

Environmental Assessment Registration Document

# Piccadilly Soft Shell Clam Farm Crown Lease Application 147684

Submitted By:

Mills Aquaculture Newfoundland Ltd

January 4, 2016

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Name of Undertaking: Piccadilly 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 Contact:	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 Saint 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 Piccadilly.

#### **Description of the Undertaking:**

#### i. Geographic Location:

A portion of Crown Land situated in the inter-tidal zone at Piccadilly Bay situated at the head of West Bay, Port au Port Bay (N49' 33.574 W58' 53.83). Total size of the site is 83.26 ha. Please see the attached map.

#### ii. Physical Features:

The site falls within Piccadilly Bay, which is influenced by winds and storms from the Gulf of St. Lawrence. However, the location of the site is relatively protected from the open sea, lying at the head of West Bay. Tidal range from .5 to 1.5 meters is normal in the area.

A salt marsh abuts the shoreline. The shore and lease area are 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. The Bay is relatively shallow, rarely exceeding 30 meters until it meets the Laurentian Channel some 20 Km offshore, when depths exceed 400 meters.

There are 6 cabins adjacent to the southeast corner of the proposed farm, with limited seasonal usage. There are no sewer outfalls. There are no ocean disposal sites, or industry near the area (and no industrial pollutant). There are no neighbouring 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 at Head Harbour in Piccadilly.

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.

#### iii. 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 26,500 kgs. Projected harvest over the first two years of operation will cover approximately 40 ha over each of the first two years, and is forecast to yield 12,500 kgs annually. Significant spat falls found on the site suggest good future recruitment.

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.

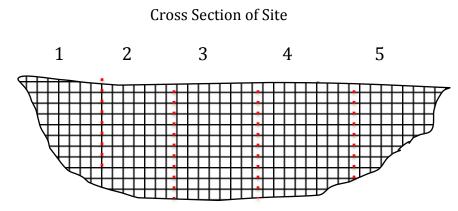
**c)** Harvesting Protocol: The lease would be divided into three parts: five percent of each location would be left alone to serve as a control for comparison with other treatments; the remainder would be divided into two equal parts that would be harvested, reconditioned and reseeded over two years.

Harvesting will normally begin in April and continue into November. As noted, 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 or 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 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 the 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 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 inter-tidal zone at mid tide; and using University of Maryland mechanical harvesters of 24 feet or more in length and capable of operating in several meters 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, <sup>1</sup> and that the yield rate for a hydraulic harvester is three times the yield rate obtained with hand methods. <sup>2</sup> In a study conducted in Gaspé, mechanical harvesters was estimated to be half as expensive as hand harvesting.<sup>3</sup>

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.<sup>4</sup> 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.<sup>5</sup>

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.<sup>6</sup>

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. <sup>7</sup>

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 Piccadilly 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 Piccadilly 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. Among the operations is a depuration process known as "relaying", and procedures are prescribed in the CSSP "Manual of Operations". <sup>8</sup> Mills Aquaculture Inc is uniquely suited for this procedure within 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 Piccadilly clam farm site will be transported in accordance with CSSP security requirements to the 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 scheduled fisheries in the immediate area of the site. However, smelt are known to occur in the area, and accommodation will be made with local fishers to ensure their access to this fishery. As well, eelgrass areas, which are critical to the aquatic environment, will be identified and avoided. (See attached map<sup>9</sup>).

- i) Site Specific Environmental Issues: Aside from potential water quality classification changes administered by Environment Canada under the CSSP, the sites are 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.
- i) 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.
- **j) Fuel Spills:** To mitigate 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.
- **k) Debris:** To mitigate 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.
- I) 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 taught 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).
- **m) Oil Seepage:** Recent concerns raised in the media over seepage of oil in the area are deemed by Provincial officials to be natural occurrences, and are not known to occur in the area of the proposed aquaculture farm or relay site in a manner that would affect operations.

#### iv. Occupations: 10

- NOC Code 2121: Biologist
- NOC Code 222: Technicians (Full Time Seasonal)
- NOC Code 8252: Operations Supervisor (Full Time)\*
- NOC Code 8613: Harvesters and Labourers (Full Time Seasonal)\*

\*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.

#### v. Reference Documents:

Application Number 147684 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 forwardlooking 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 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 (attached).

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.

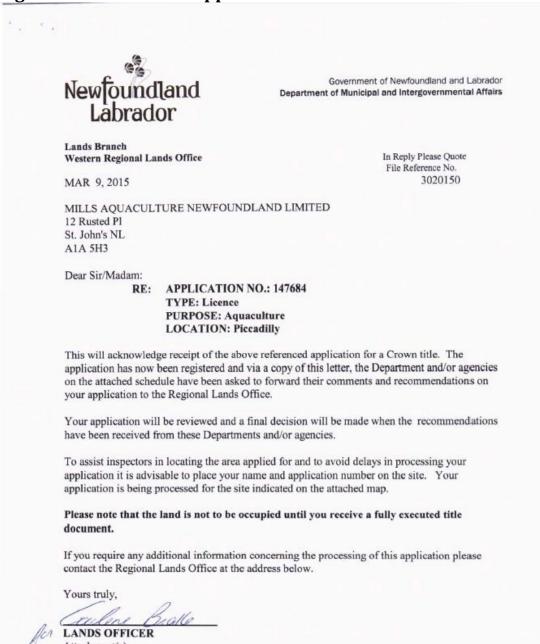
A list of the main permits, licences, and approvals for this project is attached (Figure 1).

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
<ul> <li>DFA Licensing Registrar Referral Process:</li> <li>Community Council Support Letter</li> <li>Newspaper Advertisements</li> <li>Archeological Training Protocol</li> <li>Salmon Protocol</li> <li>Relay Protocol</li> </ul>	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*	

## Figure 1: Approvals, Certifications, Licences and Permits

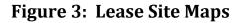
\*Pending Crown Lands Approval

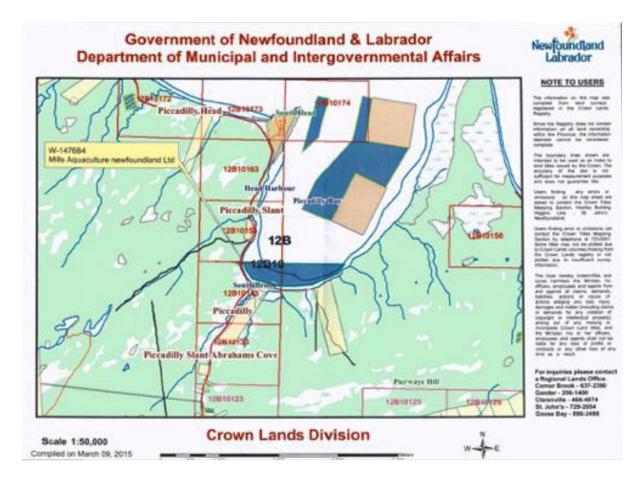
#### **Figure 2: Crown Lease Application**



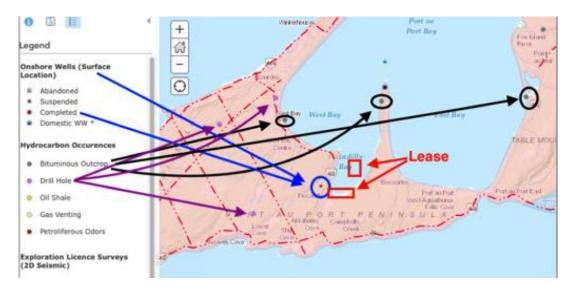
Attachment(s)

P.O. Box 2006, Lower Level, Sir Richard Squires Building, Corner Brook, NL, A2H 6J8 Telephone (709) 637 - 2390 or 2391, Facsimile (709) 637 - 8032





# Figure 4: Hydrocarbons



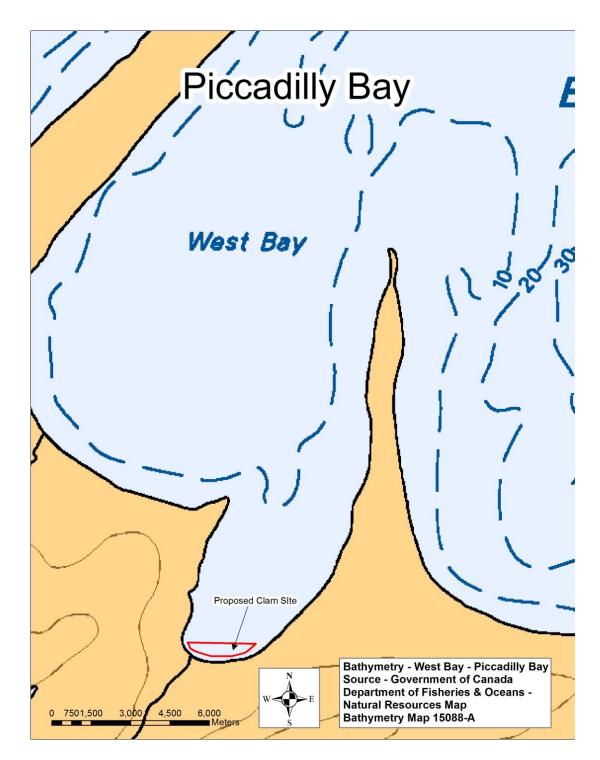
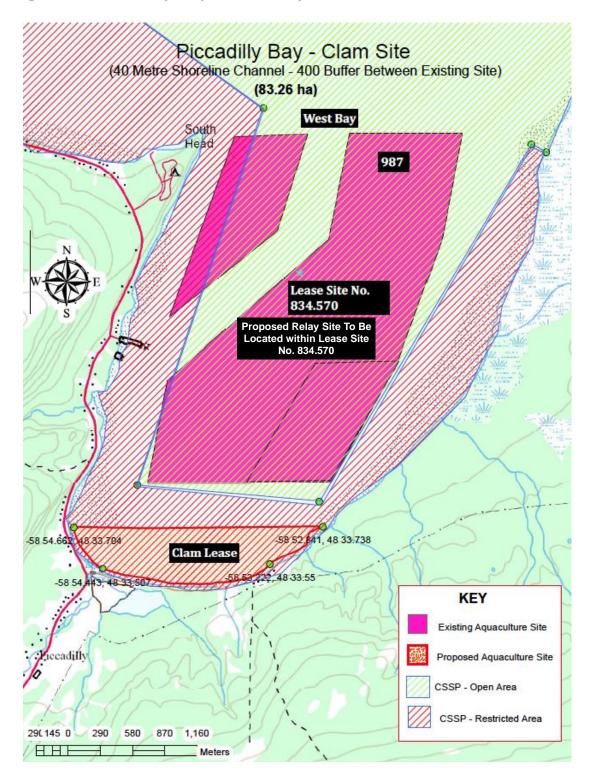


Figure 5: Bathymetry Chart (Source DFA)



# Figure 6: Piccadilly Bay CSSP Relay Site

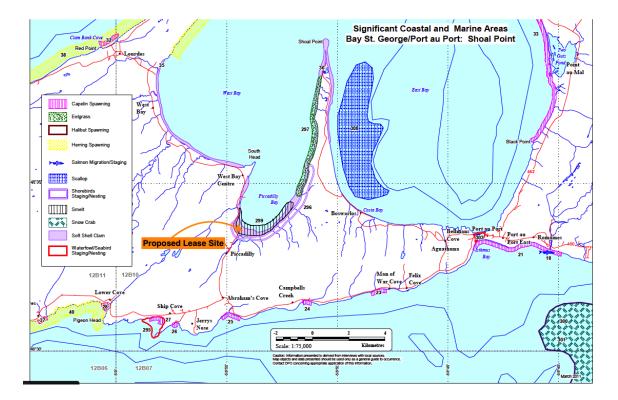


Figure 7: Local Knowledge Map (See Endnote 9)

Map ID	Feature	Additional	Human/Environmental
			Activity
299: Piccadilly	Smelt occur	Herring; capelin;	Commercial fishing;
Bay	along the	lobster; flounder;	recreational fishing; oil
	southern most	giant scallop;	and gas interests
	portion of	clams; sea urchin;	offshore.
	Piccadilly Bay.	shorebirds;	
		eelgrass occur in	
		the Bay.	

Figure 8: 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 Piccadilly, Piccadilly Bay, 48° 33' 36.265"N, 58° 53' 36.265"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

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# **Endnotes**:

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

<sup>2</sup> 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.

<sup>3</sup> 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

<sup>4</sup> Coen, L. 1995. Review of the potential impacts of mechanical harvesting on subtidal and intertidal shellfish resources. South Carolina Dept. natural Resources, Marine Resources Research Institute. 46 p.

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

<sup>6</sup> SODIM. Étude d'impact du prélèvement de myes communes (Mya arenar ia ) au moyen d'un râteau hydraulique sur la communauté benthique du banc coquillier du barachois de Malbaie. 2005. <u>http://www.sodim.org</u>

<sup>7</sup> 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>

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

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

<sup>10</sup> HRSDC. National Occupational Classification 2011: <u>http://www5.hrsdc.gc.ca/NOC/English/NOC/2011/Welcome.aspx</u>