



**Leslie Harris Centre of Regional Policy and Development**

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**Memorial University Fishery Policy Meeting  
February 27, 2012, 9:00 am to 11:00 am  
Senate Boardroom, Education Building**

**In attendance**

Bill Alderdice	Cyr Couturier	Sherrylynn Rowe
P. Alderdice	Reade Davis	Noel Roy
Sharmane Allen	Ian Fleming	Edward Stern
Carey Bonnell	Doug House	Dave Vardy
Sean Cadigan	Morgan Murray (note taker)	Bob Verge
Erin Carruthers	Barb Neis	Dick Whittaker
Mike Clair (chair)	George Rose	

**Video recording Forum meetings**

There was concern expressed by some members of the group regarding the use of video from the meetings. No final agreements were come to, but it was agreed that this session would be taped and the video kept private among the group until a larger discussion on the issue could be held.

**Presentations on “The Future of the Fishery”**

**Dr. Barbara Neis, Sociology**

Two visions for the fishery: Back to the future or diversification.

*Vision One – Back to the Future: A return to pre-1977.*

Quota would be owned by a fleet of international ships operated by replaceable workers with little recognition of skills, little appreciation of the resource (fish) and its protection. This model would be focused, instead, on creating wealth for small number of elites—owners.

In this scenario costs are externalized to the communities, while wealth is concentrated to the more-or-less self-governing corporations, which are also the beneficiaries of the current legal system.

What science there is would be corporate science, serving corporate interests, with insufficient public science. Industry will operate out of view, and be difficult to monitor. Marine Protected Areas would be difficult to establish, and environmental protection and accountability would be diminished.

Oceans would be viewed as the new frontier of wealth generation—mining, bio-prospecting, oil and gas, and fishery—controlled and exploited by corporate interests.

Coastal fisheries would survive for a short while, but would become an increasingly marginalized sector.

This scenario would result in capital shortages, population loss, likely ongoing issues with resource degradation and increasingly restricted local development.

In this scenario, the potential of fisheries to contribute to the common good would be limited to minimal trickle down benefits.

#### *Vision Two – Diverse Fishery*

A more favourable scenario is a diverse fishery, with balanced internal and external co-management that sees fish as more than merely a commodity, and strives for bio- and organizational and economic diversity.

This scenario promotes job creation and entrepreneurship with an emphasis on social entrepreneurialism and attention to alternative and informal economies as well as mainstream economies, co-ops, and strong municipalities that have the capacity to provide a multitude of services.

The first vision is clearly undesirable, begging the question: how do we get to something better?

#### **Dr. Bob Verge, Canadian Centre for Fisheries Innovation**

In 2007 the global seafood value chain was worth roughly \$400B. In NL the value was roughly \$800M, or 0.25% of the global value.

Internationally, demand for seafood has been on the rise thanks to population growth and lifestyle changes, a trend that is expected to continue.

On the supply side global production has increased seven-fold since 1950, with aquaculture now accounting for about 50% of global supply. In the Northwest Atlantic Fisheries Organization (NAFO) region, production has declined since 1960 while the NL portion of the NAFO catch has remained relatively stable. Throughout the NAFO region,

stocks continue to decline. On top of this, between 20-25% of quota is usually left in the water.

Historically, the NL fishery has focused on a very narrow range within the ecosystem; however, within NAFO, upwards of 87 different species are being, or have been, caught.

People don't tend to care what specific breed of animal their meat comes from (beef, chicken, pork, etc.), but they do tend to care about what breed their seafood is. This is a niche marketing opportunity.

Fresh is the gold standard in seafood. Canned and cured seafood has not increased in price since 1947, frozen has doubled, fresh has more than tripled.

NL fishery is constrained to the "commodity food" category, which is mid-level on the seafood value chain. There is an opportunity to get more value from the fish being caught in NL, and to take advantage of a predicted continual growth in the value of seafood internationally.

Many, many opportunities are not being taken advantage of, including: markets (demand growing), resources (declining, but new and different species are emerging), industry and marketing (too much capacity in NL, not enough capability).

NL fishery is surrounded by "insurmountable opportunities." So what is holding us back?

Quota system: the "Law of Raspberry Jam"—the further you spread it, the thinner it gets. The status quo is not about managing fish, it's about managing people and jobs. The problem is not the price, the problem is the quantity—too many fishers going after too few resources. Income per harvester is roughly \$60,000/year. In production, the average value added per worker is \$25,000/year. These values must cover all operating costs and income/labour costs for both harvesters and processors.

Demographics: The population in NL is aging, and with baby boomers beginning to retire there is a growing labour shortage, and it is unlikely that outgoing workers will be replaced.

**Dr. George Rose, Marine Institute**

### *Change and Sustainability*

We know how to operate a sustainable fishery—we did so for hundreds of years until the 1950s. There have been ups and down throughout history, but the stocks have never collapsed, because we kept the harvest rates very low (less than 10%). We also had effort control. The Atlantic Ocean was the original control, its roughness kept people away. Fishing admirals controlled bays. Communities had ways of designating

who had access to use traps when they were developed, and the outports were, so to speak, full.

The Arctic has become the new frontier for fisheries, where quota is being pushed without concern for sustainability.

The species in our waters are changing. When cod collapsed, crustaceans took over—something that will be seen as an anomaly of history. This trend is now on the decline. Our waters are becoming increasingly warmer, warmest ever (2-3 degrees warmer in the Labrador Sea). This has to do with circulation changes in the North Atlantic (not to do with surface temperature change). This warming has a major effect on the biodiversity in the ocean. For example, crustaceans prefer cold water, they will suffer in warmer water.

We are starting to see a recovery of cod and capelin stocks—not a return to historical norms, but at least we are headed in the right direction. But the world is awash in cod — Norway, Iceland, etc. The changing water currents and temperature are driving cod and capelin stocks up in the Bering Sea, etc. In the seas off NL we are starting to see incursions of southern species (silver hake, argentine, haddock, etc.).

Things are also changing in fishery research and management. There is going to be more responsibility and authority vested in industry, which will be taken out of the hands of governments. Industry will have to support more of the management of the stocks of which they are the beneficiaries. Industries will have to step up and take the lead.

In NL, the industry has never been visionaries. In other jurisdictions, their industries are much more aggressive and involved in the research and management of stocks. This has to change here if the regime shift from public to private research is going to continue, or the industry will lose.

How do we ensure a sustainable fishery when things are changing so dramatically?

There are tremendous opportunities for research here at MUN, especially with the decline of research activity at DFO. MUN will have to learn to work better with industry. Many people are afraid of this, but there is great opportunity. Many researchers are partnered with industry; they may be perceived poorly by academic colleagues, but the research can still be strong.

In NL and at MUN there is a tremendous opportunity to bring biology, economics/business, and social science fishery research together, more so than anywhere else in Canada. To do this, and to live up to its assertion as being a marine institute, MUN needs a sea-going research vessel. The University of Alaska has a new vessel for Arctic research, Germany just got one, Mexico just got one. Any available research vessels in Canada are 20 years out of date.

## Discussion

**Q.** Mink farming has some crossover opportunities related to fishery. Does Arnold's Cove have similar opportunities to add value?

**A.** (Bob) Arnold's Cove is a dedicated ground fish plant, and they are not getting the amount of fish they need—quota left in the water, fish being sold on the black market, etc. They offered to lease their own vessel to catch the amount they needed and pay royalties to the union, and the union refused to go along with that.

**Q.** You can't buy fresh fish in this province; there may be opportunities along with this in relation to Arnold's Cove.

**A.** (Bob) The availability of local fresh fish is alarming. You can get Pacific seafood here more easily. What local seafood is available is not presented very well. For local producers, the local market is a blip. As well, major supermarkets deal with major national supply chains. There is a disconnect between local supply and local markets. There is an opportunity for a new entrepreneur to act as a distributor for local fish.

**Q.** Environmental factors will have an increasing impact on supply and demand. Do you see environmental issues as becoming paramount in management, economic, social, concerns, etc.?

**A.** (Barb) There are a lot of missed opportunities to diversify the fishery. There is some potential in a focus on local food security and on fisheries-tourism synergies, but we need an institutional structure that allows us to support the growth of locally-based fisheries including fair trade, etc. How do we capture more wealth locally?

(George) We are headed in an environmental-driven direction, but we have a ways to go yet. People want to know the environmental impact of the things they buy, but things like Marine Stewardship Council (MSC) are very problematic, and more about optics than actual change. But there is a groundswell in this direction, and MUN and NL should position themselves to take advantage of this. Canadians and NLers don't eat much fish, this is an opportunity.

**Q.** Aquaculture is hitting a wall in many areas.

**A.** (Bob) MSC exists because of the NL moratorium of 1992. Their emphasis on sustainability is a good one, but there are issues—narrowly focused, quality standards, species standards. Moving forward, we may see programs like this coming together. There needs to be some form of accountability in the world with the use of resources. In the developing world, they have great difficulty getting MSC accreditation, which keeps

them out of markets. In NL we are holding ourselves to a higher standard than most of the world, but at what cost?

**Q.** DFO data is flawed. There is a “if don’t use it, you lose it” perception of licensing among fishers. So, many renew licenses without them being active.

**A.** (Bob) The reasons the licenses aren’t active, is because they aren’t economically viable at the time. But fishers collect licenses on the chance they will be of use. It is a political solution that gives people the perception of opportunity when there isn’t really.

**Q.** In the Coast of Bays area, the fishery is far more active with higher yields.

**A.** (Bob) While this may be true, the system is still set up to be EI-reliant.

**Q.** Why do economists focus on per-fisher income, instead of per-household income and the variety of livelihood strategies they use? In the Fortune Bay area, there is activity that refutes some of the broader findings. i.e. young fishers (30s-40s), Jimmy Cox’s micro plant supplying much of Central.

**A.** (Bob) There are nuances in the province that his presentation couldn’t touch on in a confined time.

**Q.** Consumer preference is a major driver in fish markets—usually price and safety/quality and less-so sustainability. MSC was ENGO driven, not consumer driven. The major supermarkets’ resistance to local produce is still consumer-driven. But there are major opportunities for small-scale entrepreneurs.

The MSC is flawed (quality and social esp.), but moving sustainability in the right direction.

Our marketing efforts are very weak. Alaska and Norway, for instance, have major, well-funded, marketing boards. There is movement underway to examine the feasibility of a Canadian marketing board.

There are differences across the province in terms of success and failings— the Northern Peninsula suffers mightily from the challenges Bob mentioned—the raspberry jam idea (broad and thin), demographics, etc.

**Q.** The MSC is not the only way of marketing. There has been success with “Maine Lobster” marketing approach, more so relative to MSC-certified lobster. So there is big opportunities with marketing to niche markets.

**Q.** There are many examples in the US of fisheries abandoning MSC, and focusing on local production and small-scale seafood. And there are grant programs that are

partnerships between government and universities to support entrepreneurial innovations. There is great opportunities in branding and targeting niche markets.

**A.** (Bob) There is a lot of emphasis towards sameness in the NL fishery industry, instead of a focus on differentiation.

**Q.** “Newfoundbrand” promotion of products on the mainland. NL lobster is best in the world.

Re: George’s idea of MUN research boat—is renting a research vessel a possibility?

**A.** (George) There is a tremendous opportunity for MUN to be a research leader in this area, which isn’t happening.

**A.** (Barb) I’m not sure I think that spending money on a research vessel for Memorial would be the best way to spend provincial money. The first thing the province should do is ensure the Federal Government is held responsible for its obligation for research and management. The province also needs to take a closer look at ways it can enhance its control over fisheries and knowledge by focusing on coastal areas which fall to some degree within its jurisdiction.

**Q.** MSC is not so much a brand as a certification—it doesn’t tell a story, but often used by producers to tell a story.

### **Next steps**

The question was put to the group: What do we want to examine next?

Suggestions included:

- How to create change in the fishery?
- Bill Montevecchi on seabirds, someone on whales, on plankton and how these things reflect change in the ocean
- Physical oceanographer
- The role of other players in the fishery: DFO, union, university
- What does over-capacity mean? What is the optimum amount of activity in the fishery (how many boats)?
- Food security and the fishery, domestic use of fishery, and other food security issues.
- What are the known unknowns in the fishery? Where are the big gaps in our knowledge? How can the university help with this? (2007 Harris Centre knowledge gap assessment).
- Values and principles of the fishery. DFO’s 9 principles from a few years ago.

- Get more graduate students to talk about some of the work they are doing.
- Get external experts to talk about certain things that have expertise outside the group, such as EI.
- There should be a logical progression to the group's discussion: start with the environment (oceanography, ecology, etc.).
- How is fishery policy being shaped? How should it be shaped? In key fishery policy documents, what the keywords? Work backwards from our policy goals.
- Analyze costs and benefits of different fisheries and how they operate. This is used by Ottawa to set policy.
- There have been significant, although futile, public policy discussions in the recent past (MOU, etc.). Perhaps a discussion about the failings to the MOU process.
- Economic analysis of the fishery, where the money comes from, where it goes.
- There should be some collection of what the people in the group are up to.
- Paul Foley is about to release a Harris Centre report on shrimp and community economic development – it would be good to get him to do a presentation on that report.

### **Other business**

It was suggested that Callum Roberts be recommended for an honorary doctorate based on his books: "The Ocean of Life" and "The Unnatural History of the Sea." It was pointed out that this group did not have the authority to make such a recommendation, but Roberts may be a good candidate for a Galbraith Lectureship through the Harris Centre.

Dick Whittaker has written a letter to the premier and CNLOPB asking for a long-term moratorium on fracking.