

Environmental Assessment Registration Document

Seal Cove Soft Shell Clam Farm Crown Lease Application 147685

Submitted By:

Mills Aquaculture Newfoundland Ltd

January 4, 2016

Table of Contents

	Page
Proponent	3
The Undertaking	3
Description of the Undertaking	4
i. Geographic Location	4
ii. Physical Features	4
iii. Construction	4
iv. Operations	4
a) General	4
b) Wild Stock Production	5
c) Harvesting Protocol	5
d) Aquaculture Strategy	5
e) Harvesting Methodology	6
f) Waste Products	8
g) Canadian Shellfish Sanitization Program	8
h) Resource Conflicts	9
i) Site Specific Environmental Issues	9
j) Unearthing of Artefacts	9
k) Fuel Spills	9
l) Debris	9
m) Species At Risk	9
v. Occupations	10
vi. Project Related Documents	10
Schedule	10
Funding	10
Approval of the Undertaking	10
List of Figures:	
Figure 1: List of Approvals, Certifications, Licences, and Permits	11
Figure 2: Crown Lands Application Referral	12
Figure 3: Site Maps	13
Figure 4: Bathymetry and Critical Habitat Charts	14
Figure 5: Traditional Knowledge Atlas	15
Figure 6: Advertisement	16
Figure 7: Piccadilly Bay CSSP Relay Site	17
Endnotes	18

Name of Undertaking: Seal Cove Soft Shell Clam Farm

Proponent:

The proponent is Mills Aquaculture Newfoundland Ltd., a wholly owned subsidiary of Mills Aquaculture Inc., of Bouctouche NB, a company with four generations of experience in the harvesting, processing and marketing of bivalve shellfish. Not only will the proponent avail itself of the experience of its parent company for aquaculture operations, but in doing so will be placing emphasis on safety and protection of the environment.

i. Name of Corporate Body:	Mills Aquaculture Newfoundland Ltd	
ii. Newfoundland and Labrador Mailing Address:	Corporate Services Department Stewart McKelvey PO Box 5038 St. John's NL A1C 5V3	
iii. Chief Executive Officer:	Mr. Charles Anastasia, President Tel: (603) 501-8515 Email: <u>canastasia@millsaquaculture.ca</u>	
iv. Principal Contact:	Marilyn Clark Director of Development Mills Aquaculture Inc. 5 Mills St. Bouctouche, NB E4S 3S3 Tel: (506) 380-8407 Email: <u>mclark@millsaquaculture.ca</u>	

The Undertaking:

Mills Aquaculture Newfoundland Ltd of St John's, Newfoundland and Labrador is seeking a "Licence to Occupy" from the Lands Division, Department of Environment and Conservation, to develop and operate a soft shell clam (Mya arenaria) aquaculture farm at Seal Cove.

Description of the Undertaking:

i. Geographic Location:

A portion of Crown Land in the inter-tidal zone at Seal Cove, Port au Port at the head of St. George's Bay (N48' 30.483 W58' 27.555), Stephenville Crossing, to the west of Highway 461 bridge. Total size of the site is 378 ha. Please see the attached maps.

ii. Physical Features:

The site lies head at the extreme head of St. George's Bay, situated in a cove to the east of Indian Head, which protects it somewhat from wind and currents of the open bay. Tidal range from .5 to 1.5 meters is normal in the area.

The site is comprised of sand flats, mud flats, loose gravel and small rocks, ranging in size from fine to medium sand grains to poorly sorted boulder gravel, as well as isolated eel grass beds. There are 4 cabins with limited seasonal usage. There is one sewer outfall, but as per provincial guidelines, the site design has been adjusted to 500 meters from the outfall. There are no ocean disposal sites, or industry near the area (and no industrial pollutant). There are no neighboring aquaculture sites, boating is limited due to shallow water, there are no slipways or wharves.

iii. Construction:

The aquaculture operation will not require the establishment of infrastructure on or near the site. The area will be accessed by boat launched from established facilities in St. George's.

There will be no land development, no on-land structures and no fixed gear in the water. There will be no chemical wastes such as paints and cleaning products.

iv. Operations:

a) General: The long-term goal of this farm is to establish efficient and sustainable clam harvests while maintaining sound environmental practices.

The softshell clam (Mya arenaria) occurs throughout Newfoundland. Softshell clams bury 15 to 35 cms in the substrate, and can take four to six years to maturity. Traditional exploitation has been by manual diggers in the inter-tidal zone. The species enjoys strong international demand. It is not known why the fishery has not developed in Newfoundland and Labrador, but it probably is a result of limited access to markets. The parent company, Mills Aquaculture Inc, has ready access to markets, and has sourced product from all other Eastern Canadian provinces.

b) Wild Stock Production: A stock assessment on the proposed lease site was undertaken in 2014-15 in collaboration with a DFA biologist as per conditions prescribed in a DFO Experimental Permit and a strict sampling protocol. The standing commercial biomass was estimated at 171,600 kgs. Projected harvest over the first two years of operation will cover approximately 115 ha over each of the first two years, and is forecast to yield 86,000 kgs annually.

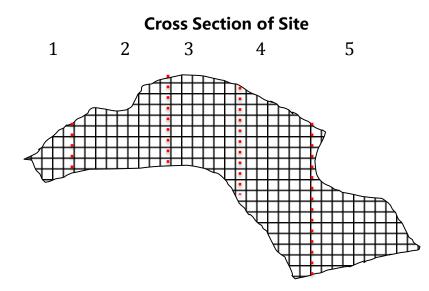
Because this area has not been harvested in recent years, it may contain senescent bivalves that are no longer productive. Accordingly, the production plan has two steps: 1) harvesting and reconditioning of the sites; and 2), implementing a bivalve aquaculture program

c) Harvesting Protocol: The lease would be divided into three parts: five percent of each location would be left alone to serve as a control for comparison with other treatments; the remainder would be divided into two equal parts that would be harvested, reconditioned and reseeded over two years.

Harvesting will normally begin in April and continue into November. The bed will be fished in a rotational manner over a period of not less than two years. An evaluation will be made of the biological and economic effects of harvesting methodology, particularly to establish a protocol for reconditioning and oxygenation of the substrate for bivalve aquaculture.

d) Aquaculture Strategy: Spat will be collected on site of from sites adjacent to the lease areas in accordance with existing DFO regulations and guidelines. Juveniles will also be acquired from adjacent sites. Introduction and Transfer authorizations are therefore not anticipated as a requirement.

Various aquaculture techniques will be compared to plots where only natural seeding was allowed after harvesting, and to the control areas that were never fished. The aquaculture plan calls for subdividing the area into equally sized subareas to compare enhancement techniques:



- 1) Unfished Controlled
- 2) Natural seeding
- 3) Seeding with juvenile clams;
- 4) Seeding with spat;
- 5) Seeding plus protection from predators

The final strategy will be designed with support from the NRC IRAP program (project on hold pending approval of licences and start-up of operations) in collaboration with DFO and presented to Department of Fisheries and Aquaculture. Specifically, it will address:

- 1) Site characterization with respect to distribution of bi-valves, sediment, and vegetation;
- 2) Confirming the status of the resource;
- 3) Acquiring baseline data to measure the results of resource enhancement;
- 4) Developing reseeding strategies appropriate for the site; and
- 5) Developing a process to predict annual variations in product volume.
- e) Harvesting Methodology: One or all of three harvesting alternatives may be regularly applied to harvesting. If harvesters are available, digging in the inter-tidal zone at low water using traditional clam hacks or shovels; using hand-held mechanical hydraulic harvesters powered by small portable motors (e.g. 8 hp) on skiffs in the tidal zone at mid tide; and using University of Maryland harvesters operating from barges of 24 feet or more in a meter or more of water.

From an environmental perspective, mechanical harvesters are preferred for both efficiency and minimizing disruption to aquatic habitat. Data obtained from field studies reveal that the efficiency of hydraulic harvesters is approximately 74 per cent, compared to 60 per cent for hand methods,¹ and that the yield rate for a hydraulic harvester is three times the yield rate obtained with hand methods²In a study conducted in Gaspé, harvesting with mechanical harvesters was estimated to be half as expensive as hand harvesting.³

Issues that may result include re-suspension and turbidity, smothering, release of contaminants, release of nutrients, decreased water quality, disturbance of infauna, and effects on other fishery resources. Coen (1995) found that none of these environmental concerns could be distinguished from natural variation in the estuarine ecosystem. ⁴ Turner et al. (1995) noted that resilience and persistence are characteristic of benthic communities in shallow-water coastal and estuarine systems, which are adapted to continual disturbances.⁵

In a comprehensive study at Malbaie, Quebec, the SODIM group concluded that three months after the harvest there were no noticeable ecological differences between mechanical and hand harvesting.⁶

The U.S. agency NOAA conducted a similar study on the University of Maryland mechanical harvesters, and reached similar conclusions: "Based on our review of the published literature, the physical, biological, and chemical effects of shellfish dredging within the inshore coastal zone are generally short lived with the rate of recovery varying among studies". It also concluded that dispersed sediments might take 30 min-24 hrs to resettle. Compared to long term, natural wind- induced suspension of sediments and nutrient loading from land run off, release of suspended sediments during dredging can be relatively minor.⁷

It goes on to state, "shellfish farmers must manage leased bottom responsibly since successful clam farming depends on sustainable harvesting of product and healthy seafloor environments". It also confirmed "shellfish dredging can break up hard packed sediments, just as farmers till fields to turn over and aerate soil. Following harvests of clams or oysters, beds are generally left undisturbed for several years or reseeded and not dredged again until the young reach commercial size. This provides much the same benefit as when upland fields are allowed to rest between the planting of crops. When shellfish beds are allowed to remain undisturbed, the temporary alterations in the benthic community structure caused by dredging revert to pre-harvest conditions".

The Seal Cove site has mainly sandy bottom. It is expected that dredged areas would normally fill in and become unrecognizable on the following tide. Mills Aquaculture Inc. has an ongoing assessment of mechanical clam harvesting at its active clam leases in Miramichi Bay, New Brunswick, where the environment is similar. The project is being done in collaboration with DFO scientists under its ACRDP program. The results from that study will inform operations in Newfoundland and Labrador. The project has the following objectives:

- To investigate the impact of a hydraulic dredge on the physical and chemical properties of the sediment.
- To investigate the impact of a hydraulic dredge on the population structure of *Mya arenaria*.
- To investigate the impact of adding crushed clam shells to the physical and chemical properties of the sediment
- To investigate the impact of adding crushed clam shells on the population structure of *Mya arenaria*
- **f) Waste Products:** All bi-valves will be harvested with the principal focus on soft shell clams. Juvenile clams would be returned to prescribed re-seeding plots onsite. If present, predatory species such as starfish and invasive species such as green crab will be recorded and destroyed. All waste material will be collected and brought to the approved Provincial landfill site at St. George's for disposal.

There will be no other operational debris and refuse (e.g., rope, buoys, litter, etc.). Undersized product and shells will be returned to the bottom. There will be no drop-off

or harvesting wastage. There will be no pseudo feces. There will be no bio-fouling material (e.g. to mitigate organisms that accumulate on barges, moorings).

g) Canadian Shellfish Sanitization Program (CSSP): The proposed Seal Cove Site is tested and classified by Environment Canada as a conditionally restricted shellfish fishing area. The CSSP requires that clams harvested from restricted areas must be depurated in a strictly controlled environment. The process is known as "relaying", and procedures are prescribed in the CSSP "Manual of Operations". ⁸ Mills Aquaculture Inc is uniquely suited for this procedure with its extensive proven experience to meet CSSP and USFDA guidelines.

Agreement-in-principle has been reached to secure an existing aquaculture lease for a relay site that is situated in an "Approved" area in Piccadilly Bay (Site # 834.570 – See Figure 5). Clams from the Seal Cove clam farm lease will be transported in accordance with CSSP security requirements 50 Km by truck to Head Harbour, Piccadilly Bay, and then by boat 300 meters to the approved relay site, where they will be submerged and held until tests, overseen by CFIA, conclude that they can be certified for export. It is anticipated that this procedure will require up to seven days. The product will then be re-examined to remove any dead clams, and stored in refrigerated trucks at Piccadilly for later shipping to Bouctouche, NB for labelling and export to markets in the United States. Dead clams will be disposed at the provincial landfill in St. George's.

Testing protocols for both water quality and clam health have been approved by the Atlantic Regional Interdepartmental Shellfish Committee (ARISC). Members of this committee are the participating federal agencies that regulate the CSSP, (Canadian Food Inspection Agency, Environment Canada, and Fisheries and Oceans Canada). The Department of Fisheries and Aquaculture has approved an amendment to the established Piccadilly lease to facilitate the relay procedure for softshell clams.

- **h) Resource Conflicts:** There are no known fisheries in the immediate area (See attached map⁹). Although eelgrass has not been identified on the site, any areas that may be identified with coverage greater than 50% eel grass density of eelgrass beds will be avoided.
- i) Site Specific Environmental Issues: Aside from potential water quality classification changes administered by Environment Canada under the CSSP, the lease site is not subject to any other water quality risk factors. Industrial effluents have not been identified in the area and, according to locals, vandalism has not been an issue in the past. There is relatively no boating or fishing activity in the area due to the low depth of water. Adjustments have been made for shore birds, eel grass and species at risk as noted below.
- **j) Unearthing of Artefacts:** The Provincial Archaeology Office (PAO) identified potential for unearthing historical artefacts. To mitigate this concern, Mills has issued an RFQ to several archaeologists for the development and delivery of a staff-training program.

The successful bidder has been chosen, and training will begin when harvesting is permissible.

- **k) Fuel Spills:** To minimize risk of fuel spills, refuelling activities will take place on land and other petroleum products will be replenished while tied to the wharf. In preparation for such a spill an adequate supply of absorbent pads will be kept on hand at all times to ensure that any potential spill is contained. After use the pads will be collected in large heavy gauge plastic bags and transported to the local waste disposal area in St. George's.
- **I) Debris:** In the event that adverse weather conditions result in debris being scattered over the site, the proponent will ensure proper clean up with the collected litter being transported to the landfill site at St. George's.
- **m) Species At Risk:** The proponent has consulted with DFO and Environment Canada and will ensure that all staff is familiar with "Species at Risk" listings as well as species under consideration by COSEWIC. To mitigate potential impacts, staff will be trained to record and report, and courses of action when such species are encountered. Staff will also be trained on precautionary action when species of "Ecological Significance" (e.g. eel grass beds).

Of particular concern is the piping plover¹⁰, for which the Wildlife Division of the NL Department of Environment and Conservation has identified nesting habitat onsite¹¹. At the direction of federal and provincial officials, a 500-meter buffer zone will be maintained to ensure that the area remains undisturbed.

v. Occupations: 12

Combined labour for three farm sites (Piccadilly, Seal Cove, Stephenville Crossing):

- NOC Code 2121: Biologist (One Full Time Position)
- NOC Code 222: Technicians (Two Full Time Seasonal Positions)
- NOC Code 8252: Operations Supervisor (One Full Time Seasonal Position)*
- NOC Code 8613: Harvesters & Labourers (Twenty Full Time Seasonal Positions)*

*Job Fair Held in Stephenville, June 2015 in anticipation of project commencement in July 2015. Another job fair may be required following approval of licences.

vi. Reference Documents

Application Number 147685 for a Crown Licence Title to Pursue Soft Shell Clam Aquaculture Farming, March 2015

Schedule

Soft shell clam aquaculture is relatively new to Newfoundland and Labrador. The introduction process will require extensive new technology and transfer activities. It is expected to take 5 years for growth from spat to commercial size. The multi-year development program outlined above is based on a sustainable, scientific process to ensure that soft shell clams can be grown and harvested continuously. Preparations for operations to commence in April 2016 will begin immediately upon approval of licences.

Funding

Start-up funding will be provided from Mills Aquaculture Inc. Since forward-looking projections involve risks and uncertainties, the business plan is premised on an initial production model with sales volume below the scientific projection on yield rate. The business plan also does not consider financial support that may normally be available for new start up operations in Newfoundland. The following has been solicited:

- ACOA: ACOA contributed to development of the business plan (January, 2015)
- **NRC:** IRAP funding for projects is on hold, pending licensing approval to fully characterize the site and develop aquaculture procedures, and to develop a prototype hydraulic harvesting system and barge for Newfoundland and Labrador.
- **NL FTNOP: Support** for development of a prototype hydraulic harvesting system and barge for Newfoundland and Labrador is pending approval of lease application and availability of funds
- **NL Business Investment Fund:** The submission of a formal application is on hold pending issuance of leases.

Approval of the Undertaking:

Initial referrals to all agencies with interest vested in this project were launched by DFA, in February and March 2015, consistent with its "one Window" aquaculture application process. Several agencies suggested changes, which were then incorporated into the company's plans. Following this, Mills personnel approached fishermen's organizations (NFFAWU) and communities (Stephenville Crossing) to brief them on the proposal.

In addition, the DFA referral process specified that public notice must be provided. Accordingly, advertisements were placed twice in The Daily Telegram and The Western Star newspapers on March 14 and 21, 2015.

Consultations were also held with several community leaders in the Stephenville area including the Chair of the Piccadilly Local Service District, the Mayor of Stephenville, the Mayor of St. Georges and the Town Clerk for Stephenville Crossing. All parties had a positive outlook for our proposed operation and provided letters/emails of support. In addition, as recommended by DFA, a meeting was also held with a representative of the Fish Food and Allied Workers Union.

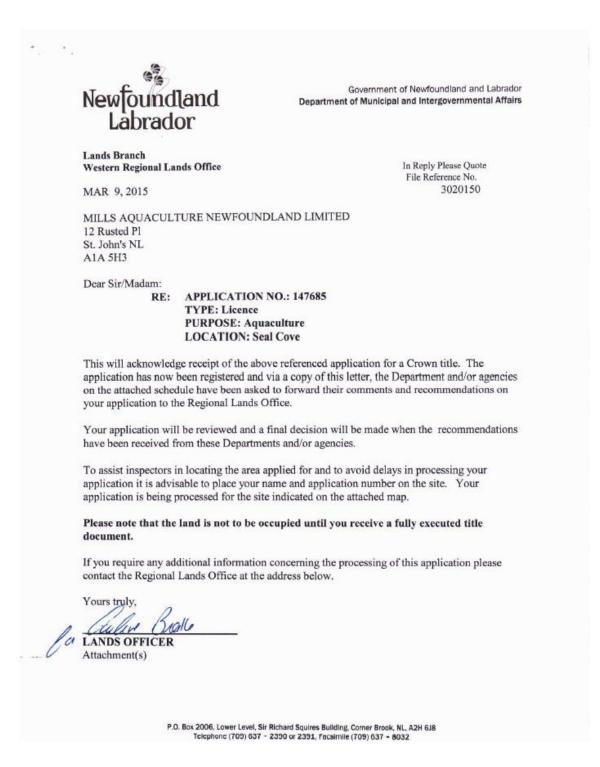
In July 2015, then Fisheries and Aquaculture Minister Vaughn Granter approved the aquaculture licence. DFA officials then referred the application to Crown Lands for the necessary Occupational Permit.

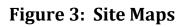
A list of the main permits, licences, and approvals for this project is attached (Figure 1).

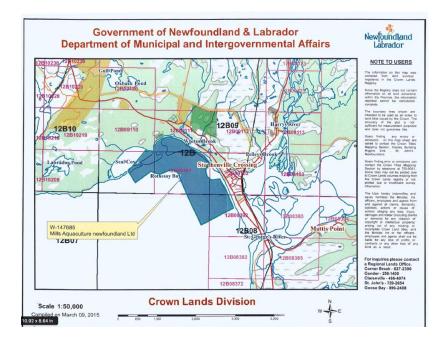
Figure 1: Approvals, Certifications, Licences and Permits

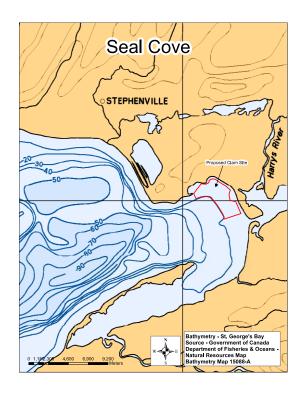
Approval/Certification/Licence/Permit	Status	Date	
DFO Scientific Exploration Permit	Issued & later renewed	June, 2014	
DFA Site Application	Accepted by DFA Working Group	November	
Site Application Referred to Federal Atlantic Regional Coordinated Committee (ARISC)	Accepted by ARISC	June	
DFA Referral Launched		Feb, 2015	
DFA Application to Crown Lands	Accepted with modifications	March, 2015	
Environment Canada Water Testing	Testing Protocol confirmed	Feb, 2015	
CSSP Depuration Application for Relay Site	Accepted by CFIA	August, 2015	
 DFA Licensing Registrar Referral Process: Community Council Support Letter Newspaper Advertisements Archeological Training Protocol Salmon Protocol Relay Protocol 	Launched Published Provided Agreed Procedure agreed, subject to testing	March, 2015 March, 2015 May, 2015 May, 2015 Aug, , 2015	
Licensing Committee Approval	Granted	June, 2015	
Workplace Health Safety and Compensation Registration	Submitted	June, 2015	
Aquaculture Licence	Granted*	July, 2015	
Crown Lands Referral	Initiated	July, 2015	
Buyers Licence	Granted	July, 2015	
CNLOPB Approval	Granted	Aug, 2015	
CWS Approval	Granted	Aug, 2015	
Environmental Registration	Pending*		
Crown Lands Occupational Permit	Pending*		

own Lands Application

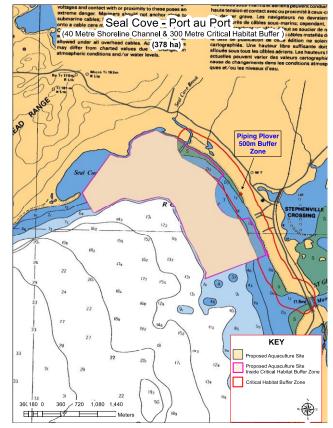












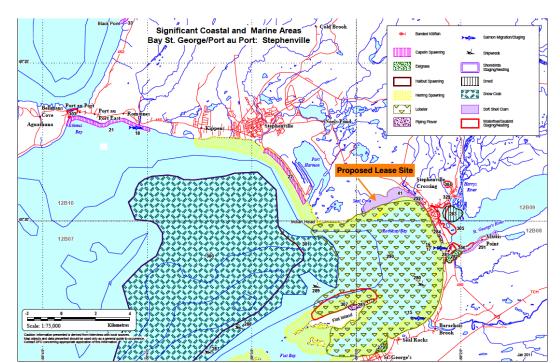


Figure 5: Traditional Knowledge Atlas (See Endnote 9):

Map ID	Feature	Additional	Human/Environmental
			Activity
41: Rothesay Bay	Low tide area provides habitat for sot shell clams and other bivalve molluscs.	Herring spawning, capelin, Atlantic salmon, shore birds.	Commercial and recreational fishing, Town of Stephenville Crossing sewage outfall.
292: Rothesay Bay	The shoreline and low tide areas of Rothesay Bay provide staging/nesting habitat for migrating shorebirds.	Herring spawning; lobster; clams; capelin; Atlantic Salmon.	Commercial fishing; recreational fishing; bird watching; Recreational vehicles (ATV); storm surges; sewage outfall (Town of Stephenville Crossing).

Figure 6: Advertisement

NOTICE OF AQUACULTURE LICENCE APPLICATION

TAKE NOTICE that Mills Aquaculture NL Ltd. has applied under the provisions of the Aquaculture Act for the issuance of an Aquaculture Licence to operate a Commercial Clam aquaculture facility at Seal Cove, St. George's Bay, 48° 30' 27.7265"N, 58° 27' 40.688"W in the Province of Newfoundland and Labrador.

Comments on this application should be directed to:

Aquaculture Licensing Administrator Department of Fisheries and Aquaculture P.O. Box 679 58 Hardy Ave Grand Falls-Windsor, NL, A2A 2K2 Tel: 709-292-4103 Fax: 709-292-4113 Email: aquaculturelicensing@gov.nl.ca

Comments must be received no later than April 4, 2015

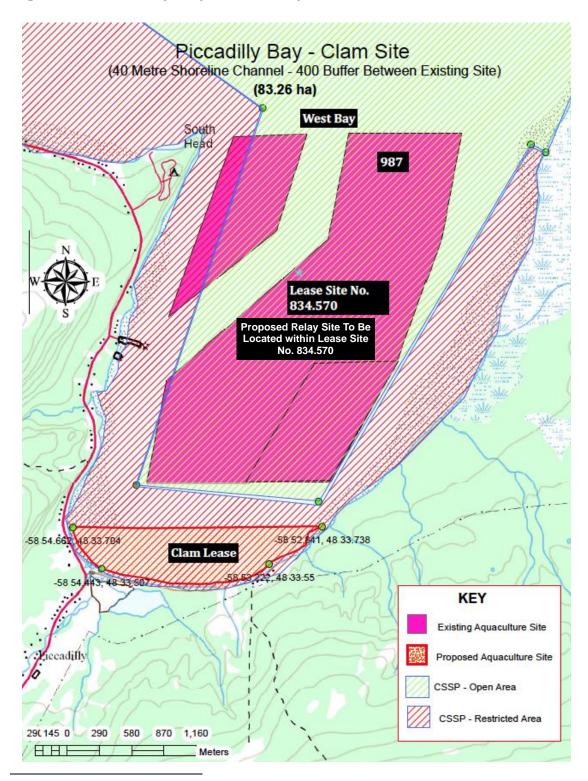


Figure 7: Piccadilly Bay CSSP Relay Site

Endnotes:

¹ Landry, T. et M. Ouellette. 1993. Suivi de la pêche au râteau hydraulique sur des stocks de myes dans la baie de Miramichi, N-B -1992. Rapp. tech. can. sci. halieut. aquat. 1921:v+ 14 p.

² Robinson, S.M. C. & T. W. Rowell. 1990. A re-examination of the incidental fishing mortality of the traditional clam hack on soft-shell clam. Mya arenaria L J. Shellfish Res. 9: 283-289.

³ ADRA. 2003. Projet de récupération et de mise en valeur des secteurs coquilliers : analyse socioéconomique de l'exploitation de la mye dans le sud de la Gaspésie

⁴ Coen, L. 1995. Review of the potential impacts of mechanical harvesting on subtidal and intertidal shellfish resources. S. Carolina Dept. Nat. Res. Marine Resources Research Institute. 46 p.

⁵ Turner, S.J., S.F. Thrush, R.D. Pridmore, J.E. Hewitt, V.J. Cummings and M. Maskery. 1995. Are softsediment communities stable? An example from a windy harbor. Mar. Ecol. Prog. Ser. 120:219-230.

⁶ Turner, S.J., S.F. Thrush, R.D. Pridmore, J.E. Hewitt, V.J. Cummings and M. Maskery. 1995. Are softsediment communities stable? An example from a windy harbor. Mar. Ecol. Prog. Ser. 120:219-230.

⁷ NOAA. Review of the Ecological Effects of Dredging in the Cultivation and Harvest of Molluscan Shellfish. NOAA Technical Memorandum NMFS-NE- 220. 2011 <u>http://www.nefsc.noaa.gov/publications/tm/tm220/</u>

⁸ CSSP Manual of Operations, Chapter 10: <u>http://www.inspection.gc.ca/food/fish-and-</u> <u>seafood/manuals/canadian-shellfish-sanitation-program/eng/1351609988326/1351610579883</u>

⁹ Bay St George/Port au Port Peninsula Marine and Coastal Resource Committee. Codroy Valley – Bay St. George – Port au Port Peninsula: Atlas of Significant Coastal and Marine Areas. Long Range Economic development Board, Stephenville, NL. 2011 http://www.icomnl.ca/files/BSG%20PAP%20Atlas.PDF

¹⁰ SARA Registry. Recovery Strategy for Piping Plover. <u>https://www.registrelep-</u> sararegistry.gc.ca/virtual sara/files/plans/rs piping plover melodus e1.pdf

¹¹ Wildlife Division, Department of Environment and Conservation, Newfoundland and Labrador. Piping Plover. <u>http://www.env.gov.nl.ca/env/wildlife/endangeredspecies/piping_plover.pdf</u>

¹² HRSDC. National Occupational Classification 2011: <u>http://www5.hrsdc.gc.ca/NOC/English/NOC/2011/Welcome.aspx</u>