Plan Initiative, identifying provincial priorities for aquaculture funding under various programs.
- Departmental representatives presented DFO with the province's priorities for federal funding under the Aquaculture Innovation and Market Access Program in 2008-09. In that fiscal year, \$1,318,166 of program funding was spent on projects in Newfoundland and Labrador.
- DFA representatives serve on the regional committee for the Aquaculture Collaborative Research and Development Program, which makes recommendations on proposals to the national committee for this federal program.
- The Aquaculture Capital Equity Program was created in 2006 to leverage investment from private sector companies for aquaculture development in the province. Over the past four years, over \$300 million in investment has been leveraged for aquaculture development in NL, most of which is from outside the province.

Indicator: Put processes in place to strengthen the province's profile.

Following are examples of processes that were put in place to strengthen the province's profile:

- DFA has set up a process to ensure that DFA representatives participate on a number of committees to make certain it has input into any issues that affect the province's fishing and aquaculture industries. These include:
 - o Participation in coastal and ocean governance structures and processes to advance coastal and ocean planning in the province and facilitate information exchange and cooperation between governments and stakeholders. A representative of DFA serves as co-chair, along with DFO, on the Canada-Newfoundland and Labrador Committee on Oceans Management. By involvement in these processes, the department has been proactive in coastal and ocean issues and strengthened the province's profile as a leader in coastal and ocean management policy development.
 - o Participation in CCFAM and ACFAM committees, working groups and task groups such as the CCFAM–CFIA Committee on food safety and quality issues, to ensure the quality and reputation of the province's seafood products is enhanced worldwide.
- Through the budget process, DFA obtained funding to increase its emphasis on the promotion of fisheries science in the province, raising the province's profile nationally and internationally. In February 2011, DFA announced the provincial government was chartering its first fisheries science and oceanographic research vessel, the RV Celtic Explorer. The vessel was a key component of a suite of fisheries science research programs announced in July of 2010. Fisheries science serves to strengthen the province's profile, while contributing to government's strategic direction to strengthen the role of the fishing industry as a key pillar of sustainable economic growth within the province.
- With the processes that guide the sustainable management of the provincial aquaculture industry, in particular the department's proactive approach to fish health and biosecurity, DFA is moving towards becoming a leader in aquaculture. In addition, DFA's sustainable growth and management processes, along with improved marketing processes, have allowed the province's industry to explore new markets for its seafood products and strengthen the province's profile worldwide.

Objective 3: By March 31, 2011, the Department of Fisheries and Aquaculture will have determined the effectiveness of the province's position on marine fisheries, aquaculture, trade issues and coastal and oceans management.

Measure: Determined the effectiveness of the province's position on marine fisheries, aquaculture, trade and coastal and oceans management.

**Indicator 3.1.1: Reviewed the province's position to determine its effectiveness regarding:
Encouragement of the federal government to represent the interests of the
NL fishing and aquaculture industries to the WTO and EU.**

The department has reviewed the province's position to determine its effectiveness in encouraging the federal government to represent the interests of the Newfoundland and Labrador fishing and aquaculture industries to the WTO and EU and is satisfied with its effectiveness.

- With respect to the WTO, the department was unable to conduct further analysis on fisheries subsidies, anti-dumping or tariff elimination as no new text has been released since the Doha round of negotiations commenced in July of 2008. DFA has been awaiting new text with interest.

- The department provided ongoing support to INTRD throughout the CETA proceedings and follows negotiations closely to provide input and help the province determine the outcomes most favourable for industry.
- DFA has reviewed its position on trade issues and determined that encouraging the federal government to move forward with WTO and EU negotiations would have substantial benefits to the province's fishing and aquaculture industries. DFA has taken care to ensure these positions are clearly communicated to the federal government and is satisfied with the effectiveness of its approach.
- During 2010-11, the department also worked to encourage the federal government to represent Newfoundland and Labrador fishing interests to the EU by addressing the EU ban on seal products. In 2010, Canada asked the WTO to establish a panel to examine the lawfulness of a ban on Canadian seal products under WTO agreements.

Indicator 3.1.2: Reviewed the province's position to determine its effectiveness regarding: Work with the federal government to address trade bans on seal products.

During 2010-11, the department, on an ongoing basis, assessed the province's position to ensure its effectiveness in addressing the EU trade ban on seal products and is satisfied with its effectiveness. The monitoring of worldwide sealing activities, the impact federal government initiatives/actions may have on the Newfoundland and Labrador sealing industry, the successes and challenges of past efforts, and the level of support from all stakeholders and partners form part of the analysis of the province's position. The following developments and actions may be attributed, in part, to this continual review of the province's position.

Canada announced on August 19, 2010, that it was asking the WTO to establish a panel to examine the lawfulness of a ban on Canadian seal products under WTO agreements. This action was in line with the position of both the province and the sealing industry. The province continued to encourage and support Canada's decision to pursue WTO trade action against the EU's ban on seal products. An inability to resolve the matter led to Canada's announcement of a WTO dispute settlement panel to address the EU ban on seal products.

The province continued to partner with the federal government to pursue all elements of WTO action and on March 25, 2011, the WTO announced the establishment of a panel to assess whether a WTO member has violated its trade obligations. Part of the effectiveness of Newfoundland and Labrador's position can be gauged by how effectively it represents the views and concerns of industry. DFA is in constant communication with industry, acting as a special advisor to the Seals and Sealing Network Committee of the Fur Institute of Canada.

Indicator 3.1.3: Reviewed the province's position to determine its effectiveness regarding: The pursuance of agreements with the federal government on coastal and oceans management.

This indicator has been met. In consideration of the federal government's change of focus in regards to its ocean strategy, the department decided to complete its own coastal and ocean strategy prior to the pursuit of agreements with the federal government on coastal and ocean management. It was felt the development of this strategy and policy framework would both put the province in a better position from which to pursue agreements with the federal government and enhance the effectiveness of such efforts.

Indicator 3.1.4: Reviewed the province's position to determine its effectiveness regarding: Participation in federal processes to influence outcomes of provincial interest.

Throughout 2010-11, DFA participated in a number of federal processes with potential to influence outcomes of provincial interest. In each instance, the department reviewed its position to determine its effectiveness regarding this participation. Examples include:

- Throughout the fiscal year, provincial representatives attended Canadian delegation meetings related to NAFO and the NAFO annual meeting to monitor the Canadian position and the NAFO decisions. DFA staff prepared a post-meeting analysis that was used to determine the effectiveness of the province's position. The analysis showed that in 2010-11, the federal government's stance at the annual NAFO meeting was consistent in most instances with that of the province. For example, at the 2010 annual NAFO meeting, the federal government supported the recommendations of the NAFO Scientific Council regarding the total allowable catch and other management measures for 2011. In a September 14, 2010, letter to Minister Gail Shea, Minister Clyde Jackman had stated that the Canadian position on allowable catches should be guided by scientific advice.
- Staff from the province participated in a number of fisheries management and science advisory meetings throughout the year. Provincial positions regarding fisheries resource management were put forward at several of these meetings. In one example, follow-up on the part of the provincial minister to the federal minister resulted in a decision in line with the province's position. Such examples indicate the effectiveness of the province's position.
- DFA staff participated in the development of the NASAPI. Since the NASAPI is intended to identify priorities for federal aquaculture funding, by contributing in this process DFA is better able to ensure that projects of importance to our province's industry receive approval for federal funding. DFA review of and input into action plans at a March 2010 workshop was instrumental in keeping Atlantic cod a priority species. DFA review of the province's position on this issue effectively ensured that cod aquaculture projects will be eligible for federal funding.

Indicator 3.1.5: Reviewed the province's position to determine its effectiveness regarding: Pursuance of federal funding for aquaculture projects identified by the province.

- In its consideration of how best to pursue federal funding for aquaculture projects, the department has engaged in federal processes that allow it to influence how provincial projects are approved for federal funding. All requests for funding to the federal Aquaculture Innovation and Market Access Program will be assessed not only on the merits of the project but on their priority within NASAPI. Through its participation in the NASAPI, DFA has identified Newfoundland and Labrador priorities, influencing the kinds of projects that will receive funding assistance.
- The Aquaculture Collaborative Research and Development Program is a federal initiative that encourages collaborative research and development activity between DFO and industry. Regional and national committees meet to review applications for the program. DFA staff members participate in the review of applications and make recommendations to the national committee. If a proposal is declined, the regional committee can offer feedback to proponents to strengthen the proposal prior to the resubmission of the application.

In these ways, the department is able to review and determine its effectiveness in pursuing federal funding for aquaculture projects identified by the province.

Discussion of Results

Throughout the 2010-11 fiscal year, the department, on an ongoing basis, determined the effectiveness of the province's position on marine fisheries, aquaculture, trade issues and coastal and ocean management. The department was persistent in its efforts to encourage the federal government to represent the interests of the Newfoundland and Labrador fishing and aquaculture industries to the WTO and EU, in its work with the federal government to address trade bans on seal products and its pursuit of federal funding for aquaculture projects identified by the province. DFA officials were diligent in their participation in federal processes to influence outcomes of provincial interest. In each of these areas, the department achieved both successes and disappointments but continued to work with the federal government, monitor and review positions, and gauge the effectiveness of the provincial position based on the results obtained in these endeavours. In regards to the pursuance of agreements with the federal government on coastal and ocean management, once the Coastal and Ocean Management Strategy and Policy Framework is released in June 2011, the department will continue to engage the federal government in discussions regarding a memorandum of understanding on coastal and ocean management for Newfoundland and Labrador.





Enhancing the Value of the Fishing and Aquaculture Industries

4 STRATEGIC ISSUE

Opening Discussion

Economic complexities such as changes in market demand, exchange rate fluctuations, international tariff and trade barriers, as well as competition from low-cost producers, challenge the viability of the province's fishing and aquaculture industries. In response to these challenges, the provincial government committed to working with industry to develop innovative solutions to enhance the value and presence of seafood products locally, nationally and internationally. This involved working with partners to enhance fisheries innovation, and implement market enhancement initiatives and new quality initiatives.

Goal 4: By March 31, 2011, the Department of Fisheries and Aquaculture will have implemented additional initiatives designed to enhance the value and presence of Newfoundland and Labrador seafood products in the global marketplace.

Measure: Implemented additional initiatives designed to enhance the value and presence of Newfoundland and Labrador seafood products in the global marketplace.

Indicator: Implemented market enhancement initiatives.

Throughout the 2008-11 planning cycle, DFA worked with industry to implement market enhancement initiatives by encouraging innovation and participation in international seafood trade shows. Each year the department continued to participate in major international seafood trade events, including the International Boston Seafood Show, the European Seafood Exposition, and the China Fisheries and Seafood Expo.

The department encouraged industry to pursue innovative research and development relating to the introduction of new products, market development, eco-certification, packaging, food safety, quality and direct marketing initiatives. The department also continued to work with industry to identify market opportunities. These activities and initiatives all contribute to the market enhancement of Newfoundland and Labrador seafood products in the global marketplace.

Indicator: Increased the number of innovation initiatives.

DFA was successful in increasing the number of innovation initiatives. Prior to the establishment of FTNOP, the department maintained a general fisheries development budget in support of the development of fisheries for underutilized or non-utilized species, as well as innovative improvements to more traditional fisheries. Approximately 20 to 25 projects were conducted each year, with an average budget of \$450,000.

Under FTNOP, a provincial initiative under the joint FIR strategy, DFA continued to work with industry to implement initiatives to enhance fisheries innovation. FTNOP is the department's primary program of support to fisheries innovation initiatives. Over the three years of the planning period:

- There were a total of 235 applications received for the program, 136 of which were approved.

- Of those approved:
 - 45 percent were related to processing;
 - 40 percent were related to harvesting; and
 - 15 percent were related to marketing.
- The \$6 million spent under FTNOP resulted in the leveraging of approximately \$20.9 million in overall investment by other provincial and federal government departments and agencies, and industry. Examples of projects approved under FTNOP include:
 - Provided approximately \$89,000 to ASP's Energy Efficiency in the Seafood Sector project.
 - Provided \$100,000 in funding to the Canadian Seal Marketing Group for its marketing of seal skin garments.

Indicator: Implemented new quality initiatives.

Throughout the planning period, the department developed and implemented new quality initiatives. Examples include:

Training:

- In early 2011, Canada and China agreed to establish a Code of Practice in relation to the import of edible seal products. To achieve the health verification and the quality control aspect of the Code, the department facilitated the development of training related to quality and sanitary requirements, and assessment and verification of the health of animals. The training module, developed in partnership with the Veterinary College at the University of Prince Edward Island, was delivered to approximately 2,400 sealers from March 14-25, 2011, through 28 workshops coordinated by the Professional Fish Harvesters Certification Board.
- All departmental inspectors are required to complete the Quality Compliance and Enforcement Program. The majority have completed ten modules to date; six in the 2009-2010 fiscal year.

Quality initiatives under FTNOP:

- In 2009, DFA contributed over \$17,000 to the development of a whelk quality booklet.
- DFA contributed \$21,628 to the development of a Pelagic Quality Information Booklet in 2010-11. The booklet focuses on handling practices from harvesting to shipment.
- DFA provided CCFI with \$90,000 for an investigative initiative on high-pressure processing to facilitate meat extraction and produce higher quality snow crab products.
- DFA provided \$70,354 to the Centre for Aquaculture and Seafood Development for the second phase of an onboard handling assessment for yellowtail, aimed at improving the overall quality of yellowtail.

Summary Offence Tickets:

Summary Offence Tickets were introduced during the start of the 2009 fishing season. This new initiative enhanced the powers of inspectors through the establishment of a formal enforcement measure. Prior to this initiative, enforcement measures were limited to the issuance of formal warnings and administrative penalties. The ability to issue Summary Offence Tickets should help enhance quality within the province's seafood industry.

Objective 3: By March 31, 2011, the Department of Fisheries and Aquaculture will have implemented initiatives designed to enhance the value and presence of Newfoundland and Labrador seafood products in the global marketplace.

Measure: Implemented initiatives designed to enhance the value and presence of the Newfoundland and Labrador seafood products in the global marketplace.

Indicator 4.1: Worked with industry and the federal government to implement market enhancement initiatives.

DFA continued to work with industry and the federal government to implement market enhancement initiatives throughout the fiscal year. DFA participated with industry, stakeholders and the federal government in trade shows such as the International Boston Seafood Show, the European Seafood Exposition, World Food Moscow and the China Fisheries and Seafood Expo. The department worked with federal and provincial counterparts to enhance Canada's presence at these events.

- International Boston Seafood Show: DFA worked with the other Atlantic provinces and ACOA to set up an Atlantic Canadian Pavilion for the seventh consecutive year. Newfoundland and Labrador exhibitors at the department's pavilion included NAIA, Ocean Choice International (OCI), Quinlan Brothers Limited and Whitecap International Seafood Exporters. Several chefs from the province were hired to carry out sampling sessions to showcase the variety, quality and versatility of our seafood products to international buyers.
- European Seafood Exposition: provincial and federal partners discussed seafood market development projects, priorities and work plans for 2010-11. Presentations provided information on market trends and opportunities in Europe, particularly in the UK, Russia, Ukraine, Italy and Spain. The department, with Agriculture and Agri-Food Canada, the Atlantic provinces and Quebec, organized a shrimp forum in conjunction with the show.
- China Fisheries and Seafood Expo: DFA worked with trade commissioners in China to set up one-on-one meetings between seafood buyers and provincial seafood companies. A Canadian reception was held giving companies an opportunity to showcase their products and network with seafood buyers from China. DFA exhibited with NL companies, including OCI, Fogo Island Co-operative Society Ltd., Newfound Resources Limited and Harbour Grace Shrimp Co. Ltd.
- DFA continued to promote and work toward the eco-certification of the province's seafood products to ensure our seafood meets and maintains the highest standards of environmentally and socio-economically sustainable standards demanded by new and existing markets.
 - o MI received \$10,240 in funding from DFA through FTNOP to assist ASP in fulfilling conditions to maintain the Marine Stewardship Council certification for inshore northern shrimp.
 - o A fisheries improvement project for 3Ps cod, in partnership with Icewater Seafoods Inc. and the World Wildlife Fund, was funded to help ensure the long-term sustainability of 3Ps cod.
 - o NAIA received a grant of \$8,700 from DFA to deliver information sessions on sustainability standards and certification for salmonids and bivalves. The sessions were conducted by Global Trust Certification Ltd.
- The Government of Newfoundland and Labrador remains committed to working with the other Atlantic provinces, Quebec, the federal government and industry to improve the viability and profitability of the Atlantic lobster fishery.
- DFA continued to support initiatives of the Lobster Council of Canada and invested \$25,000 in the council in this fiscal year.
- The Canadian Seal Marketing Group received funding under FTNOP for a number of marketing initiatives. The Canadian Seal Marketing Group attended fur and leather shows in Montreal, Moscow, Beijing and Hong Kong in 2010-11. These initiatives were supported by a world-renowned fur designer, a new website and catalogue, ads in Asian and European fashion magazines, and seminars with fur and leather manufacturers in China.

Indicator 4.2: Worked with industry to implement initiatives to enhance fisheries innovation.

- Through FTNOP, DFA supported innovative initiatives in the harvesting and processing sectors, with special emphasis on energy efficiency, safety, efficient utilization of traditional species, better use of underutilized species, and value realization of all fisheries resources. Additional projects focused on the recovery of raw material waste, reduced discarding of fishery by-products, resource surveys, new technology, enhanced quality, and market research and promotion.
- During 2010-11, DFA provided support to OCI for a technology transfer project involving the use of water jet cutting technology for its groundfish operations at Marystown. This technology enabled the operation to achieve higher productivity and yield.
- The department also supported research into potential uses for whelk shell and cook-water waste as a fertilizer and seafood flavouring in partnership with CCFI, MI, HSF Ocean Products and J&C Sod Farms.
- In 2010, the Government of Newfoundland and Labrador and CCFI entered into a \$2 million contract for the period April 1, 2010, to March 31, 2012. Utilizing this core funding of \$1.0 million in year one of the agreement, CCFI collaborated with a number of partners, including

DFA, MI, MUN, National Research Council, ASP and other industry participants on a range of innovative projects in 2010-11. Some of the projects included:

- o development of crab butchering technology;
- o completion of the development of an automated sea cucumber processing machine;
- o yellowtail flounder quality enhancement;
- o an operational efficiency and energy audit in the inshore harvesting sector;
- o support for the Atlantic Fisheries Technology Conference; and
- o a longer-term strategic initiative to develop an automated crab meat extraction process based on high pressure processing technology.

Indicator 4.3: Worked with industry to implement new quality initiatives.

During 2010-11, the department continued to work with industry to implement new quality initiatives, including:

- DFA provided SPONL with \$21,628 for the delivery of a Pelagic Quality Booklet for industry. A reference booklet was developed for use by industry as a resource to enhance product quality through the identification of technical best practices and process controls.
- DFA provided financial support in the amount of \$70,354 to the Centre for Aquaculture and Seafood Development at MI for the second phase of an onboard handling assessment for yellowtail aimed at improving the overall quality of yellowtail.
- DFA provided CCFI with \$90,000 for an investigative initiative on high pressure processing technology to facilitate meat extraction and produce higher quality snow crab products. The project is a four-year initiative totalling \$3.2 million and involves a number of partners, including the Atlantic Innovation Fund, DFA, CCFI, MI, and industry partner OCI.
- A cooperative arrangement was entered into between CFIA and the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China for the import of edible seal products into China. A Code of Practice was developed by CFIA, in consultation with DFA, to set out protocols to address sanitary controls from harvesting to final processing. To achieve health verification and the quality control aspect of the Code, DFA facilitated development of training related to quality and sanitary requirements and assessment and verification of the health of animals. The training was delivered to approximately 2,400 sealers from March 14–25, 2011, through workshops coordinated by the Professional Fish Harvesters Certification Board.

Discussion of Results

To contend with the challenges facing the fishing and aquaculture industries and to realize industry opportunities, throughout 2008-11 the department continued to enhance the value of the fishing and aquaculture industries of NL. DFA collaborated with the federal government and industry to implement market enhancement, fisheries innovation and quality initiatives.

To implement market enhancement initiatives, DFA:

- participated with industry stakeholders and the federal government in various trade shows to enhance Canada's presence at these events and in the global marketplace;
- encouraged the eco-certification of products to ensure market access for NL seafood products; and
- supported initiatives of the Lobster Council of Canada.

Since 2007, FTNOP has been the cornerstone for research and development work in the harvesting and processing sectors, with emphasis on more efficient utilization of traditional species, innovative approaches to harvesting and processing, better use of underutilized species and enhanced value realization of all fisheries resources. FTNOP has been successful not only in increasing the number of development initiatives in the province, but also enhancing fisheries innovation within the industry.

The department is committed to encouraging industry to produce the highest quality products, and has developed and implemented new quality initiatives in accordance with government's strategic direction to strengthen the role of the fishing industry as a key pillar of sustainable economic growth within the province.



5 STRATEGIC ISSUE

Fishing Industry Renewal

Opening Discussion

On April 12, 2007, the Canada/Newfoundland FIR strategy was announced. The strategy, consisting of a suite of federal and provincial initiatives, was a joint venture by both the federal and provincial governments and involved an extensive consultation process. The federal and provincial initiatives were designed to work together to enable the fishery to become more economically viable and internationally competitive. The provincial initiatives included:

- A revised processing policy renewal strategy;
- Enhanced market research and promotion efforts, including the creation of a Newfoundland and Labrador seafood marketing council;
- Voluntary fish auction;
- An enhanced FLGP;
- Occupational health and safety initiatives; and
- Fishing industry workforce adjustment.

Goal 5: By March 31, 2011, the Department of Fisheries and Aquaculture will have implemented Fishing Industry Renewal initiatives aimed at supporting the viability and competitiveness of the fishing industry.

Measure: Implemented Fishing Industry Renewal initiatives aimed at supporting the viability and competitiveness of the fishing industry.

Indicator: New processing policy framework in place.

This indicator has been met. In October 2008, changes to the Fish Processing Licensing Policy were announced.

- The revised processing policy framework was implemented to help address overcapacity in the seafood processing sector. This framework included:
 - o More rigorous policies in relation to the issuance of new processing licenses and retention of existing licenses;
 - o Guidelines for the transfer of licenses; and
 - o Opportunities for combining existing value-added crab licenses.
- Since these new policies were adopted, nine primary processing facilities were permanently closed as they were unable to achieve the maintenance requirements prescribed under the new policy.

This work helped reduce capacity and increase regional and corporate consolidation. Over the longer term, these measures should increase the industry's viability and competitiveness by gradually reducing both the number of licenses and the amount of capacity. It will also provide greater stability for existing operations, more security for plant workers, and help to better position the industry in the global market.

Indicator: Worked with industry to establish the Seafood Marketing Council.

This indicator has been partially met. While the department has worked with industry throughout the 2008-11 planning period to establish a seafood marketing council, due to factors outside its control, a seafood marketing council has not been set up.

- In 2007, the Seafood Marketing Review Panel was established to review options to create the council and make recommendations on its structure, mandate and operating procedures. In 2008, the final report from the Panel confirmed a lack of capacity in seafood marketing in the province and recommended the establishment of an industry-driven seafood marketing council. Government accepted the recommendations of the report to establish the seafood marketing council and directed DFA to consult with the fishing industry on the council and to organize a vote of processing companies to determine industry support for the council.
- In 2009, the processing sector voted on the establishment of a seafood marketing council and rejected it by a narrow margin.
- In 2009, under the MOU, a marketing working group was established to address marketing issues within the province's fishing industry.
- In 2011, the Report of the Independent Chair of the MOU Steering Committee was released and included a recommendation for the establishment of a seafood marketing council in consultation with industry. The department supports this recommendation and will continue to work with industry and the federal government to set up a marketing council.

Indicator: Worked with industry to set up a fish auction.

This indicator was partially met. Under FIR, the province committed \$1.5 million for the implementation of fish auctions. In 2008, the department worked with industry to establish a pilot fish auction for 3Ps cod. An agreement was reached with the Fish Harvesters Resource Centre whereby they would lead the auction on the behalf of all harvesters and processors. However, due to limited participation by harvesters and processors, the pilot project was terminated in September 2008.

There were no subsequent expressions of interest from industry for the establishment of fish auctions. The province will not pursue future auctions without support from industry. However, the provincial government remains open to considering options with respect to fish auctions should industry decide it is interested.

Indicator: Worked with the provincial and federal partners to make changes to the Fisheries Loan Guarantee Program.

This indicator was partially met. The department worked with provincial and federal partners to make changes to the FLGP, however, it was not possible to make all the desired changes within the 2008-11 year planning cycle.

- The FLGP was administered by INTRD in collaboration with DFA and the Department of Finance.
- Under FIR, the provincial government committed to an enhanced FLGP (for fishing vessels, equipment and licenses) that included the facilitation of bank financing for those fishers wishing to take advantage of federal licensing policy changes.
- Several changes have been made, including a higher loan ceiling amount, a fixed interest rate option and the inclusion of refinancing of harvester loans previously held with processors for capital acquisitions.
- The intention was to also expand the FLGP to include the combining of enterprises as an eligible item. DFO subsequently determined that licenses and quotas could not be used as collateral and, as a result, the issue of extending the FLGP to include the combining of enterprises remained outstanding.
- On October 24, 2008, a decision was made by the Supreme Court of Canada to allow licenses to be considered "property" under the *Personal Property Security Act*. In response,

the federal government advised commercial banks of new policy arrangements that can provide sufficient security for banks to finance license acquisitions.

- DFA continues to work with INTRD and the Department of Finance to implement changes to the program in order to improve access to capital for harvesters willing to take advantage of DFO's combining policies.

Indicator: Monitored and reviewed the activities of the NL Fishing Industry Safety Council.

This indicator has not been met due to factors outside the control of the department.

- In 2007, DFA announced its intention to establish a fishing industry safety council as part of provincial initiatives under the FIR strategy.
- It was decided that, given the unique safety issues associated with the two sectors, a Fish Harvesting Safety Association and a Fish Processing Sector Safety Council would be established.
- In December 2010, DFA and the WHSCC announced they would be providing funding for the establishment of a Fish Harvesting Safety Association and a Fish Processing Sector Safety Council.

Because of the delay in the establishment of the safety association and the safety sector council, it was not possible for the department to monitor and review the activities of an NL fishing industry safety council in the 2008-11 planning cycle.

Indicator: Worked with provincial partners to support workforce adjustment.

This indicator has been met. In 2010-11, \$645,900 was expended from DFA's budget for worker adjustment services. Approximately \$1.8 million was expended on these services from 2008-11. DFA has worked with provincial partners, including MA, INTRD and HRLE, to deliver workforce adjustment services. Workforce adjustment supports have been positioned to assist with industry renewal and to facilitate transition out of the industry where necessary. The worker transition services provided by these provincial departments are available to displaced workers at fish processing plants that have been deemed permanently closed. These services include:

- Labour market adjustment services delivered by HRLE: These services help workers explore long-term employment options, access skill development training and search for alternate employment. A total of \$449,500 was expended from DFA's budget for these services from 2008-11.
- Economic diversification efforts by INTRD and community-based economic development partners: In addition to INTRD's general economic development programs, there is a wage subsidy to encourage companies with good long-term employment prospects to create incremental jobs and fill them with displaced plant workers.
 - o From 2008-11, 20 job placements were funded with 3 small/medium-sized enterprises, mainly on the Burin and Bonavista Peninsulas. \$186,900 (of the total funding cost of \$393,600) was expended from DFA's budget, while small/medium-sized enterprises contributed \$206,700.
- The Fish Plant Workers Employment Support Program was delivered by MA: This program provides a maximum of 14 weeks of minimum wage employment for plant workers displaced due to permanent plant closures. It helps workers qualify for Employment Insurance benefits, thereby stabilizing their incomes for approximately one year while they explore their long-term employment options. Workers may only access this program once.
 - o From 2008-11, \$1.22 million, allocated from DFA's budget, was invested in the Fish Plant Workers Employment Support Program for employment projects serving a total of 207 plant workers from three plants in the communities of Gaultois, Englee, and Trouty.
- Since its inception, the workforce adjustment framework has been deployed in six communities: Fortune, Marystown, Port aux Basques, Trouty, Englee and Gaultois.

Objective 3: By March 31, 2011, the Department of Fisheries and Aquaculture will have completed the implementation of Fishing Industry Renewal initiatives aimed at supporting the viability and competitiveness of the fishing industry.

Measure: Completed the implementation of Fishing Industry Renewal initiatives aimed at supporting the viability and competitiveness of the fishing industry.

Indicator 5.1.1: Worked with industry to complete the implementation of the following Fishing Industry Renewal initiatives: Enhanced Marketing.

This indicator has been met. DFA worked with industry to implement enhanced marketing initiatives under the FIR strategy. The department, in conjunction with industry, implemented a number of market enhancements of the province's seafood products through FTNOP, including:

- A blue mussel project, carried out in partnership with Ocean Fresh Mussels of Herring Neck, to identify and develop new markets in northeast and southeast US;
- An initiative, carried out in collaboration with OCI in Marystown, to increase yellowtail sales in the US by introducing flavoured products to the retail sector;
- Phase II of an initiative with HSF Ocean Products in O'Donnell's involving market enhancement of several of its secondary processed seafood products in Canada; and
- A project, in collaboration with Private Chef Inc., St. John's, and Quinlan Brothers, Bay de Verde, to promote various frozen, value-added seafood products to Canadian markets by featuring them in a "Costco Roadshow".

In addition, under the MOU, a marketing working group was set up to address marketing issues within the province's fishing industry. The final report recommended the establishment of a seafood marketing council whereby such issues could be addressed. The department supported the establishment of a seafood marketing council under FIR and supported the recommendation under the MOU as well.

Indicator 5.1.2: Worked with industry to complete the implementation of the following Fishing Industry Renewal initiatives: Safety Initiatives.

This indicator has been partially met. Throughout the fiscal year, DFA worked with industry to implement safety initiatives including the E-simulator distance education program for fishing vessel stability management and the establishment of the two fishing industry safety organizations. For reasons outside the control of the department, it was unable to complete the implementation of the safety councils.

- Through FTNOP, the department supported the Canadian Council of Professional Fish Harvesters in the development of a stability E-simulator for fishing vessels. The E-simulator provides those working in the industry with a good understanding of basic stability concepts. The final product will be available on CD to fish harvesters throughout Canada. A prototype was launched in late 2010-11 and work continues to finalize the materials and software for more widespread testing into 2011-12.
- In December 2010, following discussions with the fishing industry, DFA and the WHSCC announced funding for two new fishing industry safety organizations: a Fish Harvesting Safety Association and a Fish Processing Sector Safety Council. The establishment of a safety organization was identified as a provincial priority in the federal/provincial FIR strategy. It took longer than anticipated for industry to reach a determination of a structure that would work best for all parties. DFA and WHSCC are each providing \$500,000 towards the establishment of these organizations.
- The fishing industry safety organizations will complement other safety initiatives that were funded by DFA in recent years, including harvester safety workshops, vessel stability initiatives, and a fishing vessel safety video.

Indicator 5.1.3: Worked with industry to complete the implementation of the following Fishing Industry Renewal initiatives: Enhanced Fisheries Loan Guarantee Program.

DFA worked with INTRD (administrator of the FLGP), industry, commercial banks and the federal government throughout the fiscal year to complete this piece of work. The department was not able to complete the last remaining planned enhancement to the FLGP, extending it to include the combining of enterprises, primarily for two reasons. Initially, completion was delayed as all parties waited for the federal government to facilitate the ability of harvesters to use licenses as collateral prior to moving forward to include a license as an eligible item under the FLGP. The federal government did provide, in the 2009-10 fiscal year, a mechanism to move forward. Secondly, the department waited for the resolution of the MOU process to determine if this process would result in recommendations that would make the program even more accessible and responsive to the needs of fish harvesters. As a result of these delays, the issue of extending the FLGP to include the combining of enterprises remains outstanding.

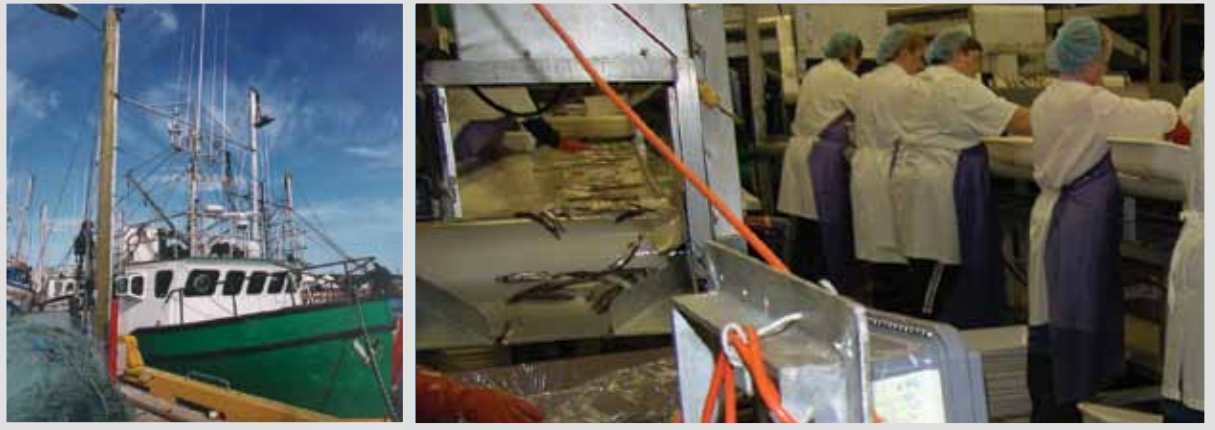
DFA will continue to work with the newly restructured IBRD and the Department of Finance to complete this piece of work.

Discussion of Results

Throughout 2008-11, the department initiated and implemented FIR initiatives aimed at supporting the viability of the fishing industry. Although it was not possible to complete the implementation of all initiatives, the department has collaborated with other federal and provincial government partners and key stakeholders to improve the FLGP, fund the establishment of the two fishing industry safety organizations, support workforce adjustment, deliver a new processing policy framework, enhance marketing initiatives and invest in research and development.



Opportunities and Challenges



Fishing Industry Opportunities and Challenges

DFA will continue to confront the issues facing the fishery and work with industry stakeholders to capitalize on opportunities and to address the challenges in the industry.

Opportunities

Marketing Opportunities

- Increased international presence and market access
- Branding and product differentiation
- Marine Stewardship Council certification for NL fisheries and product traceability initiatives to enhance the market access
- Increased opportunities for research and development to extract optimal value from available resources through FTNOP

Processing Sector Opportunities

- Improved viability resulting from fish processing licensing policy revisions
- Support for regional approach to fish processing
- Increased research and development opportunities through FTNOP
- Enhanced quality initiatives through the Inspection and Enforcement Program
- Availability of the Workforce Adjustment Program for displaced workers
- Shrimp quality assurance
- Increased health and safety initiatives
- Increased energy efficiency initiatives
- Secondary and value-added processing
- Promotion of full utilization



Harvesting Sector Opportunities

- Enhanced Fisheries Loan Guarantee Program
- Small vessel energy efficiency initiatives
- Enhanced quality initiatives
- Increased health and safety initiatives
- Sustainable harvesting technology and practices

Challenges

Global Pressures

- Market volatility (demand and prices)
- Competition from low-cost producers
- Exchange rate fluctuations
- Fuel price volatility
- International tariff and trade barriers (e.g. ATRQ shrimp quotas and EU seal products ban)

Fishing Industry Structural Challenges

- Overcapacity in the harvesting and processing sectors
- Seasonality of the industry
- Aging infrastructure
- Need for industry modernization
- Resource uncertainty
- Weak collaborative marketing
- Structural inefficiencies (e.g. raw material, collection and trucking costs)

Workforce Challenges

- Current and anticipated demographics
- Attraction and retention of new workers due to seasonal employment, income and job security issues
- Evolving technology in the work environment, requiring specialized training

Opportunities and Challenges



Aquaculture Industry Opportunities and Challenges

The Government of Newfoundland and Labrador considers aquaculture a priority for rural economic development. Recent aquaculture growth has been driven by the continued expansion of the salmonid sector. DFA continues to lead the development of a sustainable aquaculture industry within the province, including availing of opportunities that facilitate sustainable growth and addressing challenges. Such opportunities and challenges include:

Opportunities

Favourable Development Climate

- Abundant areas for development with excellent water quality
- Skilled and experienced workforce supported by collaborative relationships with the scientific and academic communities
- Priority species ideally suited for continued development in this province, including Atlantic salmon, steelhead trout and blue mussels
- Streamlined licensing process with federal and provincial cooperation
- Expanded aquatic animal health capabilities
- Supportive infrastructure development initiatives
- Hatchery planning and development
- Collaborative relationships with departments and agencies
- Business friendly province
- Increased global demand for quality seafood products from a sustainable industry
- Access to capital programs

Development Opportunities

- Increased opportunity for service and supply sectors
- Potential to generate long-term, year-round employment through production, processing and service industries
- Greater levels of production
- Broodstock and hatchery development



- Utilization of organic and inorganic waste
- Feed production and storage
- Equipment development and fabrication
- Development of more remote farming sites and offshore technology
- Environmental certification programs
- Alternative species development

Challenges

Global Pressures

- Market price fluctuation
- Exchange rate volatility
- Identification of new markets for mussels
- Increasing production to meet growing demand
- Access to capital, competition and product certification
- Low demand from consumers and food service industry for mussels
- High fish food costs (aquaculture)

Sustainability

- Maintaining investment levels in the industry
- Increasing and upgrading infrastructure to support sustainable development and expansion
- Waste management
- Developing increased biosecurity approaches
- Increasing aquatic animal health management services
- Maintaining a flexible and efficient policy and regulatory environment

Workforce Challenges

- Recruiting and retaining trained employees
- Number of specialized aquaculture veterinarians to service a growing industry
- Providing specialized training on evolving technologies in the work environment



Appendix A - Focus Articles



Aquatic

Animal Health

Newfoundland and Labrador's aquaculture sector has experienced significant growth throughout the period April 1, 2006, to March 31, 2011. This growth has stimulated the development of finfish and shellfish farms, as well as the supply and service sectors that support them. DFA recognizes the importance of developing aquaculture in a socially, economically and environmentally sustainable manner to ensure the industry remains prosperous in the long term. A major DFA initiative towards achieving this goal has been the ongoing development and enhancement of aquatic animal health management regimes, infrastructure and human resources.

Aquatic Animal Health Management Regimes: Increased aquaculture activity in NL means there are potentially greater biosecurity risks as well. Biosecurity can be defined as a set of strategic and integrated management practices that manage risk and maintain the health of animal populations. Biosecurity is a shared responsibility and includes, but is not limited to, preventative medicine (i.e., vaccination), active and passive surveillance, diagnosis, disinfection and eradication. The principles of a comprehensive biosecurity program lessen exposure to disease-causing agents. The increase in biosecurity risks that come from the growth in aquaculture activity has necessitated a greater organizational focus on aquatic animal health within DFA. In response, DFA has been actively developing its operational capacity in aquatic animal health since 2006, including:

Aquatic Animal Health Division: DFA has created a new AAHD to facilitate efficient and effective health management services for the aquaculture industry within the province. This restructuring facilitates the creation of focused responsibilities amongst staff in areas of policy and regulatory development and veterinary health.

Health Management Planning: Since 2006, the management of aquatic animal health has shifted focus from reactionary to preventative and evidence-based veterinary medicine. The AAHD has implemented proactive initiatives, including biosecurity protocols, active and passive surveillance programs, and best management strategies designed to avert or mitigate aquatic animal health issues. To prevent pathogen spread, the AAHD has developed optimal health management strategies, biosecurity protocols and contingency planning. Health management planning has been adapted from the best management practices recognized in other domestic and international jurisdictions.

Infrastructure: The AAHD has substantially increased in size since 2006. There are now three diagnostic laboratories that are operating in St. John's, Grand Falls-Windsor and St. Alban's. The focal point of infrastructure expansion is the state-of-the-art laboratory, the CAHD, in St. Alban's. In addition to diagnostic services, the CAHD will also facilitate applied clinical research and advanced biosecurity practices for the province's aquaculture industry.

Human Resources: The main focus of AAHD staff is the delivery of laboratory and clinical ambulatory services designed to prevent, diagnose and treat aquatic animal disease. In concert with expanded service delivery, aquatic animal health staff has increased in number from four in 2006 to ten in 2011. The team is composed of veterinarians, technicians, laboratory technologists and a veterinary epidemiologist. AAHD staff are encouraged to continually expand their skill sets through personal and professional development and to ensure excellence in service delivery. In addition, the AAHD provides practical educational experiences for summer students and veterinary student externships from the Atlantic Veterinary College at the University of Prince Edward Island.

Contribution to Animal Health: The goals of an effective aquatic animal health regime include efforts aimed at preventing disease and promoting healthy living conditions for aquaculture stock. Biosecurity practice and husbandry improvements are a cornerstone to enhancing the health and performance of cultured stocks. Infrastructure to meet the growing needs of the industry while maintaining biosecurity is crucial to the sustainability of aquaculture. Sound management of aquatic animal health, including the human resources required to implement the programs, reduces product loss and promotes stable production yields. Consequently, healthy aquaculture stocks support the socio-economic interests of the industry and the rural communities within which it operates. Aquatic animal pathogens and disease originate from wild populations and may transfer to cultured animals. The reduction and control of pathogen outbreaks among aquaculture stocks may be necessary as there is no current practical way to treat wild populations.

Impact of Such Efforts on the Province's Aquaculture Industry: DFA's expanded operational capacity in aquatic animal health services is beneficial to the aquaculture industry of NL in a number of ways. First, aquatic animal health management supports the consistent production of healthy animals, through reduced mortality, reduced stress and faster growth, which in turn promotes the industry's economic stability. Second, DFA's aquatic animal health standards exceed internationally recognized aquatic animal health standards. This serves to support marketing efforts within Canada and abroad. Third, DFA's continued development of veterinary oversight, local diagnostic capability and a sound biosecurity program provides a competitive advantage to aquaculturists within the province.

“ DFA's aquatic animal health standards exceed internationally recognized aquatic animal health standards.”





Sealing

Introduction:

The Government of Newfoundland and Labrador is a strong supporter of the sealing industry. DFA assists with initiatives that promote the province's sealing industry as part of its sealing industry communications, advocacy and development strategy, and through its work on the Deputy Ministers' Committee on Seals. This committee was formed in 2009 under the ACFAM. The objective of the committee is to ensure a sustainable sealing industry through an integrated approach to seal management and market development. The committee provides an opportunity for f/p/t collaboration on important sealing industry issues such as communications and advocacy, professionalization, business planning, research and development, marketing and trade issues. The committee works to identify opportunities for seal product diversification and market development.

DFA's communication strategy incorporates marketing initiatives, research and development, and support for the professionalization of sealers. Since 2006, the province has committed \$500,000 towards this strategy. The strategy is being carried out in cooperation with the federal government, the Canadian Sealers Association, the Fur Institute of Canada, f/p/t governments, the private sector and industry.

The strategy's main emphasis is on a seal harvest centered on three principal cornerstones:

- A sustainable harvest based on solid science;
- An industry based on the full utilization of the animal; and
- Humane harvesting methods with zero tolerance of any inhumane practices.

A sustainable harvest based on solid science: The harp seal population has increased dramatically in the last two decades. A current estimate puts the population at approximately 9 million, as compared to 5.4 million in 2005. The uncontrolled growth in the seal population has a major impact within the marine ecosystem, affecting the recovery and growth of commercial fish stocks in Atlantic Canada. The seal harvest must form part of a holistic approach to ecosystem management.

An industry based on the full utilization of the animal: NL supports the research efforts of industry and educational institutions in promoting the full utilization of seals and the development of value-added products. In 2010, the province invested in research on Omega-3 oils and supported the development of a strategic plan to promote the full utilization of the animal. Seal meat and oil have enormous potential as health food supplements and pharmaceutical ingredients. The cooperative arrangement between Canada and China, announced in January 2011, supports industry's efforts to fully utilize animals harvested through exportation of edible seal products. DFA, in collaboration with DFO, CFIA and industry, is participating in the development of an implementation strategy to re-establish market access for edible seal products in China.

Humane harvesting methods with zero tolerance for any inhumane practices: Effective training is key to achieving a humane, viable and professional seal harvest and will form the foundation on which the industry will secure international markets for its products. DFA has encouraged DFO to introduce mandatory training and certification requirement as part of the province's effort to enhance professionalization within the industry. In 2009, led by the Fur Institute of Canada, with support from DFA, over 800 commercial sealers participated in information workshops on the humane harvesting of seals and the three-step process. Training sessions on humane harvesting, the three-step process, and quality, health and handling practices were developed in collaboration with the Canadian Council of Professional Fish Harvesters, the Professional Fish Harvesters Certification Board, the Canadian Sealers Association, DFA, DFO, FFAW and the CFIA and offered to 2,400 sealers in the winter of 2011. The department also sits on the Professional Fish Harvesters Certification Board Steering Committee for the professionalization of the seal harvesting industry.

Challenges:

Anti-sealing groups: In response to the actions of international anti-sealing organizations, the province has developed and implemented a comprehensive Strategic Communications and Advocacy Plan for the province's sealing industry. Activities under the plan are designed to inform national and international audiences of the realities of the province's sealing industry. This message is delivered through the use of a dedicated web page, visits by EU advocacy missions, EU parliamentarians and journalists, a government/industry working group, presentations, distribution of information kits, and a sealer's manual on harvesting and handling practices. The province works in partnership with industry to accomplish these activities.

A key element of the strategy involves building alliances with like-minded organizations to build support for Canada's seal harvest. In 2010, the province became a member of the International Council for Game and Wildlife Conservation. With such alliances, the aim is to educate organizations on the sustainability and humaneness of the harvest and enable them to work on our behalf to remove barriers to the industry.

EU ban on Seal Products: In July of 2009, the Council of the European Union voted in favour of a seal ban. EU Regulation number 1007/2009 became law on October 25, 2010, banning the sale of seal products within the EU. The province encouraged the federal government to initiate WTO action to overturn the ban. Canada announced WTO action in 2010 and the establishment of a dispute settlement panel to address the EU ban on seal products was affirmed in March 2011. The Government of Newfoundland and Labrador continues to support these efforts by the Government of Canada.

In January 2010, the Inuit Tapiriit Kanatami filed an application with the European Court of Justice for annulment of the EU seal regulation. The province has been supportive of these efforts. Minister Clyde Jackman engaged with Inuit Tapiriit Kanatami/Fur Institute of Canada legal advisors in Brussels in 2010 to assess and confirm the province's continued support of the legal action to have the legislation annulled. As of March 31, 2011, the province has provided \$50,000 in support of this action.

Conclusion:

The thousands of people who gain income and employment from the sealing industry depend on the province to take action to preserve the future of the sealing industry. The province will continue to support sealers in the development of the industry, marketing efforts and the promotion of the industry as humane and environmentally sustainable.

“The Government of Newfoundland and Labrador is a strong supporter of the sealing industry.”





Fisheries

Science

The provincial government recognizes the importance of enhancing fisheries science capabilities within the province and has provided support and funding for initiatives that focus on fisheries research and stewardship. Examples include funding for the establishment of the Centre for Fisheries Ecosystems Research (CFER), the construction and chartering of research vessels, support for research in cod and other species, and stewardship. The insights gained from initiatives such as these will help to ensure a positive future for the fishery. The knowledge and understanding we gain about the fish stocks off our coasts will serve to advance our contribution to the sustainable management of our industry.

CFER: The province approved \$11.75 million for the establishment of CFER in July 2010. The work done under CFER will complement and enhance existing fisheries science, provide research opportunities for fisheries scientists in the province, and training for those students who will become tomorrow's scientists. CFER will focus on offshore fisheries studies, international collaboration and fisheries conservation studies.

Construction and Chartering of Research Vessels: The province provided funding for the construction of a coastal research vessel, the RV Gecho II, which went into operation in 2010. The funding also allowed for the outfitting of the vessel with new scientific equipment.

Supported by funding from the province, the Fisheries and Marine Institute of Memorial University chartered the RV Celtic Explorer from the Marine Institute in Ireland for the initial project of CFER. The vessel is a state-of-the-art 65.5 metre fisheries research vessel capable of conducting offshore acoustic surveys and other oceanographic work. In February 2011, the RV Celtic Explorer was used to conduct an offshore winter cod survey off eastern NL.

Both the RV Gecho II and RV Celtic Explorer will help ensure the province's continued contribution to fisheries science research in support of our fishing industry.

Cod Projects: Since 2006, almost \$2 million in funding has been approved through the department's Cod Recovery Strategy for fisheries science projects. DFA contributed additional funding in 2010-11 towards projects carried out under CFER and pertaining to cod stock identification, tagging and acoustic analyses. These projects will provide information on stock structure and migration patterns of cod stocks adjacent to the province, identify and classify cod, capelin and other species, and translate historical acoustic data on Northern cod so it can be processed by more modern acoustic technology.

DFA has funded the continued monitoring of cod in Smith Sound, Trinity Bay, through the use of acoustic transects and sample collection. Led by Dr. George Rose of the Marine Institute, this research provides information on the distribution, growth, health and movement of cod populations inshore.

Funding was provided for research on Northern cod and Gulf of St. Lawrence cod, in partnership with DFO and the FFAW. The Nearshore Cod Survey measures the amount and distribution of Northern cod in the area between the offshore banks and the inshore bays. The Migration and Mortality Study is designed to gain insight into migration patterns and mortality rates of Northern cod through tagging and telemetry. Research on cod in the Gulf of St. Lawrence has focused on studying the reproductive potential, condition and spatial distribution of the Northern Gulf cod stock.

Multi Species Projects: DFA contributed funds in support of a Redfish/Cod Species Identification Project to obtain information on the distribution and identification of redfish populations off our province's coast. This was a joint project by the Groundfish Enterprise Allocation Council and DFO.

Funding was provided to Dr. Rose for the Fisheries Closures Study: Ecosystem-based Fisheries Management Project. The objective of this project is to synthesize, quantify and model existing data on the effects of fishing closures on habitat and fish stocks, and to study the implementation and management closures and policies relevant to them.

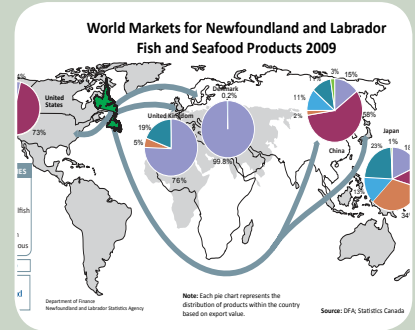
Stewardship: Since 2007, DFA has provided funding in support of the Fisheries Stewardship Program. The Fisheries Stewardship Program was developed by the FFAW to promote integrated fisheries management and provide harvesters with an opportunity to participate in activities aimed at ensuring the long-term sustainability of the fishing industry.

DFA has also provided funding towards the Fisheries Improvement Project in relation to 3Ps cod. The Fisheries Improvement Project, which commenced in 2011, is being administered by the World Wildlife Fund in partnership with Icewater Seafoods Inc. and DFA. In developing the Fisheries Improvement Project, the World Wildlife Fund is working collaboratively with industry and government to ensure the long-term sustainability of 3Ps cod, including compliance with the standards of the Marine Stewardship Council.

Where to now: DFA will continue to partner with academia, industry, the scientific community and others to further enhance fisheries research and stewardship within the province. In addition to the \$11.75 million approved for the establishment of CFER, \$450,000 has been approved in the 2011-12 budget to continue research projects on cod. The focus of the research will also continue to expand to include other species, such as pelagics, shellfish and other groundfish.

“ Both the *RV Gecho II* and *RV Celtic Explorer* will help ensure the province's continued contribution to fisheries science research in support of our fishing industry. ”

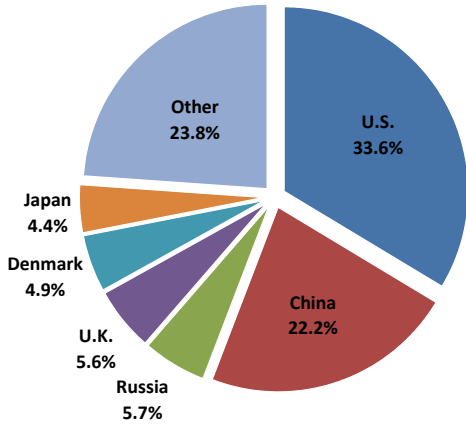




Appendix B - Other Departmental Information

Market Overview

2010 Seafood Markets by Export Value



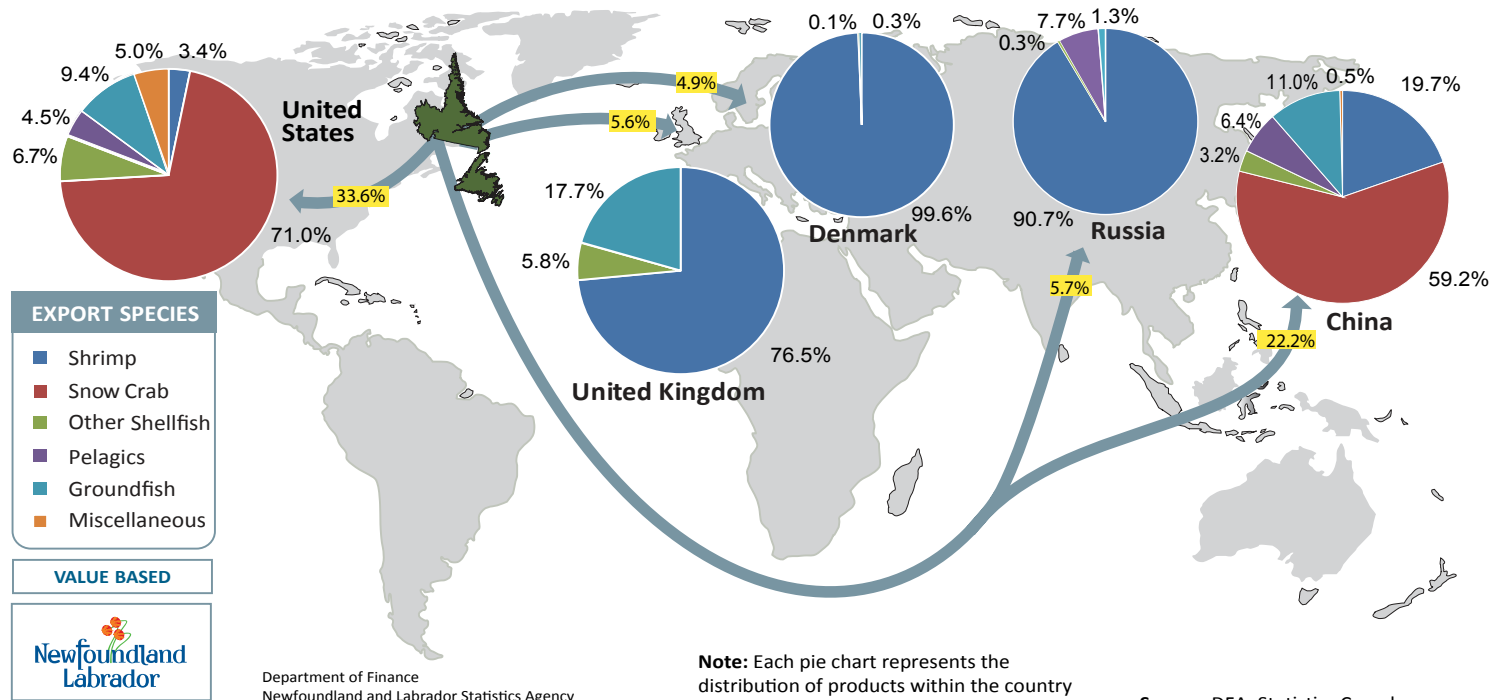
Note: NL export value = \$780 million.
 Percentages may not sum due to independent rounding.
 Source: Statistics Canada

Newfoundland and Labrador is a significant exporter of seafood products. According to Statistics Canada, NL seafood exports increased 8.1 percent to 181,036 tonnes in 2010, up from 167,497 tonnes ¹ the previous year. The corresponding dollar value increased 8.3 percent to \$780 million, up from \$721 million in 2009. A considerable rise in shell-on shrimp exports contributed to this increase.

The United States and China remained the province's largest seafood markets in 2010, accounting for 33.6 percent and 22.2 percent of the province's total export value, respectively. Other key markets based on export value included Russia (5.7 percent), the United Kingdom (5.6 percent), Denmark (4.9 percent) and Japan (4.4 percent). The six top markets comprised 76.4 percent of the provincial export value. The remaining 23.6 percent was exported to over 50 other countries worldwide.

1 2009 Data revised by Statistics Canada.

Top 5 World Markets for Newfoundland and Labrador Seafood Products 2010



Trade Events:

- European Seafood Exposition, Brussels, Belgium – April 2010
- Newfoundland Aquaculture Industry Association and the Aquaculture Association of Canada Trade Show, St. John's, NL – May 2010
- World Food Moscow, Moscow, Russia – September 2010
- Agrifoods and Garden Show, Torbay, NL – September 2010
- China Fisheries and Seafood Expo, Dalian, China – November 2010
- North Atlantic Fish and Workboat Show, St. John's, NL – November 2010
- Newfoundland Aquaculture Industry Association Trade Show, Gander, NL – February 2011
- North Atlantic Seafood Forum, Oslo, Norway – March 2011
- International Boston Seafood Show, Boston, MA – March 2011

Conferences and Events:

- International Association of Business Communicators, Toronto, ON – June 2010
- Northwest Atlantic Fisheries Organization Annual Meeting, Halifax, NS – September 2010
- Fisheries Council of Canada's Annual Convention, Ottawa, ON – October 2010
- Atlantic Council of Fisheries and Aquaculture Ministers'/Canadian Council of Fisheries and Aquaculture Ministers' meeting, St. John's, NL – November 2010
- Atlantic Council of Fisheries and Aquaculture Ministers'/Canadian Council of Fisheries and Aquaculture Deputy Ministers' meeting, Corner Brook, NL – June 2010

*Note: This list is not exhaustive

Committee Participation

Department of Fisheries and Aquaculture Representation at the National and Regional Levels*

National Participation

- Canada/France Fisheries Advisory Committee
- Canada/Greenland Fisheries Advisory Committee
- Canada-Newfoundland and Labrador Committee on Oceans Management
- Canadian Council of Fisheries and Aquaculture Ministers, with associated task groups, working groups and committees
- Canadian delegation to Northwest Atlantic Fisheries Organization meetings
- Canadian Food Inspection Agency's Animal Health Foresight Project - Technical Advisory Committee
- Canadian Shellfish Sanitation Program Working Group
- Canadian Food Inspection Agency Working Group for Disease Control
- Committee on the Status of Endangered Wildlife in Canada
- Federal and Provincial Introductions and Transfer Committee
- Federal/Provincial Market Development Council
- Fisheries Resource Conservation Council
- Fur Institute of Canada Sealing Committee
- Health Canada Expert Advisory Panel on Veterinary Drugs
- Lobster Council of Canada Steering Committee
- National Aquatic Invasive Steering Committee
- National Fish Health Management Working Group
- Seafood Value Chain Roundtable
- Strategic Management Committee

Regional/Provincial Participation

- Atlantic Canada Seafood Trade Group
- Atlantic Council of Fisheries and Aquaculture Ministers with associated task groups, working groups and committees
- Atlantic Coastal Zone Information Steering Committee
- Atlantic Interdepartmental Shellfish Committee
- Atlantic Large Pelagic Advisory Committee
- Atlantic Mackerel Advisory Committee
- Atlantic Seal Advisory Committee
- Coast of Bays Coastal Planning Committee
- Eastern Aquaculture Veterinary Association (sub-committees)
- Gulf Groundfish Advisory Committee
- Gulf Shrimp Advisory Committee
- Northern Shrimp Advisory Committee
- Offshore Clam Advisory Committee
- Offshore Scallop Advisory Committee
- Placentia Bay Integrated Management Planning Committee
- Provincial Investment Attraction Strategy Committee
- Provincial Coastal and Ocean Network
- Professional Fish Harvesters Certification Board

*Note: This list is not exhaustive.



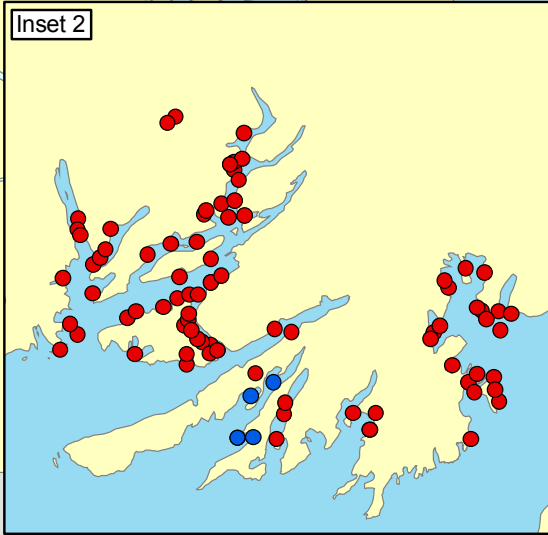
Acronyms

AAHD - Aquatic Animal Health Division
ACFAM - Atlantic Council of Fisheries and Aquaculture Ministers
ACOA - Atlantic Canada Opportunities Agency
ACEP - Aquaculture Capital Equity Program
ADF - Aquaculture Development Framework
ASDP - Aquaculture Strategic Development Program
ASP - Association of Seafood Producers
ASMF - Aquaculture Sustainable Management Framework
ATRQ - Autonomous Tariff Rate Quota
C-Trade - Federal/provincial/territorial Committee on Trade
CAHD - Centre for Aquaculture Health and Development
CCFI - Canadian Centre for Fisheries Innovation
CETA - Comprehensive Economic and Trade Agreement
CCFAM - Canadian Council of Fisheries and Aquaculture Ministers
CFER - Centre for Fisheries Ecosystems Research
CFIA - Canadian Food Inspection Agency
DFA - Department of Fisheries and Aquaculture
DFO - Department of Fisheries and Oceans Canada
DFAIT - Department of Foreign Affairs and International Trade
EU - European Union
FIR - Fishing Industry Renewal
FFAW - Fish, Food and Allied Workers
FLGP - Fisheries Loan Guarantee Program
f/p/t - federal/provincial/territorial
FTNOP - Fisheries Technology and New Opportunities Program
HRLE - Department of Human Resources, Labour and Employment
IBRD - Department of Innovation, Business and Rural Development
INTRD - Department of Innovation, Trade and Rural Development
MA - Department of Municipal Affairs
MI - Fisheries and Marine Institute
MOU - Memorandum of Understanding
MUN - Memorial University of Newfoundland
NAFO - Northwest Atlantic Fisheries Organization
NAIA - Newfoundland Aquaculture Industry Association
NASAPI - National Aquaculture Strategic Action Plan Initiative
OCI - Ocean Choice International
SPONL - Seafood Processors of Newfoundland and Labrador
WHSCC - Workplace Health, Safety and Compensation Commission
WTO - World Trade Organization

Aquaculture Sites

Newfoundland and Labrador 2010

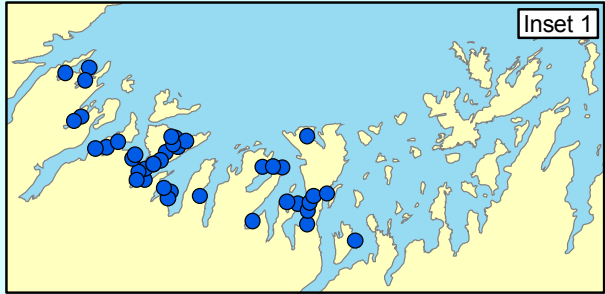
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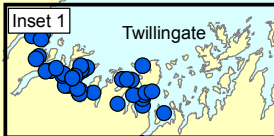
Aquaculture Site by Species

- Salmonid
- Mussels

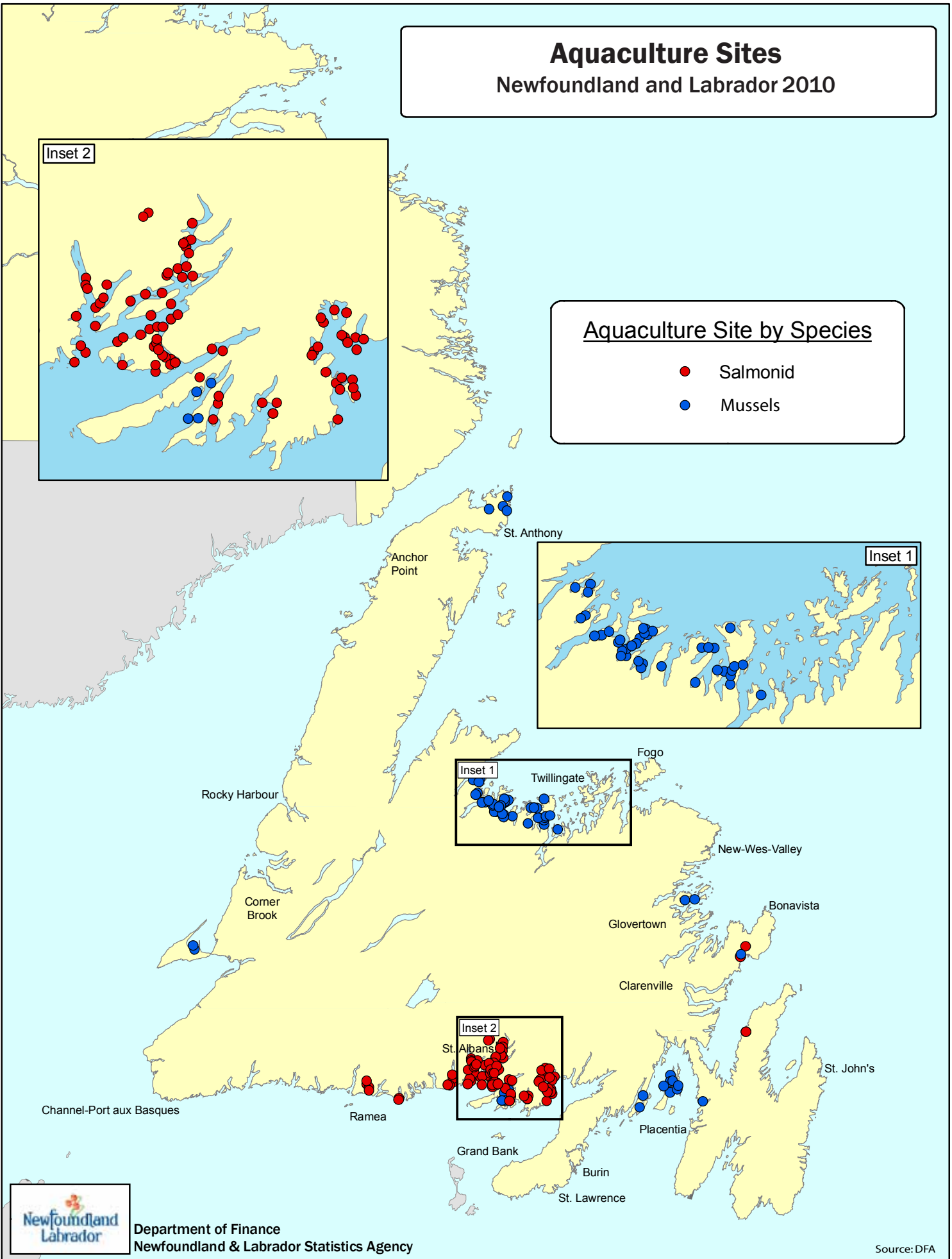
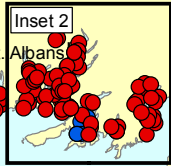
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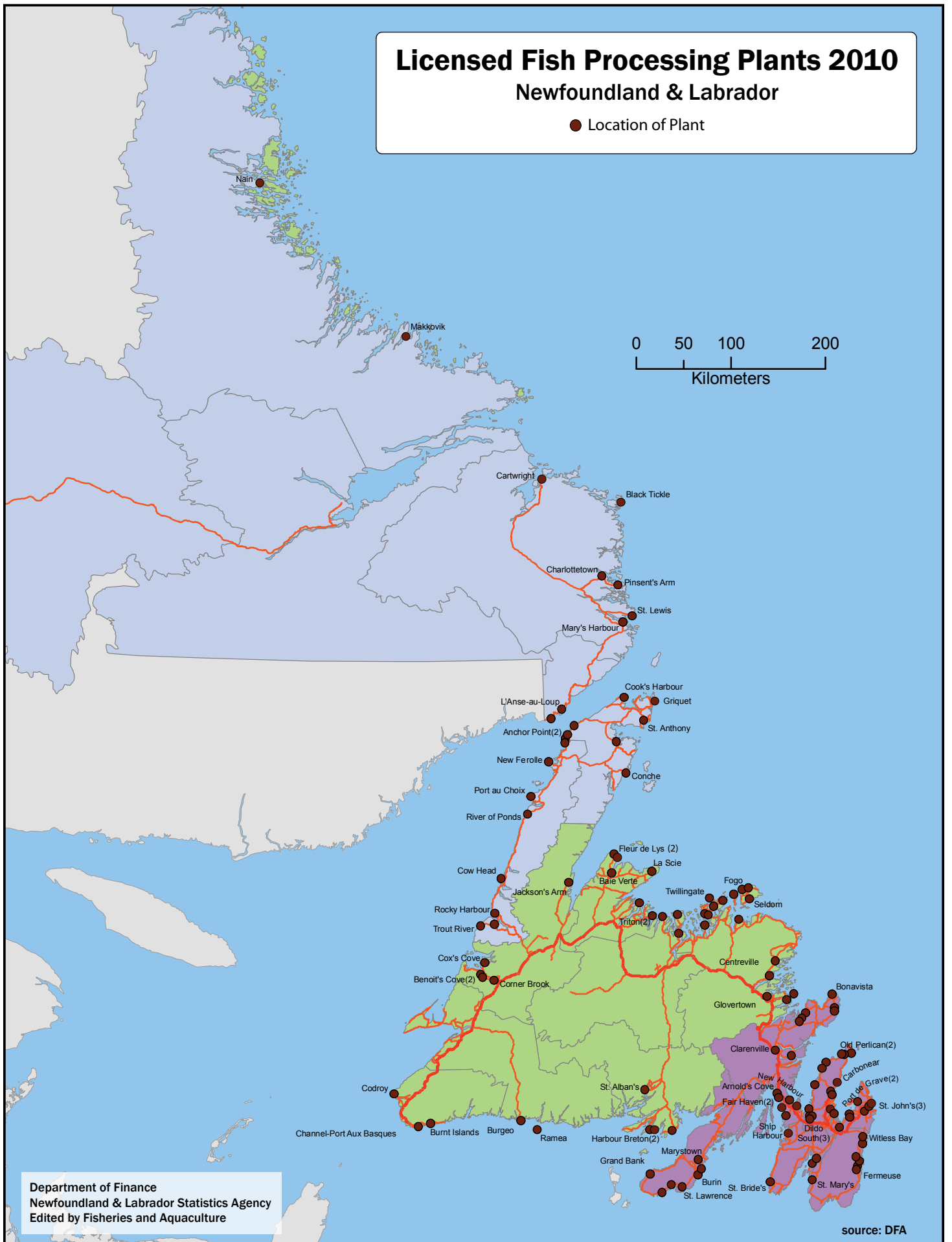
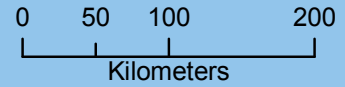
Department of Finance
Newfoundland & Labrador Statistics Agency

Source: DFA

Licensed Fish Processing Plants 2010

Newfoundland & Labrador

● Location of Plant



Department of Finance
Newfoundland & Labrador Statistics Agency
Edited by Fisheries and Aquaculture

source: DFA

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- Pg. 9 Lisa de Leon - Bonavista
- Pg. 10 Celtic Explorer - Courtesy Marine Institute
- Pg. 11 Filming "Getting Back Home" - Courtesy Marine Institute
- Pg. 12 World Ocean Day - Courtesy of Department of Fisheries and Oceans Canada
- Pg. 23 Mike Warren - Site 22 - St. Alban's
- Pg. 28 Mike Warren - Site 22 - St. Alban's
- Pg. 11 Filming "Getting Back Home" - Courtesy Marine Institute
- Pg. 50 Mike Warren - Site 8 - St. Alban's
- Pg. iii Mike Warren - Site 6 - St. Alban's
- Pg. 51 Mike Warren - Cod in water - St. Alban's

Newfoundland
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