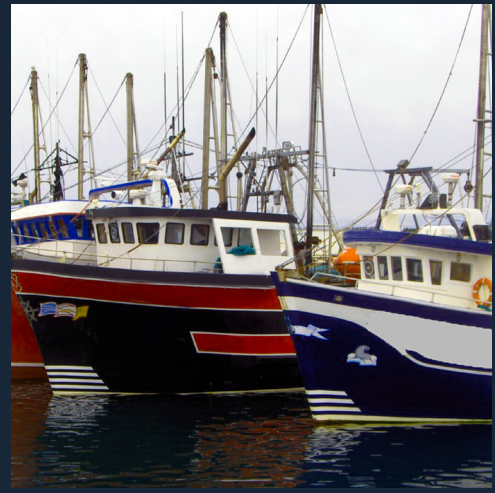


Annual Report 2013-14




Newfoundland
Labrador

Fisheries and Aquaculture





MESSAGE FROM THE MINISTER



As Minister of Fisheries and Aquaculture, I am pleased to present the 2013-14 Annual Report for the Department of Fisheries and Aquaculture. I am accountable for the results contained in this report, which was prepared in accordance with the *Transparency and Accountability Act*. This report details the progress that has been made towards achieving the goals and objectives outlined in our 2011-14 Strategic Plan.

The Provincial Government continues to support the growth and success of Newfoundland and Labrador's seafood industry. Areas of focus include advancing the sustainability and viability of both the fishing and aquaculture industries, promoting international trade, and protecting our coastal and ocean resources. I am pleased to note that Newfoundland and Labrador remains the only province in Canada that is solely funding its own offshore fisheries research through the Centre for Fisheries Ecosystems Research and other partnerships.

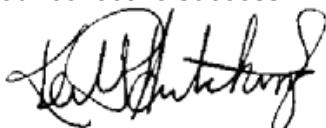
The Provincial Government is also protecting Newfoundland and Labrador's reputation as one of the finest suppliers of seafood in the world, with over 3,000 inspections carried out annually. Provincial inspectors conduct inspections from the point of landing to the production line to ensure the fish are of good quality and handled, transported, and stored under appropriate conditions and in compliance with provincial regulatory requirements.

The sealing industry remains economically and culturally important to the province, and received Provincial Government support for advocacy, product development, marketing, and training initiatives. These investments have fostered growth in the industry, with tens of thousands of seals harvested, and secured private investment to underwrite future operations.

This government's investments in the growth and governance of the aquaculture industry helped the industry generate a record \$197 million in production value last year, and support more than 1,000 direct jobs, mostly in rural areas.

With the signing of an agreement-in-principle regarding the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union, the provincial fishery stands on the doorstep of a new era of opportunity. The Provincial Government played a key role in negotiating beneficial terms for the seafood sector, which will result in more than 99 per cent of seafood tariff lines going duty-free once CETA comes into effect. In addition, a \$400 million federal-provincial Fisheries Investment Fund was announced to pursue initiatives such as research and development, marketing, fisheries research, and enhancements to provincial fisheries infrastructure. As well, groundfish stocks are showing signs of recovery which will provide the industry with future opportunities.

The Government of Newfoundland and Labrador recognizes the substantial economic contribution of Newfoundland and Labrador's \$1.1 billion fishing and aquaculture sectors, and is dedicated to promoting continued success. Our support to industry is diverse and comprehensive, and is producing benefits for the 18,000 people employed in the sector. The industry remains a vital economic driver for the Newfoundland and Labrador economy, and with careful stewardship, strategic investment, and collaboration with industry, our collective success will continue to grow.



KEITH HUTCHINGS, MHA

District of Ferryland

Minister of Fisheries and Aquaculture

ACRONYMS AND ABBREVIATIONS

The following acronyms and abbreviations are used throughout this document and are provided here for reference.

AAHD - Aquatic Animal Health Division
ACAP - Atlantic Coastal Action Program
ACE - Atlantic Canada Export
ACEP - Aquaculture Capital Equity Program
ACOA - Atlantic Canada Opportunities Agency
ASDP - Aquaculture Sustainable Development Program
ASP - Association of Seafood Producers
BMA - Bay Management Area
CAHD - Centre for Aquaculture Health and Development
CASD - Centre for Aquaculture and Seafood Development
CCFI - Canadian Centre for Fisheries Innovation
CETA - Comprehensive Economic and Trade Agreement
CFER - Centre for Fisheries Ecosystems Research
CFIA - Canadian Food Inspection Agency
CMA - Coastal Management Area
CNLCOM - Canada-Newfoundland and Labrador Committee on Oceans Management
COSEWIC - Committee on the Status of Endangered Wildlife in Canada
DFA - Department of Fisheries and Aquaculture
DFATD - Foreign Affairs, Trade and Development Canada
DFO - Fisheries and Oceans Canada
EU - European Union
FFAW - Fish, Food and Allied Workers
FSSSB - Fisheries Science, Stewardship and Sustainability Board
FTNOP - Fisheries Technology and New Opportunities Program
IBRD - Department of Innovation, Business and Rural Development
ISAv - Infectious Salmon Anaemia virus
LERP - Lobster Enterprise Retirement Program
LFA - Lobster Fishing Area
LIFO - Last-in, First-out
MI - Marine Institute
MSC - Marine Stewardship Council
NAFO - Northwest Atlantic Fisheries Organization
NAIA - Newfoundland Aquaculture Industry Association
PCON - Provincial Coastal and Ocean Network
PFHCB - Professional Fish Harvesters Certification Board
RDC - Research & Development Corporation
ROCOM - Regional Oversight Committee on Oceans Management
SFA - Shrimp Fishing Area
TAC - Total Allowable Catch
WTO - World Trade Organization

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Publication Prepared by:

Planning Services Division

Department of Fisheries and Aquaculture

September 2014



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 sectors.

The department invests in research and development, seafood marketing, and aquaculture infrastructure. The department also advocates on behalf of the fishing and aquaculture industries, particularly on the issues that are the jurisdictional responsibility of the Federal Government. DFA contributes to the expansion and sustainable management of the province's growing aquaculture industry through extension services, the development of infrastructure, and investment incentives. DFA continues to lead the province's commitment to the planning, management, conservation, and sustainability of the coastal and ocean resources as outlined in the Coastal and Ocean Management Strategy and Policy Framework.

This Annual Report outlines the work accomplished by DFA throughout the 2013-14 fiscal year, in the delivery of its commitments regarding the development and sustainability of the fishing and aquaculture industries, and coastal and ocean matters affecting the province. This report is the third and final for the 2011-14 planning cycle and reports on the indicators set out for both the three-year goals and the third objective of each of the strategic issues in the 2011-14 Strategic Plan. This report also provides a detailed overview of the highlights, expenditures, and collaborative activities of DFA throughout 2013-14.

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.

MISSION

By March 31, 2017, the Department of Fisheries and Aquaculture will have supported both the strengthening of the fishing industry and the expansion of the aquaculture industry to create sustainable and economic opportunities for the province.



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, research, 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; support to fisheries and aquaculture science; and the completion of economic, financial, and statistical analysis.

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

The department plays a lead role in fisheries, aquaculture, and integrated ocean management within the province by promoting and supporting initiatives that allow for more organized and efficient structures to deal with ocean management issues. A focus is placed on those initiatives that impact on the province's fishing and aquaculture industries, as outlined in the province's Coastal and Ocean Management Strategy and Policy Framework.

INSPECTION, COMPLIANCE, AND REGULATORY ENFORCEMENT

The department conducts comprehensive inspection, compliance, and enforcement duties for the fishing and aquaculture industries within its legislative authority. Fisheries Field Representatives ensure the seafood industry utilizes proper handling techniques and meets regulatory requirements, and they conduct inspections at fish buying stations, processing plants, aquaculture sites, dockside, and on board vessels throughout the province. 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 licences.

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 *Aquaculture Act* and Regulations, *Fish Inspection Act* and Regulations, and ministerial directives. The department reviews infractions of the acts and directives and takes appropriate legal action.

INNOVATION AND DEVELOPMENT

DFA places a strong emphasis on fisheries 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 culturing, harvesting, processing, and marketing. Innovation within the fisheries sector is fostered through extensive interaction with the private sector, industry-related organizations, other government departments, and academia.

The department provides financial assistance for industry-led research and development projects in the fishing industry through the Fisheries Technology and New Opportunities Program (FTNOP). This support includes the following activities:

Harvesting and Resource Development:

Although harvesting is an area of federal jurisdiction, the primary focus of this activity is to oversee the design and implementation of fisheries development projects with a focus on the assessment of species with underdeveloped fisheries, enhancing quality, resource surveys, the development of commercial species, and the utilization of appropriate on-board handling technologies aimed at maximizing catch value. DFA 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, processing technology, packaging systems, and processing efficiency.

Aquaculture Development:

The department provides for the administration, planning, development, and delivery of aquaculture policy and programs 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 explore the biological, technical, and/or economic aspects of development. These activities support evidence-based policy decisions leading to an orderly, sustainable aquaculture industry.

LICENSING AND QUALITY ASSURANCE

DFA is responsible for the issuance of fish buyers' licences, fish processing licences, and aquaculture site licences, as well as the development and implementation of policies and regulations related to each type of licence. The department provides processing licensing policies and procedures to the Fish Processing Licensing Board (the Board). The Board reviews and makes recommendations to the Minister of Fisheries and Aquaculture on all requests for new processing licences, transfers of licences, and changes of operator for fish processing plants, as well as appeals for reinstatement of licences cancelled due to inactivity. 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 departments and agencies, as well as any organizations, groups, or individuals who have interests in aquaculture development. Other activities include:

Administration of Licensing Systems and Databases:

Administration of the licensing systems and databases includes the collection and analysis of all information associated with fish purchases, production, and employment, and cataloguing the current and past history of fish buyers' and fish processing licences. Through these licensing processes, the department collects processing and aquaculture statistics. Data collected includes processing plant production, fish purchases, plant employment, production on aquaculture farms, aquaculture employment, fisheries and aquaculture infrastructure, financial information, and inspection information. DFA is in the process of establishing a new licensing information management system.

Maintenance and Delivery of the Quality Assurance Program:

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 seafood industry and works with industry on innovative and collective approaches to seafood marketing. The department's primary seafood marketing activities include:



Market Development:

The department works with the seafood industry to increase market awareness of and demand for Newfoundland and Labrador seafood products and to increase seafood sales to markets throughout the world. Marketing support services offered to industry include participation in trade shows and missions, advertising, food service and retail promotions, and support for private sector marketing initiatives.

Market Intelligence and Analysis:

DFA provides market analysis and support to industry by coordinating the collection and dissemination of timely market intelligence and information to industry stakeholders. Market information is provided to the Standing Fish Price-Setting Panel (in support of fish price collective bargaining initiatives), processor and harvester associations such as the Association of Seafood Producers (ASP), the Seafood Processors of Newfoundland and Labrador, and 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 Government departments, the seafood and market development branches of other seafood producing provinces, federal departments and agencies such as the Atlantic Canada Opportunities Agency (ACOA), Agriculture and Agri-Food Canada, DFO, and Foreign Affairs, Trade and Development (DFATD) to coordinate participation in various trade shows and missions and implementation of other marketing and promotional activities.





MANDATE

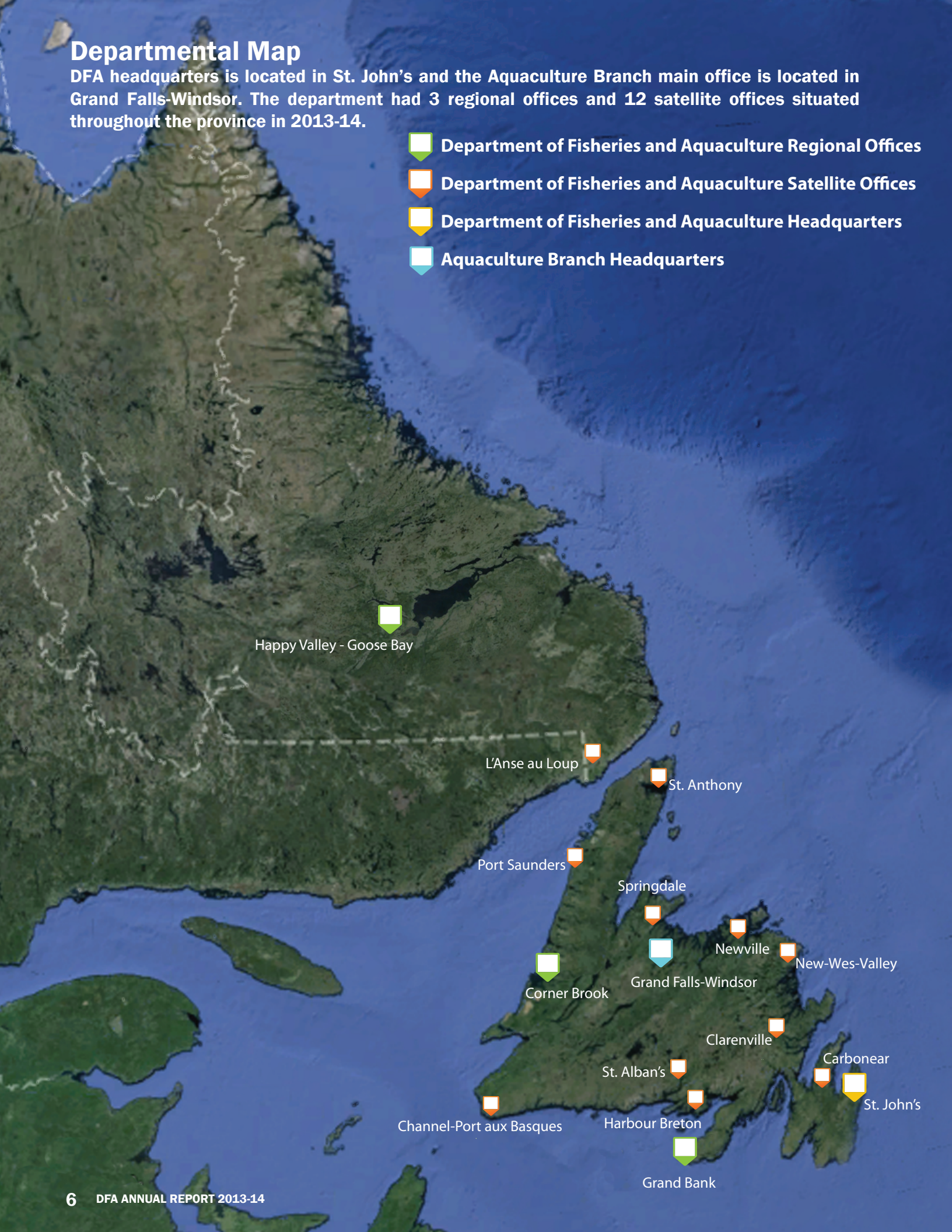
The mandate of the Department of Fisheries and Aquaculture is:

Realizing the optimum sustainable economic benefit from the fishing and aquaculture industries through the promotion, development, encouragement, conservation, and regulation of fisheries and aquaculture and the provision of long-term strategic direction on the sustainable use of coastal and ocean resources in Newfoundland and Labrador.

Departmental Map

DFA headquarters is located in St. John's and the Aquaculture Branch main office is located in Grand Falls-Windsor. The department had 3 regional offices and 12 satellite offices situated throughout the province in 2013-14.

-  Department of Fisheries and Aquaculture Regional Offices
-  Department of Fisheries and Aquaculture Satellite Offices
-  Department of Fisheries and Aquaculture Headquarters
-  Aquaculture Branch Headquarters



LEGISLATION

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

Provincial Legislation

- *Aquaculture Act* and Regulations
- *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

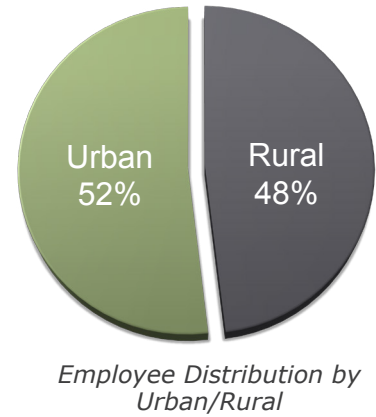
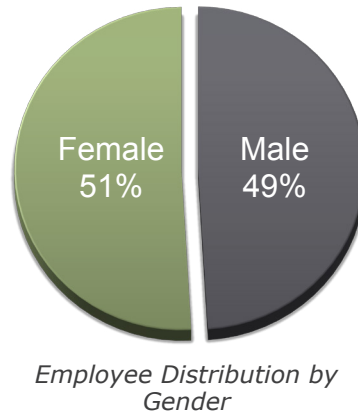
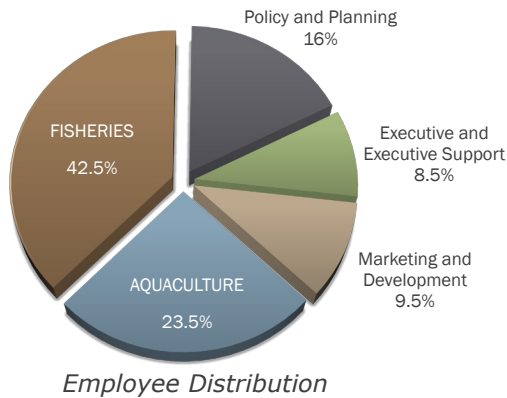
- *Fish Processing Licensing Board Act*
- *Fisheries Act* (Schedule C of the *Executive Council Act*)
- *Fisheries Restructuring Act*
- *Fishing Industry Collective Bargaining Act*
- *Professional Fish Harvesters Act*
- Fish Processing Licensing Policy Manual

Federal Legislation

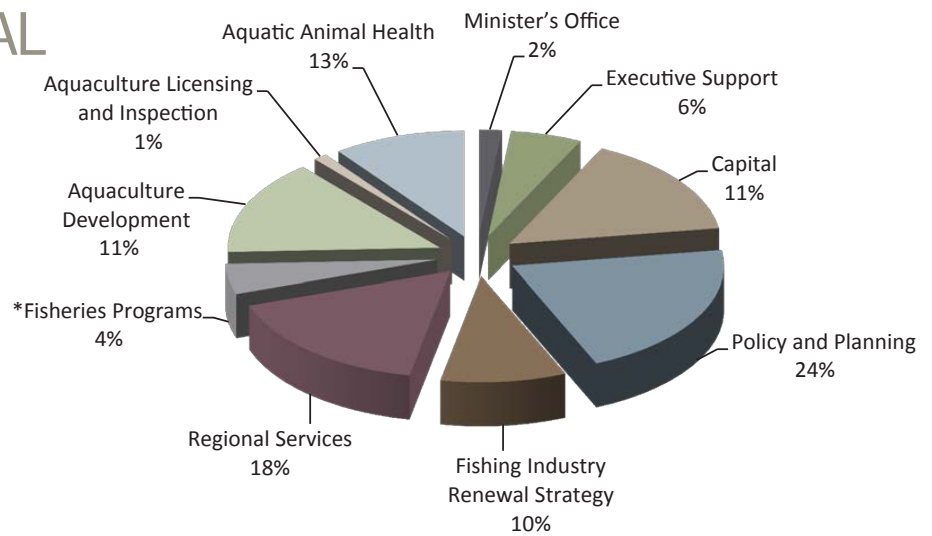
- *Fisheries Act*
- *Fish Inspection Act*
- *Oceans Act*
- Marine Mammal Regulations

NUMBER OF EMPLOYEES

The department employs 106 people, working in 4 broad categories: a) Fisheries; b) Aquaculture; c) Marketing and Development; and d) Policy and Planning.



DISTRIBUTION OF ACTUAL NET EXPENDITURES 2013-14



*Note: Net Expenditures lower due to the repayment of a seal product inventory financing loan.

Department of Fisheries and Aquaculture Statement (Unaudited) of Expenditures and Related Revenue

Summary for the Year Ended March 31, 2014*	ESTIMATES		
	Original	Amended	Actual
	\$	\$	\$
EXECUTIVE AND SUPPORT SERVICES			
Minister's Office			
Minister's Office	309,300	323,500	296,487
General Administration			
Executive Support	857,100	977,300	941,025
Capital	8,600,000	8,600,000	1,580,710 ¹
Policy and Planning			
Planning and Administration	816,100	1,042,000	939,386
Revenue - Provincial	-2,000	-2,000	-39,776
Sustainable Fisheries Resources and Oceans Policy	2,853,600	2,809,200	2,564,799
Fishing Industry Renewal Strategy			
Coordination and Support Services	1,048,700	1,731,500	1,555,297
Executive and Support Services Subtotal	14,482,800	15,481,500	7,837,928
FISHERIES			
Regional Services			
Administration and Support Services	3,252,900	3,019,800	2,722,858
Revenue - Provincial	-10,000	-10,000	-16,634
Fisheries Programs			
Seafood Marketing and Support Services	3,569,200	2,782,600	946,175 ²
Revenue - Provincial	-45,000	-45,000	-
Licensing and Quality Assurance	431,400	497,400	403,459
Revenue - Provincial	-450,000	-450,000	-854,739
Compliance and Enforcement	515,000	474,500	431,371
Fisheries Innovation and Development	4,245,200	4,264,600	3,302,626
Revenue - Provincial	-	-	-3,698,736 ³
Fisheries Subtotal	11,508,700	10,533,900	3,236,380
AQUACULTURE			
Aquaculture Development			
Aquaculture Development and Management	1,439,000	1,463,300	1,412,300
Aquaculture Capital Equity Investment	3,400,000	3,400,000	163,331 ⁴
Aquaculture Licensing and Inspection			
Aquaculture Licensing and Inspection	198,300	208,100	177,238
Aquatic Animal Health			
Aquatic Animal Health	1,822,800	1,918,500	1,849,398
Aquaculture Subtotal	6,860,100	6,989,900	3,602,267
Department Total	32,851,600	33,005,300	14,676,575

1. Reduced expenditures due to delays in wharf construction projects; funding carried over to 2014-15.

2. Low uptake from industry on market council and sales consortia funding.

3. Repayment of seal industry inventory financing paid out in 2012-13.

4. Reduced expenditures due to suspension of remaining funding for Gray Aqua and delayed implementation of net washing project (funding carried over to 2014-15).

*Source Document: Report on Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year Ended 31 March 2014 (Unaudited).

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



SHARED COMMITMENTS

Throughout the 2013-14 fiscal year, the department continued to work collaboratively with industry stakeholders and partners, including other jurisdictions and government departments, academic institutions, and public bodies, towards the achievement of the goals set out in its 2011-14 Strategic Plan.

DFA values its partnerships with the aquaculture industry, and is pleased with its efforts to promote the sustainable growth of aquaculture through investments, programming, and regulation.

As part of efforts to ensure sustainable growth and development, DFA held aquaculture consultations in 2013 to solicit input from stakeholders in order to update the Provincial Government's strategic plan for aquaculture. In the course of the consultation process, almost 40 written submissions were received from interested parties, as well as feedback from industry participants, academics, government representatives, and representatives from non-governmental organizations at sessions held throughout the province. All feedback was summarized in a document entitled "Vision 2018: Sustainable Aquaculture Development, A Summary of What We Heard: 2013 Aquaculture Consultations," which was published on the department's website.

During 2013-14, departmental staff partnered with major aquaculture operators to draft an agreement in support of a Bay Management Area (BMA) strategy. BMAs are distinct aquaculture management areas that are managed through sound biosecurity protocols and practices. A comprehensive management strategy, such as a BMA, is widely recognized as an effective method to improve biosecurity, thereby increasing the long-term sustainability and viability of the industry. In late 2013-14, industry participants signed an initial BMA agreement that outlined the principles underlying the BMA approach. The document also identified preliminary BMA regions and stocking strategies for each major aquaculture salmonid operator. Continued engagement with industry will be integral to successful BMA implementation in order to foster a provincial aquaculture industry that promotes continued sustainability.



ORGANIC MUSSEL PROMOTION

In February 2013, Newfoundland-based mussel growers and processors were certified under the Canadian Organic Aquaculture Standard. Newfoundland mussels became the first mussels to meet organic standards in North America.

The Canadian Organic Aquaculture Standard is an environmentally stringent and esteemed certification. To attain certification under this standard, producers and processors had to meet rigid requirements and undergo on-site inspections by accredited, independent third party auditors. To maintain the certification, annual audits will be performed by third party auditors.

Certification is important to the industry, as more consumers are looking for identifiable third party certification on the products they purchase. The organic certification will help processors maintain existing markets and develop new markets in both traditional and non-traditional marketplaces.

To assist growers and processors in maintaining this certification and promoting their products, DFA worked with a number of industry partners in 2013-14.

- DFA provided NAIA with \$54,000 to complete an annual audit of its current organic mussel operations and \$100,000 to continue its Newfoundland and Labrador organic mussels promotion activities. Promotional activities included attending trade shows and developing an online presence.
- DFA provided \$55,320 to Ocean Fresh Mussels Limited to promote its recently certified organic mussels through a variety of promotional activities including participation in trade shows, the development of new packaging, and the purchase of a trade show booth.

Through the Fisheries Technology and New Opportunities Program, the department continues to have a strong working relationship with the Canadian Centre for Fisheries Innovation (CCFI), Memorial University of Newfoundland, and the Fisheries and Marine Institute of Memorial University of Newfoundland (MI), along with other Provincial Government departments, academic institutions, and industry associations. Collaborations in 2013-14 included research and development of new harvesting and processing technologies and new product development. A number of collaborative activities fully or partially funded through FTNOP are outlined below.

- DFA continued its collaboration with ACOA, MI, and gear manufacturer Vonin Canada on a five-year project in the development of sustainable fisheries technology aimed at reducing the seabed impacts of bottom trawls. DFA has contributed \$150,000 towards the \$2.5 million project. The systems, when developed, will be built by Vonin Canada in Port de Grave.

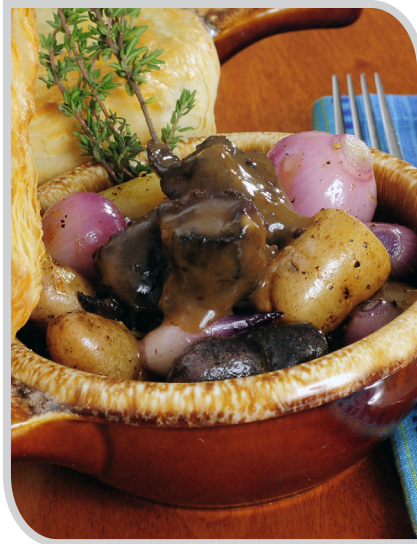
- DFA, with a contribution of \$78,900, along with the Department of Innovation, Business and Rural Development (IBRD) and the Government of Canada, through ACOA, funded a \$500,000 project to enable the Atlantic Seal Development Association to develop a frozen seal meat product for the wholesale market and a vacuum-packed consumer-ready product for the retail market. The association also worked with MI and the private sector to develop these two new high-quality products, which will be tested in niche Canadian and international markets.
- In partnership with CCFI, Research & Development Corporation (RDC), and IBRD, the Barry Group worked with the Centre for Aquaculture and Seafood Development (CASD) at MI to develop bio-processing technologies for the extraction of chitin from shellfish waste using a chemo-enzymatic method. Chitin is a naturally occurring substance found in various shellfish species such as crab and shrimp. With its binding and absorption qualities, it can be used in a range of industrial applications, including wastewater treatment, cosmetic production, and medical applications such as wound dressings. It is anticipated that the new expertise developed within CASD at the end of this initiative will result in the generation of future industrial research in other areas of marine bio-processing such as nutraceuticals, specialty chemicals, and fine chemicals. DFA provided \$100,000 towards this \$400,000 project, which has a potential to greatly reduce the waste produced by the shellfish fishery, thereby increasing fishing sector efficiency.
- In partnership with the FFAW and ACOA, the Fisheries Science, Stewardship and Sustainability Board (FSSSB) and This Fish, a seafood traceability online network established by Ecotrust Canada, have begun the process of implementing a branding and traceability strategy in the halibut and lobster fisheries in the Gulf region of the province. FTNOP provided \$100,000 to this project. The FSSSB will work with This Fish to implement a consumer-based tracking system that allows consumers to trace their seafood directly to the harvester. Traceability has become increasingly important to consumers in recent years and this project is one way to foster new opportunities in the competitive seafood market.

LOBSTER ENTERPRISE RETIREMENT PROGRAM

The Lobster Enterprise Retirement Program (LERP) concluded, after 10 rounds of bidding, on March 31, 2014. The program was a major element of the Conservation and Sustainability Plan for the Newfoundland lobster fishery, which was implemented by DFA in collaboration with the FFAW and the Federal Government to improve the income levels of fish harvesters and viability of lobster-dependent fishing enterprises. The LERP provided lobster licence holders an opportunity to sell their licences and retire their fishing enterprises through a reverse auction process.

Interest in the retirement option was strong in all areas covered by the LERP. A total of 263 lobster-dependent fishing enterprises in Lobster Fishing Areas (LFAs) 11 to 14B were retired and the program targets were met or exceeded in almost all LFAs. The overall target of 255 retirements was exceeded by 3 per cent. Program expenditures under the LERP totalled approximately \$15 million.





In 2013-14, DFA partnered with the Professional Fish Harvesters Certification Board (PFHCB) to deliver training to 1,725 sealers who planned to harvest seal products for human consumption destined for China and Hong Kong. The Government of Canada's agreement with the Government of China allows the importation of Canadian seal products into China subject to the quality, health identification, and handling requirements of the Government of China. As a result, the Canadian Food Inspection Agency (CFIA) developed a Code of Practice for the harvest, transport, processing, and export of these seal products. The training pertains to the humane harvesting and quality, health, and handling of seals, including identification of healthy seals and harvesting seal products of high-quality for human consumption. The department contributed \$32,200 in 2013-14 towards the cost of the sealer information workshops, as well as assisted in their delivery.

The department has numerous collaborative relationships with industry and government partners to foster opportunities in the area of market development in new and existing seafood markets:

- In partnership with the Restaurant Association of Newfoundland and Labrador, the Newfoundland and Labrador Chef's Association, and the Department of Natural Resources, DFA participated in "From This Rock" culinary events promoting Newfoundland and Labrador agri-food and seafood products. The department's cost to participate in this initiative was approximately \$6,400.
- In cooperation with the Newfoundland and Labrador Chef's Association, DFA promoted seafood products at "The Gathering" in Burlington, NL, the Eastern Chef's Conference in St. John's, NL, and at a James Beard culinary event in New York City. The collective cost of these events was approximately \$6,000.
- DFA partnered with the New Brunswick and Nova Scotia governments on the Parent-Child Cooking Competition in Osaka, Japan, on July 28, 2013, to promote Atlantic Canadian seafood products. The competition was broadcast in August 2013 by five TV stations to an audience of over 8.5 million households in the Kansai region of Japan. The featured products were lobster, mussels, snow crab, and shrimp. Atlantic Canadian seafood

products were discussed and shown by the host, judges, and contestant pairs throughout the program, providing excellent exposure for the industry. The cost of the sponsorship for the province was approximately \$3,800.

- The Atlantic provinces continue to work together to promote Atlantic Canadian seafood under the Atlantic Canada Exports banner. The group shared the cost of maintaining the website as well as advertising and events related to the China Fisheries and Seafood Expo and the Seafood Expo North America (formerly the International Boston Seafood Show). Most of the funding for these projects comes from the International Business Development Agreement, a cost-shared program between the four provinces and ACOA.
- The Atlantic provinces also worked together to promote Atlantic Canadian seafood during the Council of Atlantic Premiers trade mission to Sao Paulo and Rio de Janeiro during the week of October 21-25, 2013. As part of the mission, the Canada and Brazil Chamber of Commerce hosted a reception and luncheon on October 22, 2013, for over 250 invited guests. Atlantic Canadian seafood was served and promotional material was distributed at the reception. Products were sourced from a number of Atlantic Canadian companies, including one from Newfoundland and Labrador.

There are a number of fishery and ocean matters falling under federal jurisdiction that have a significant impact on the province and its seafood and sealing industries. Matters involving trade and trade barriers, sustainable management of the fishery, and ocean policy are of importance to the province. As such, these matters are regularly monitored by DFA and the department works with the local industry and stakeholders to put forth positions that represent the best interests of the provincial industry.

Throughout 2013-14, DFA actively engaged with numerous partners in support of the province's seal harvest and has participated in many collaborative initiatives to promote the sealing industry, including marketing, communications, training, and developmental initiatives. The province provided funding to support action being taken by the sealing industry, the Inuit people of Canada, and other provincial, federal, and territorial governments to overturn the European Union (EU) seal products ban. This included support of communications and advocacy work.

- DFA was actively engaged in all World Trade Organization (WTO) hearings, most recently attending the WTO appeal challenge, along with other industry representatives, in Geneva, Switzerland, in March 2014. DFA also contributed \$25,000 to the Fur Institute of Canada's work to overturn the EU ban on seals.
- DFA is an active member of the Communications Working Group formed under the Atlantic Seal Advisory Committee. Other members include seal harvesters and processors, DFO representatives, and sealing interest groups.
- The department also participates on the Working Group for a Management Strategy on Seals. Others involved in the Working Group include the Canadian Sealers Association, the FFAW, the Fur Institute of Canada, the University of Prince Edward Island and DFO. The working group is reviewing the existing Precautionary Approach Framework and looking into a new approach to managing the seal resource given the increase in the population since the initial framework was established in 2002.



In September 2013, the department participated in the 35th Annual Meeting of the Northwest Atlantic Fisheries Organization (NAFO) as a member of the Canadian delegation. DFA partnered with other delegates, including the Government of Nunavut, the FFAW, the Torngat Joint Fisheries Board, as well as representatives of the Canadian offshore groundfish and shrimp industries. Together they provided advice to the Federal Government on Canada's position at NAFO regarding management and conservation of straddling fish stocks, and the promotion of the sustainable management of the fishery.

DFA participates in a number of venues to work collaboratively with other government departments, academia, and other stakeholders on coastal and ocean policy and management in the province, which falls under federal jurisdiction. DFA partners with DFO and co-chairs the Regional Oversight Committee on Oceans Management (ROCOM) to engage senior level officials within federal and provincial departments. DFA also co-chairs the Canada-Newfoundland and Labrador Committee on Oceans Management (CNLCOM), which implements and coordinates efforts on issues identified by ROCOM and makes recommendations to ROCOM. CNLCOM met in May 2013 and ROCOM met in January 2014. At these meetings, new action items were identified for collaboration between federal and provincial departments on priority issues related to coastal management. Details of many of these action items are outlined in the 2013-14 objective for Strategic Issue 3.

At a regional level, DFA supports and participates on Coastal Management Area (CMA) committees across the province to assist in the coordination of local input in decision-making and priority setting. Along with representatives from other Provincial Government departments, the Federal Government, regional associations, industry groups, non-government organizations, and academia, DFA attended CMA committee meetings in Placentia Bay and in the Coast of Bays region to discuss coastal management planning with regional stakeholders.

In partnership with the Newfoundland and Labrador World Oceans Day Committee, DFA held World Oceans Day activities for youth across the province, including an art and essay contest for grades K-9, and a well attended family fun day in St. John's on June 8, 2013.

In 2013-14, the department continued to work with industry, other jurisdictions, and government departments to expand market access and address seafood tariffs. While the Federal Government has sole jurisdiction over the negotiation of international trade agreements, provinces and territories have been playing a more significant role in recent years. In addition to the Comprehensive Economic and Trade Agreement (CETA), the department continued to monitor and assess the Canada-Japan free trade negotiations, the Trans-Pacific Partnership negotiations and the Canada-Korea negotiations along with the Federal Government, other Provincial Government departments, and industry, to ensure the seafood industry's interests were represented. Successful negotiations that achieve real market access will result in significant benefits to the Newfoundland and Labrador seafood industry.

CANADA-EUROPEAN UNION COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT

In 2013-14, DFA continued to work with IBRD and industry stakeholders to expand market access and address tariffs in ongoing trade negotiations including the Canada-EU Comprehensive Economic and Trade Agreement. After over four years of negotiations, an agreement-in-principle was reached on CETA on October 18, 2013. As a result of a joint effort by DFA and other provincial departments, CETA offers the province's seafood industry unprecedented tariff-free access to the EU, the most lucrative fish market in the world, with a population of 500 million.

This agreement, once implemented, will:

- Effectively eliminate 99.1 per cent of EU fish and seafood tariff lines relevant to Newfoundland and Labrador;
- Immediately allow Newfoundland and Labrador's principal crab and shrimp products, which are the most valuable species currently harvested and produced by the industry, to enter the EU duty-free; and
- Permit Newfoundland and Labrador producers to develop new value-added and branded seafood products for European markets.





STRATEGIC ISSUE 1: FISHING INDUSTRY SUSTAINABILITY AND VIABILITY

OPENING DISCUSSION

The fishing industry is a significant contributor to the provincial economy and a key employer, particularly in rural areas. Therefore, it is essential that fisheries are conducted in a manner that safeguards the sustainability of the resources and the viability of the industry for generations to come. The department's three-year goal was to have supported the fishing industry in becoming more sustainable and internationally competitive. DFA has undertaken a number of new initiatives since 2011-12 to improve the sustainability, viability, and international competitiveness of the fishing industry, with a particular focus on investing in fisheries science, advancing innovation and technology, supporting research for sustainable fishing practices, and promoting sustainable fisheries management. Its objective for 2013-14 was to continue to further these initiatives to support the sustainability and international competitiveness of the fishing industry. The goal and objective both support two strategic directions of government: the strengthening of the role of the fishing industry as a key pillar of sustainable economic growth within the province, mainly through the fishing sector efficiency component, and enhancing the province's position on fishery and aquaculture matters falling under federal jurisdiction, as it relates to the component of sustainable management of the fishery.

Goal:

By March 31, 2014, the Department of Fisheries and Aquaculture will have supported the fishing industry in becoming more sustainable and internationally competitive.

Measure: Supported the fishing industry in becoming more sustainable and internationally competitive.

Indicators:

- Promoted sustainable fisheries management.
- Invested in fisheries science.
- Supported innovative technology and practices.
- Undertook initiatives to improve product quality for multiple species.
- Undertook market development initiatives.
- Expanded market access in key markets.
- Promoted eco-certification within the industry.



Goal Results

This section outlines the planned versus the actual results for the goal indicators set out in the department's 2011-14 Strategic Plan.

The department was successful in promoting sustainable fisheries management in the 2011-14 planning cycle.

Canada's fisheries resources are managed by DFO, while fish stocks on the Grand Banks that straddle the 200-mile limit are managed by NAFO. In 2011-14, DFA successfully promoted sustainable fisheries management in the province through its actions around three notable issues, which relate to access to fisheries resources in the Newfoundland and Labrador fishing industry. These were the application of DFO's Last-in, First-out (LIFO) policy in the northern shrimp fishery; the sharing arrangement in the inshore fixed-gear Gulf Atlantic halibut fishery, and the Committee on the Status of Endangered Wildlife in Canada's (COSEWIC) recommendation for listing Atlantic cod as an endangered species under the *Species at Risk Act*.

In recent years, shrimp quotas have been steadily reduced in southern Shrimp Fishing Areas (SFAs) and, due to DFO's LIFO policy, the inshore fleet has lost a greater portion of the total northern shrimp allocation than the offshore fleet. This has a significant impact on the province as the inshore shrimp fishery supports 10 inshore plants around the province. The Provincial Government has actively lobbied for the elimination of the LIFO policy.

Due to pressure from the province and the inshore sector, in June 2011, DFO initiated an external review on the allocation principles for the northern shrimp fishery. In March 2012, the province submitted a position paper to the consultant who conducted the review, which stressed the need for a permanent proportional sharing arrangement between the inshore and offshore sectors. In July 2012, March 2013, January 2014, among other occasions, the Minister of Fisheries and Aquaculture wrote the Minister of DFO, expressing the province's concern with the LIFO policy and reiterating the need for a permanent sharing arrangement. The issue was also raised in numerous meetings with the federal minister.

The inshore fixed-gear sector shares of Atlantic halibut in the Gulf of St. Lawrence (4RST)are based on historical participation in the fishery. The province's inshore fixed-gear fleet received a share of 32 per cent. In May 2011, DFO increased the Atlantic halibut Total Allowable Catch (TAC) from 600 tonnes to 680 tonnes, with the increase split equally amongst the eight fixed-gear fleets in the Gulf. The province's fleet therefore received 12.5 per cent (10 tonnes) of the increase rather than 32 per cent (25.6 tonnes). The Minister of DFA wrote to the federal minister in May 2011, asking that DFO reverse the decision to equally split the increase in Atlantic halibut quota, since it did not reflect the established sharing arrangement or the historical participation in this fishery, and threatened the economic sustainability of inshore harvesters involved in the west coast fishery.

In June 2011, after a meeting between the Minister of DFO and the Minister of DFA, DFO announced an additional increase of 40 tonnes in the TAC, from 680 tonnes to 720 tonnes. This increase was allocated based on geographical fleet shares; the province's fleet therefore received 32 per cent (12.8 tonnes) of the increase. In December 2011, DFO announced an external review of the sharing arrangement for the Gulf Atlantic halibut fishery, to be conducted by Ernst & Young. In March 2012, DFA submitted written input into the process and also presented the province's position at an open forum discussion in Corner Brook. In its feedback, the province noted there is no rationale for re-opening the sharing arrangement for the Gulf Atlantic halibut fishery, and that DFO should simply respect the arrangement established in 2007.

COSEWIC determines the national status of wildlife species, and populations suspected of being at risk in Canada. The Minister of DFO, as the responsible minister for marine fish species, will make a recommendation to the federal Minister of Environment on the listing of cod and other species. DFO sent a letter to DFA in January 2014, which requested the province's position on the potential listing of adjacent cod populations by March 2014. DFA responded on March 18, 2014, stating that the province does not support COSEWIC's recommendations to list adjacent populations of cod, American plaice, and redfish under the *Species at Risk Act*. With regard to cod in particular, the province's view was that the scientific information did not warrant an endangered listing, which would effectively end any form of cod fishery. Preserving a small cod fishery was considered essential in order for the province to maintain the infrastructure, skills, and market presence associated with cod. These elements would be required to ensure the province could renew a larger cod fishery when stocks improve.

The department also supported numerous fisheries research initiatives, and invested in fisheries science initiatives through the Centre for Fisheries Ecosystems Research (CFER) and the Fisheries Research Grant Program, in order to enhance knowledge of adjacent fish stocks. Investments in fisheries science (see the indicator below) provide the necessary knowledge and information that allow the department to formulate more informed positions around sustainable fisheries management. DFA participated in various fisheries management processes of DFO and NAFO over the planning cycle to advocate Newfoundland and Labrador's position on sustainable management of fisheries resources adjacent to the province.

The department successfully invested in fisheries science in the 2011-14 planning cycle.

Our investments in fisheries science provide a greater understanding of fisheries resources. This allows the department to formulate informed positions around sustainable fisheries management. A thorough knowledge of our fisheries resources also helps support their economic viability.



In 2011-14, the department made the following key investments in fisheries science:

- Provided approximately \$8.7 million to fund the activities of CFER in order to increase fisheries science capabilities in Newfoundland and Labrador. The scientific information and expertise provided through CFER is resulting in a better understanding of fish stocks and the health of Newfoundland and Labrador's marine ecosystem. This knowledge informs decisions that promote sustainable fisheries management and also enables the province to more effectively participate in fisheries decision-making processes. CFER is utilizing innovative research techniques, such as satellite tagging and offshore acoustic surveys, to collect scientific data on fish stocks adjacent to the province.
- Supported fisheries research initiatives in order to enhance the province's understanding of adjacent fish stocks and thus inform sustainable management decisions. In 2011-12, for example, the program provided \$467,000 in funding to industry, academia, and DFO for collaborative research initiatives that enhance our scientific understanding of the province's fish stocks. In 2012-13, projects included studies to investigate the distribution and migration patterns of the province's cod stocks through tagging, as well as a post-season snow crab survey in order to assess the biomass and recruitment prospects of snow crab in all areas off Newfoundland and Labrador. In 2013-14, tagging studies investigated the distribution and migration patterns of cod and halibut, while other projects added to knowledge about the abundance and life history of haddock off the province's south coast, as well as hagfish and sea cucumber resources.

In 2011-14, the department was successful in supporting innovative technology and practices.

DFA primarily supports research and development work through FTNOP, with innovative approaches to harvesting and processing being one of the program's areas of emphasis.

Throughout 2011-14, DFA invested in a number of research and development projects. In 2012-13, DFA invested a total of \$1.7 million in 41 projects under FTNOP, and leveraged an additional \$4.2 million from industry and other partners. These projects helped support

the program objective of increasing the overall viability of the Newfoundland and Labrador seafood industry, thereby leading to improved fishing industry sustainability and international competitiveness. These included harvesting projects such as:

- The completion of an online e-simulator education program for vessel stability management.
- The completion of an operational energy efficiency audit which assisted industry to identify energy saving alternatives through technology applications.
- The development of environmentally friendly bottom trawls to reduce the impact of fishing on the seabed.
- The development of a turbot fishery using pots rather than gillnets to protect inshore snow crab stocks.
- The development of an at-sea whelk sorting table to reduce harvesting time, minimize product damage, and return more undersize whelk back to the ocean.

Processing projects involving innovative technology included funding to:

- Investigate the potential for using automated crab meat-shell separator/spin sheller technology to extract crab meat.
- Explore laser vision technology for mussels, which could eliminate the need for manual sorting and increase efficiency.
- Develop a sea cucumber skinning machine, in order to eliminate the need for manual processing.
- Support the development of x-ray technology to be incorporated with water jet cutting technology used to process yellowtail.

The department successfully undertook initiatives to improve product quality for multiple species in the 2011-14 planning cycle.

The department undertook several initiatives to improve product quality for multiple species in the planning cycle. In the examples below, DFA provided funding for product quality initiatives and also provided technical expertise. A technical steering committee was established within DFA for each project, providing background information, technical advice, and feedback throughout the project.

- In 2012 and again in 2013-14, DFA, along with the Professional Fish Harvesters Certification Board, conducted workshops on humane harvesting and quality, health, and handling information for seal harvesters. DFA also provided financial assistance of \$10,000 towards this initiative in 2012. In 2013-14, the department provided \$32,200 to conduct 40 of these workshops in 38 locations throughout the province. DFA staff engaged in a joint effort to deliver these workshops, in particular the Quality/Health/Handling Workshops.
- In 2011-12, DFA provided funding to assess current operating practices in terms of production efficiencies and quality enhancements in mussel production.
- Also in 2011-12, DFA provided over \$24,000 to the MI's Centre for Sustainable Aquatic Resources to conduct at-sea evaluations of a new species/size-sorting grid aboard an offshore factory freezer trawler. This sorting grid has a system that allows for the separation of nontargeted species and the separation of undersized shrimp using a single grid. This results in a cleaner, higher quality catch.
- In 2013-14, DFA provided \$24,500 to the Association of Seafood Producers to develop a crab quality information booklet designed to educate and promote best practices within the harvesting and processing sectors, including technical information on proper handling procedures.
- In 2011-12, DFA contributed \$24,400 towards the production of a quality information booklet for groundfish.

Through its Inspection Program, DFA worked to improve seafood product quality for multiple species by enforcing the legislation which supports good practices for the handling, holding, and transport of seafood products in the province. DFA conducted inspections pertaining to raw product requirements; handling and holding conditions on vessels, trailers, and unloading sites; and point of export inspections at Port aux Basques.

- DFA conducted audits on licensed processing facilities to ensure that each licence holder was complying with the requirements specified under the *Fish Inspection Act* and Regulations.
- DFA undertook enforcement actions such as charges for violations of the *Fish Inspection Act* and Regulations, issuance of Summary Offence Tickets, and official warnings for non-compliance.

The department successfully undertook market development initiatives in the 2011-14 planning cycle.

Through DFA's participation in various international seafood shows, and investments in market research and promotion, DFA assisted seafood producers in their market development efforts and improved competitiveness. The following endeavours supported government's strategic direction to strengthen the role of the fishing industry as a key pillar of sustainable economic growth within the province.

- In 2011-12, the department worked with industry, DFO, and the Canadian Embassy on seal product market development in China.
- In 2012-13, DFA worked with IBRD to advance the province's interests to the Federal Government with respect to the fisheries issues in the ongoing bilateral/multilateral trade agreement negotiations and achieved a favourable outcome with the renewal of the European Union Autonomous Tariff Rate Quota.
- Also in 2012-13, to expand market access for seal products, DFA supported Canada's advancement of WTO action against the EU seal ban and pursued full market access in China.
- During the planning cycle, DFA exhibited with Newfoundland and Labrador seafood companies at a number of international seafood trade shows and events including: Seafood Expo Global, the China Fisheries and Seafood Expo, Seafood Expo North America (formerly the International Boston Seafood Show), World Food Moscow, and the Seafood Barcelona Trade Show. In some cases, DFA provides assistance to seafood producers to enable them to attend these events, and to work to raise the profile of Newfoundland and Labrador seafood products during the events. For example, during Seafood Expo North America in March 2014, DFA carried out sampling sessions where the province's seafood products were prominently featured by Newfoundland and Labrador chefs. The department also hosted a networking reception for seafood producers to showcase the high-quality products from Newfoundland and Labrador to industry representatives and international seafood buyers in each year of the planning cycle.
- Representatives from DFA attended the North Atlantic Seafood Forum and the International Coldwater Prawn Forum. These events offered a unique opportunity to all stakeholders in the sector to get an overview of the status in the industry. Both events brought together professionals, specialists, and traders in the industry to share information and exchange ideas regarding resources, production, opportunities, challenges, and developments of the market.
- DFA carried out market research activities throughout 2011-14, and engaged external market research consultants to collect market information on snow crab, shrimp, cod, lobster, capelin, mackerel, lumpfish roe, and whelk. These activities supported raw material price negotiations for these species and provided the department with valuable information to assist with strategic market development activities.

- DFA partnered with the Federal Government and other provinces on Hong Kong seafood promotions in September 2012, to highlight and promote increased consumption of seafood products in hotels, restaurants, and supermarkets in Hong Kong.

In 2011-14, the department was successful in expanding market access in key markets.

From 2011-14, DFA worked on a number of projects to expand market access. These activities contributed towards government's strategic directions to strengthen the role of the fishing industry as a key pillar of sustainable economic growth within the province, through the focus area of fostering opportunities and, in the case of trade negotiations, enhance the province's position on fishery and aquaculture matters falling under federal jurisdiction, through the focus area of removing trade and trade barriers. Exports have increased in this period. In 2013, the province exported \$827 million, compared to \$780 million in the 2010 calendar year. The value of key species also increased during this period, crab by 17 per cent and shrimp by 7 per cent.

DFA worked with IBRD and industry stakeholders and attended CETA meetings, debriefs, conference calls, and rounds of negotiations to ensure Provincial Government interests with respect to the fishery were advanced to the Federal Government negotiators. DFA officials conducted analysis on texts and the status of tariffs in trade negotiations and advised of the impacts on fisheries and aquaculture sectors and government policies. The Provincial Government's goal of real market access was met when the agreement-in-principle was signed between Canada and the EU on October 18, 2013. EU tariffs on Newfoundland and Labrador fish and seafood products average 11 per cent, with a high of 25 per cent. Through reduced and eliminated tariffs stemming from the implementation of CETA, there should be lucrative market opportunities for Newfoundland and Labrador seafood companies in the EU. The main fish and seafood markets within the EU are Spain, France, Italy, Germany, the United Kingdom, Portugal, and Sweden.

DFA also continued to work with IBRD and industry stakeholders to expand market access and address tariffs in other ongoing trade negotiations, including the Canada-Japan Economic Partnership Agreement and the Trans-Pacific Partnership Agreement.

DFA assisted with initiatives that promoted the province's sealing industry and worked to expand market access for seal and seal products as part of its sealing industry communications, advocacy, and development strategy. The department collaborated with federal, provincial, and territorial stakeholders to address market access issues for seals, including international issues involving China and the EU, seal product diversification and market development, opening markets, and challenging discriminatory trade restrictions. On March 11, 2014, Canada and South Korea concluded negotiations on the Canada-Korea Free Trade Agreement. The negotiations were launched on July 15, 2005. Both parties are working towards implementation in 2015. All tariffs on fish and seafood will be eliminated within 12 years providing an opportunity to capitalize on South Korea's growing seafood market.

DFA funded marketing projects in 2011-14 to expand market access, such as the certification and promotion of the province's organic mussels, a traceability program for its lobster and halibut, development of new seal marketing material for use in international markets, a public relations campaign to promote the farmed salmon industry, work towards preparing the lobster industry for Marine Stewardship Council (MSC) certification, and assistance to industry participants to travel to new and emerging seafood markets.

The department successfully promoted eco-certification within the industry in the 2011-14 planning cycle.

Sustainability and eco-certification play an increasingly important role in gaining and maintaining market access in global markets. Thus, DFA's efforts to promote eco-certification are aligned with government's strategic direction to strengthen the role of the fishing industry as a key pillar of sustainable economic growth within the province through the focus area of fostering opportunities. DFA has successfully promoted eco-certification through its funding towards eco-certification and sustainability initiatives.

DFA promoted eco-certification in 2011-14 through the deliberately prominent display of the MSC's logo on all its promotional materials, including its Seafood Directory, recipe books, and its trade show booth. The logo also features prominently on DFA's own website and on the Atlantic Canada Export (ACE) website, a collaborative project of the Atlantic provinces. The ACE website features a large section containing information on eco-labelling and certification.

In 2013, 76.8 per cent (by value) of fish landed in the province was certified to the MSC standard, which represents a 92 per cent increase from 2012, when only 40 per cent (by value) was certified to this standard. The snow crab, shrimp, scallop, yellowtail, and clam fisheries are certified, while the herring fishery is undergoing assessment.

In 2011-12, DFA continued to support eco-certification through its continued support of a project in collaboration with industry, DFO, and World Wildlife Fund Canada to improve the sustainable management of Newfoundland and Labrador's largest cod fishery (3Ps). The department contributed \$40,000 in the second year of this project, the aim of which is to aid in the pre-assessment process for certification of this fishery.

In 2013-14, the department, through FTNOP, contributed \$52,000 to lobster and mussel certification initiatives. Details of the mussel certification initiative can be found in the Shared Commitments section of this report.

Objective Results

This section outlines the planned versus the actual results for the indicators under the final yearly objective during the planning period, as established in the department's 2012-13 Annual Report.

Objective 3: By March 31, 2014, the Department of Fisheries and Aquaculture will have continued to further initiatives to support the sustainability and international competitiveness of the fishing industry.

Measure: Continued to further initiatives to support the sustainability and international competitiveness of the fishing industry.

Indicators:

- Continued to promote sustainable fisheries management.
- Continued work to expand market access and address seafood tariffs in key markets.
- Continued to work with industry to expand market opportunities.
- Supported quality improvement initiatives.

CONTINUED TO PROMOTE SUSTAINABLE FISHERIES MANAGEMENT.

This indicator has been met.

Canada's fisheries resources are managed by Fisheries and Oceans Canada, while fish stocks on the Grand Banks that straddle the 200-mile limit are managed by NAFO. To promote the province's position on sustainable management of fisheries resources adjacent to Newfoundland and Labrador, DFA participated in various fisheries management processes of DFO and NAFO in 2013-14. DFA also invested in fisheries science and research initiatives in order to inform the decision-making processes to support sustainable fisheries management. During 2013-14, the department:

- Participated in national and international meetings, within the NAFO context, to promote the province's priorities for the sustainable management of straddling fish stocks. As a member of the Canadian delegation to NAFO, DFA promoted sustainable fisheries management practices by stressing the importance of adopting management measures that are guided by scientific advice, ensuring the accuracy of catch estimates, and further refining and developing rebuilding plans for straddling stocks currently under moratoria. As a member of the delegation, DFA also participated in working group meetings for developing risk-based management strategies for NAFO-managed stocks, including 3LN redfish and 3M cod.
- Supported the sustainable management of the province's cod fisheries. DFA participated in meetings of the Newfoundland and Labrador Cod Recovery Working Group together with DFO, the FFAW, Ocean Choice International, World Wildlife Fund Canada, and other groups to develop rebuilding plans for 2J3KL, 3Ps, and 4RS3Pn cod, including the development of harvest control rules to guide decision-making for these stocks. DFA also participated in working group meetings to further refine precautionary approach management frameworks already in place for fish stocks, such as northern shrimp and harp seals.
- Participated in various stock assessment meetings in order to inform the province's positions and priorities for promoting sustainable fisheries management. DFA also attended fisheries management advisory committee meetings to communicate the department's positions for ensuring sustainable fisheries management, including those in relation to quotas. These advisory meetings include those for groundfish in 3Ps, as well as crab, shrimp, bluefin tuna, and harp seals around Newfoundland and Labrador.
- Supported fisheries research initiatives, through the department's Fisheries Research Grant Program, in order to enhance knowledge of adjacent fish stocks and thus inform sustainable fisheries management processes. These included tagging studies to investigate the distribution and migration patterns of cod and halibut in areas around the province, as well as a post-season snow crab survey in order to assess the biomass and recruitment prospects of snow crab in areas around Newfoundland and Labrador. The department also supported a study to investigate the abundance and life history of haddock off the province's south coast, as well as research on hagfish and sea cucumber in order to enhance knowledge and the sustainable utilization of these emerging fisheries resources in Newfoundland and Labrador.



CONTINUED WORK TO EXPAND MARKET ACCESS AND ADDRESS SEAFOOD TARIFFS IN KEY MARKETS.

This indicator has been met.

Newfoundland and Labrador is a significant exporter of seafood products. However, high tariffs and other trade barriers in many countries negatively impact access to international markets.

In 2013-14, DFA continued to work with IBRD and industry stakeholders to expand market access and address tariffs in ongoing trade negotiations, including: CETA, the Canada-Japan Economic Partnership Agreement, and the Trans-Pacific Partnership Agreement. The Provincial Government's goal is to achieve real market access, including the elimination of high tariffs on seafood and the establishment of mechanisms to deal with trade challenges. DFA officials conducted trade analysis and advised of the impacts on fisheries and aquaculture sectors and government policies. As well, DFA officials attended meetings, debriefs, conference calls, and negotiations to ensure the province's interests with regard to the fisheries and aquaculture sectors were advanced to the Federal Government negotiators and reflected in the agreements. As a result of government's efforts, the agreement-in-principle signed between Canada and the EU on October 18, 2013, will result in significant benefits for the Newfoundland and Labrador seafood industry.

DFA funded projects in 2013-14 to expand market access such as marketing various shellfish and pelagics in Europe and Asia, traceability and branding of lobster and halibut, and mussel promotion.

DFA supported initiatives that promote the sealing industry and worked to expand market access for seal and seal products. During this fiscal year, the department:

- Collaborated with federal and provincial representatives and industry stakeholders to implement standards for sealer professionalization as part of the work of the Canadian Council of Professional Fish Harvesters Steering Committee on sealer professionalization. DFA provided \$32,200 to the Professional Fish Harvesters Certification Board for the delivery of sealer information workshops on humane harvesting and quality practices in communities across Newfoundland and Labrador, between March 3-15, 2014;
- Was represented at the Regional Advisory Meetings in December 2013, and the Atlantic Seal Advisory Committee meetings in February 2014. DFA was also an active member of the Communications Working Group, formed by the committee to address seal management, communications, and market access issues;
- Supported Canada's advancement of WTO action and encouraged the Federal Government to continue efforts to achieve full commercial access to the Chinese market during meetings with the federal minister. Additionally, DFA attended WTO hearings in April 2013 and February 2014;
- DFA engaged with officials of DFATD to exchange information on the WTO legal challenge surrounding the EU seal products ban;
- Worked with industry, the PFHCB, and the CFIA to identify and address outstanding requirements to complete the Code of Practice for seal products. The implementation of the Code of Practice will enable the certification of edible seal products for consumers in China and thus encourage market access for seal products.



CONTINUED TO WORK WITH INDUSTRY TO EXPAND MARKET OPPORTUNITIES.

This indicator has been met.

In 2013-14, DFA worked to expand market opportunities for seal products and supported promotional activities of stakeholders, including a contribution of \$8,246 to Natural Boutique to explore market opportunities at the Fort McMurray Fall Show and Market.

A contribution of \$60,000 was made by the Provincial Government to support an awareness campaign by the Seals and Sealing Network aimed at addressing misconceptions and misinformation about the sealing industry.

DFA assisted Carino Processing Limited to define its market in China by providing \$38,700 to undertake a comprehensive marketing and branding strategy for fur/leather, meat, and oil.

DFA partnered with the Atlantic Seal Development Association, IBRD, and ACOA, and provided \$78,901 to develop value-added processes that are aimed at the full utilization of the harp, gray, and hooded seals to meet the demand for highly nutritional natural food sources.

During 2013-14, DFA partnered with industry to participate in various international seafood shows, and invested in market research and promotion to increase market awareness and acceptance of Newfoundland and Labrador seafood products in global markets.

In 2013-14, DFA exhibited with Newfoundland and Labrador seafood companies at:

- Seafood Expo Global (formerly the European Seafood Exposition), April 23-25, 2013. The total cost of participating in the show was \$37,100, which included the booth rental and design as well as a contribution towards pan-Atlantic marketing activities and a roundtable meeting for industry.
- The China Fisheries and Seafood Expo, which is the second largest seafood trade show in the world. In 2013, nine companies and industry associations attended the show, up from seven in 2012. China is our second largest seafood trading partner, importing almost \$172 million in Newfoundland and Labrador seafood products in 2013. DFA's cost to participate in this event was \$33,000.
- Seafood Expo North America, March 16-18, 2014. DFA's booth was a 1,200 square foot pavilion placed within the larger 6,000 square foot area allocated to the Atlantic provinces. This pavilion provides DFA, as well as seafood producers and industry associations who request space within it, a place to showcase the province's seafood products, provide information on provincial seafood producers, while giving suppliers an opportunity to network with buyers in the United States market. The pavilion is also a focal point for the dozens of additional provincial participants who attend the Expo but do not have an exhibition space. The Expo was very well attended by the province's seafood

producers. This is a very significant event for the province as the United States remains one of the province's largest seafood markets. DFA's cost of participating in the trade show was \$86,500. The department also hosted a networking reception for seafood producers to showcase the high-quality products from Newfoundland and Labrador to industry representatives and international seafood buyers. DFA also carried out sampling sessions at its booth where the province's seafood products were prominently featured by Newfoundland and Labrador chefs.

DFA carried out market research activities and coordinated the hiring of external market research consultants to collect market information on snow crab, shrimp, cod, lobster, capelin, mackerel, lumpfish roe, and whelk.

In December 2013, DFA coordinated a webinar session for industry on seafood market opportunities in Brazil. The session was open to all Atlantic Canadian seafood companies.

DFA funded additional marketing projects, which included the launch of a traceability program for Newfoundland and Labrador lobster and halibut, development of new seal marketing material, work towards preparing the lobster industry for MSC certification, and travel to new and emerging seafood markets to promote Newfoundland and Labrador seafood.

SUPPORTED QUALITY IMPROVEMENT INITIATIVES.

This indicator has been met.

In 2013-14, DFA provided \$24,500 to ASP to develop a Crab Quality Information Booklet designed to educate and promote best practices within the harvesting and processing sectors, including technical information on proper handling procedures.

Also in 2013-14, the department provided \$32,200 to the PFHCB to conduct 20 workshops on humane harvesting and quality, health, and handling information for seal harvesters in 38 locations throughout the province. DFA staff, along with the PFHCB, jointly delivered these workshops, particularly the Quality/Health/Handling sessions.

Through the Inspection Program, DFA undertook initiatives to improve seafood product quality in the province. DFA conducted 3,135 inspections pertaining to raw product requirements; handling and holding conditions on vessels, trailers, and unloading sites; and point of export inspections at Port aux Basques.



DISCUSSION OF RESULTS

During the 2011-14 period, the department has been successful in addressing the issue of fishing industry sustainability and viability through its provision of various supports to industry. DFA has undertaken and furthered a number of highly successful initiatives to: invest in fisheries science; advance innovation and technology; improve product quality; develop and expand markets; and support sustainable fishing practices and fisheries management. In turn, these initiatives support the overall environmental and economic sustainability of the industry, increase international competitiveness, and are directly supportive of the viability of the fishing industry. For example, environmental sustainability is a key component of the industry's international competitiveness, given the increasing importance of fisheries certification to consumers and the direct link between the environmental sustainability of a fishery and its certification. Departmental programs like FTNOP and initiatives like CFER support industry viability on multiple levels and yield tangible results which can be built upon in subsequent years.



STRATEGIC ISSUE 2: AQUACULTURE EXPANSION AND SUSTAINABILITY

OPENING DISCUSSION

The aquaculture industry in Newfoundland and Labrador has experienced significant growth in recent years. In 2013, the industry achieved record-breaking market value, generating more than \$197 million, an increase of 74.3 per cent from 2012. The significant growth in market value is the result of higher production volumes, along with rebounding market prices for Atlantic salmon and mussels, which are the principal species. Production volume also rose by 25.1 per cent, from 21,228 tonnes in 2012 to 26,551 tonnes in 2013. The increase was the result of increased production of Atlantic salmon.

During the 2013-14 fiscal year, the department continued its focus on the social, environmental, and economic sustainability of aquaculture, recognizing the contribution of this industry as an important employer and economic driver in rural regions of the province. The department concentrated its efforts on sustainable growth, by facilitating industry expansion into new growing areas, continuing to invest in biosecure infrastructure, and developing a number of new strategies and tools aimed at fostering the long-term sustainability of the industry. These activities support the department's strategic direction to enhance sustainability of the provincial aquaculture industry.

Goal:

By March 31, 2014, the Department of Fisheries and Aquaculture will have facilitated the expansion and sustainability of the aquaculture industry.

Measure 1: Facilitated the expansion of the aquaculture industry.

Indicators:

- Begun expansion into new growing areas.
- Increased production volume and value of the sector.
- Implemented strategies and development plans to support the sustainable expansion of the industry.
- Continued to provide access to capital programs.

Goal Results

This section outlines the planned versus the actual results for the goal indicators set out in the department's 2011-14 Strategic Plan.

The department was successful in beginning expansion into new growing areas in the 2011-14 planning cycle.

In 2013-14, the department granted two licences in a new area, Facheux Bay, and fish were stocked on one of these sites. As a precursor to this expansion, the department collected and analyzed data in order to assess suitability of new growing areas for aquaculture. Throughout the 2011-12 and 2012-13 fiscal years, the department collected biological and environmental data through remote sensing stations in the Facheux Bay area, as well as areas west of Facheux Bay and east of Grey River. These stations, in areas where there were no aquaculture sites, collected information on wind speed, air temperature, wave height, water temperature, salinity, and dissolved oxygen. Data collection continued through the 2013-14 season.

During the 2011-14 planning cycle, the department was successful in increasing the production volume and value of the aquaculture sector.

Between 2011 and 2013, production volume and value for the Newfoundland and Labrador aquaculture industry rose significantly. The volume of product increased by 54 per cent, from 17,264 tonnes in 2011 to 26,551 tonnes in 2013. During the same time frame, value grew from approximately \$120 million to almost \$197 million. The department has worked with industry and other stakeholders over the past three years to support and foster the sustainable expansion of the aquaculture industry. Since 2011, DFA has issued 21 new licences for both finfish and shellfish species. New licences allow for increased levels of production.

The department has also been working with provincial mussel growers and the industry association to explore methods to increase the value of aquaculture product from that sector. A third party marketing study in 2010 had recommended the sector seek certification. In 2012-13, the department provided \$35,000 to NAIA to support the shellfish sector in obtaining the new Canadian Aquaculture Organic Standard and Best Aquaculture Practices certification. The sector was granted certification in the same period, making the provincial shellfish sector the first to receive organic certification in North America. A website was developed by growers to promote Newfoundland blue mussels and the sector's new organic label, <http://bluemussels.com/>. In addition, one shellfish processor received Best Aquaculture Practices certification.

During the 2011-14 planning cycle, the department was partially successful in implementing strategies and development plans to support the sustainable expansion of the industry.

The department, in cooperation with industry, has been working towards the development and implementation of Bay Management Areas. BMAs themselves are a widely recognized strategy to foster the sustainable development of aquaculture through a robust set of biosecurity protocols and practices. A BMA strategy is actually a framework consisting of a number of other strategies and development plans which outline, for example, requirements for fallow times, stocking, and single year class cages. Within a BMA structure, discrete management

areas are identified, based on a wide set of quantitative and qualitative variables, including detailed oceanographic data. Operating activities and associated timelines for those activities are managed through a BMA strategy, enabling improved biosecurity of the industry as a whole. The implementation of these strategies and development plans has been deemed a partial success because, while implementation has begun on some strategies, full implementation has not occurred. For example, a stocking strategy was included in the signed Bay Management Agreement outlined below. Progress on this indicator was slowed due to unforeseen challenges in the industry which required the department's attention, most notably Infectious Salmon Anaemia (ISAv) events in 2012-13. The implementation of a BMA system will further the biosecurity of the aquaculture industry and support sustainable expansion. The following progress has been made on the implementation of this strategy.

- Improved marine infrastructure was identified as a priority for implementing BMAs and biosecurity best practices for the salmonid sector. During the 2011-14 time period, the department invested in wharf infrastructure required to implement biosecurity protocols. To date, three biosecure, aquaculture-dedicated wharves have been constructed in the Coast of Bays region and are in use by industry.
- Additional environmental, biological, and oceanographic data was also identified as a priority item for BMA development. Knowledge of variables such as ocean currents is required to inform the identification of growing regions and implement effective biosecurity protocols. In 2011-12, the department worked with DFO to complete the first season of oceanographic data collection. A field data collection work plan for the 2012-13 season was developed; however, it was postponed due to the unexpected detection of ISAv in the Coast of Bays region. Marine travel was restricted in the zone to minimize the spread of pathogens. This prevented the department from completing data collection. Field work was completed for the 2012-13 season. Drifter and drogue work was conducted in Facheux Bay, Fortune Bay, and Hare Bay, via the MI vessel *Anne Pearce*, and weather stations were deployed in Fortune and Facheux Bays. Field work is expected to continue in this area and other areas as required.
- In 2011-12, the department identified preliminary growing regions. In addition to identifying the zones, the department developed the BMA Technical Committee with industry representatives to discuss how the BMAs will work, risk factors for sound biosecurity, and the development of a protocol document.
- DFA met with industry executives in February 2013, in Saint John, NB, to discuss BMA implementation. At this meeting, DFA presented an overview of the work completed to date and outlined potential scenarios for BMA implementation. A follow-up meeting occurred in March 2013 between departmental and industry officials to further discuss implementation strategies.
- Following the meeting with industry officials in March 2013, DFA received individual feedback on BMA implementation strategies from major industry stakeholders. The department evaluated industry feedback to determine the best approach for implementation of BMAs.

- During 2013-14, an initial BMA agreement that outlined the principles underlying the BMA approach was developed. The document identified preliminary BMA regions and stocking strategies for each major aquaculture salmonid operator. Industry participants signed the agreement in late 2013-14 and implemented the agreement in January 2014.

During the 2011-14 planning cycle, the department successfully continued to provide access to capital programs for the aquaculture industry.

Throughout the 2011-14 time frame, the department continued to provide industry participants with access to capital funding through two programs; the Aquaculture Capital Equity Program (ACEP) and the Aquaculture Loan Guarantee Program. Development of new aquaculture sites has significant set-up costs and obtaining financing has been identified as a major impediment to industry growth. ACEP provides funding for aquaculture operators to expand hatchery and grow-out capacity in the province. The Aquaculture Loan Guarantee Program assists companies with securing the financing required to develop new aquaculture operations.

Between 2011-12 and 2013-14, the department provided approximately \$10.6 million in funding through ACEP for farm and hatchery development. During the same time period, the department provided access to a loan guarantee for new developments. There was no use of the loan guarantee during the 2011-14 time period.

Measure 2: Supported the sustainability of the aquaculture industry.

Indicators:

- Implemented the Aquaculture Sustainable Management Framework.
- Identified components for a sustainable aquaculture industry.

The department was unable to implement the Aquaculture Sustainable Management Framework in the 2011-14 planning cycle.

Work towards this indicator was completed; however, due to changing priorities for the provincial aquaculture industry an Aquaculture Sustainable Management Framework was not implemented. A draft framework was developed in 2011-12 that outlined departmental activities aimed at supporting and fostering sustainable industry management. Areas included industry governance, extension and support services, programming, and investment.

The draft framework was reviewed in 2013-14 to determine its suitability to address current concerns and challenges to sustainable growth. The department identified an alternative governance structure that is more appropriate to address impediments and challenges to continued sustainable industry growth.

Through continual dialogue with industry and other stakeholders, other priorities for sustainable management were identified as necessary precursors to a framework. Many of these items have been worked on over the past three fiscal years, including improved marine infrastructure that's dedicated to aquaculture activities, additional scientific data to support management decisions, and amendments to the governance structures to provide the department with the authority to effectively regulate the industry.

During the 2011-14 planning cycle, the department successfully identified components for a sustainable aquaculture industry.

In order to promote and support the sustainable development of the aquaculture industry in Newfoundland and Labrador, it was first necessary to identify the key sustainability priorities for the industry. Prior to this planning cycle, the department established an interdepartmental working group to identify a preliminary set of priorities for sustainable aquaculture in Newfoundland and Labrador. In 2011-12, the committee identified three areas for discussion with stakeholders: infrastructure (wharves, roads, air access, and telecommunications); sustainability (net cleaning, wastewater treatment, fish disposal, operational debris, and environmental measures); and support capacity (communication, investment, and human resources).

In 2011-12, to address the waste management pillar, an Aquaculture Sustainable Management Committee was created and co-chaired by DFA and NAIA. The committee was tasked to prioritize and facilitate dialogue on waste management projects. The committee established waste management priorities and continued dialogue with industry and regulatory stakeholders. Throughout the fiscal year, the department also engaged NAIA, individual companies, and Federal and Provincial Government departments to consider and confirm the identified sustainability priorities for industry expansion, specifically wharves, net cleaning, and waste management. The department has worked to advance each of these initiatives.

Objective Results

This section outlines the planned versus the actual results for the indicators under the final yearly objective during the planning period, as established in the department's 2012-13 Annual Report.

Objective 3: By March 31, 2014, the Department of Fisheries and Aquaculture will have commenced implementation of initiatives to support the expansion and sustainability of the aquaculture industry.

Measure: Commenced implementation of initiatives to promote expansion and sustainability of the aquaculture industry.

Indicators:

- Began expansion into new growing areas.
- Commenced implementation of initiatives to demonstrate increase in production.
- Expanded Fisheries Technology and New Opportunities Program to include aquaculture operations.
- Commenced implementation of strategies and plans to support sustainability.
- Implemented Aquaculture Sustainable Management Framework.

BEGAN EXPANSION INTO NEW GROWING AREAS.

This indicator has been met.

In 2013-14, the department granted two licences in a new area, Facheux Bay, and there is fish stocked on one of these sites.

The department has been collecting biological and environmental data for potential new growing regions on the south coast through remote sensing stations, which collected information on wind speed, air temperature, wave height, water temperature, salinity, and dissolved oxygen. Data from the stations, along with historical data, was compiled by departmental staff in 2013-14 to produce a technical assessment of the area west of Facheux Bay and east of Grey River. The report is in the final stages and is expected to be released next fiscal.

COMMENCED IMPLEMENTATION OF INITIATIVES TO DEMONSTRATE INCREASE IN PRODUCTION.

This indicator has been met.

Production volume and value for the aquaculture industry increased over the 2011-14 period. Total production volume grew by 9,287 tonnes and value increased by almost \$77 million. The department has reported on the industry in the annual Seafood Year in Review and has produced an annual Aquaculture Industry Highlights page. Both these documents are accessible through the department's website and further promoted at industry trade shows, including Seafood Expo North America.

To further highlight industry growth to stakeholders and the general public, in 2013-14 the department developed materials for publication on the DFA website. One component of these new materials was detail on aquaculture production volume and value data. The content has been finalized and is anticipated to be released on the departmental website early next fiscal.

EXPANDED FISHERIES TECHNOLOGY AND NEW OPPORTUNITIES PROGRAM TO INCLUDE AQUACULTURE OPERATIONS.

This indicator has been met.

On April 1, 2013, FTNOP was expanded to include aquaculture-specific projects as eligible under the program. Prior to 2013-14, aquaculture-specific projects were funded under the Aquaculture Sustainable Development Program (ASDP). While the ASDP was well-utilized and helped spur sustainable development and innovation within the industry, inclusion of aquaculture projects under FTNOP allows aquaculture companies access to funding for a wider variety of purposes, including marketing initiatives, and a larger funding pool.

In 2013-14, two aquaculture projects were funded through FTNOP, with almost \$120,000 in total funding provided. Both projects were completed in 2013-14 and project reports have been submitted to the department. Both projects focused on research and development initiatives that may lead to innovative practices in the aquaculture industry. One of the projects is investigating alternative natural methods for managing aquatic animal health while the other focused on the effectiveness of novel production systems for the shellfish sector.

COMMENCED IMPLEMENTATION OF STRATEGIES AND PLANS TO SUPPORT SUSTAINABILITY.

This indicator has been met.

During 2013-14, departmental staff developed an initial BMA agreement that outlined the principles underlying the BMA approach. As outlined in the goal results above, the BMA strategy that this agreement references is a framework which consists of a number of strategies and development plans. The document identified preliminary BMA regions and stocking strategies for each major aquaculture salmonid operator. Industry participants signed the agreement in late 2013-14 and implemented the agreement in January 2014. The BMA systems will further the biosecurity of the aquaculture industry and support sustainability.

Additional environmental, biological, and oceanographic data was identified as a priority item for BMA development. Knowledge of variables such as ocean currents is required to inform the identification of growing regions and implement effective biosecurity protocols. In 2013-14, the department conducted drifter and drogue work in Facheux Bay, Fortune Bay, and Hare Bay, via the MI vessel *Anne Pearce*, and deployed weather stations in Fortune and Facheux Bays. Field work is expected to continue in this area and other areas as required.

IMPLEMENTED AQUACULTURE SUSTAINABLE MANAGEMENT FRAMEWORK.

This indicator has not been met.

The draft Aquaculture Sustainable Management Framework was reviewed in 2013-14 to determine its suitability to address current concerns and challenges to sustainable growth. The department identified an alternative governance structure that is more appropriate to address impediments and challenges to continued sustainable industry growth.

Other priorities for sustainable management have been identified as necessary precursors to the implementation of a framework. These items include improved marine infrastructure that is dedicated to aquaculture activities, additional scientific data to support management decisions, and amendments to the governance structures to provide the department with the authority to effectively regulate the industry. The department has focused its efforts on these.

DISCUSSION OF RESULTS

The department has been very successful in addressing the issue of aquaculture expansion and sustainability in the province throughout 2011-14. Although the department was unable to implement the Aquaculture Sustainable Management Framework during the planning period, the development of the draft document during this time period prompted much discussion about the sustainable management of the aquaculture industry. The department has identified other priorities and necessary components for sustainable management as the industry has grown and evolved over this period. Government has worked to address the issue of aquaculture expansion and sustainability through investments, programming, and regulation. The sustainability priorities for industry expansion have been identified, specifically wharves, net cleaning, and waste management, and significant work has already been done to advance initiatives related to each of these. A comprehensive Bay Management Area planning process to enhance fish health management has begun. All of the work accomplished during 2011-14 ensures that the provincial aquaculture industry is well-positioned for continued sustainable growth and management in the coming years.





STRATEGIC ISSUE 3: COASTAL AND OCEAN MANAGEMENT

OPENING DISCUSSION

In 2006, direction was given for the Provincial Government, led by DFA and in collaboration with other provincial departments, to develop a coordinated approach to coastal and ocean management. Accordingly, the department's stated three-year goal for 2011-14 was to advance a coordinated approach to coastal and ocean management in the province, which was largely accomplished with the release of the Coastal and Ocean Management Strategy and Policy Framework in June 2011. The annual objective for 2013-14 was to build upon that by continuing the implementation of action items and policy development to further advance the strategy which outlines this coordinated approach. Coastal and ocean issues are complex and cross-jurisdictional, requiring the involvement and engagement of many levels of government and stakeholder groups. The stated goal and objective contribute to the ocean policy component of government's strategic direction to enhance the province's position on fishery matters under federal jurisdiction.

Goal:

By March 31, 2014, the Department of Fisheries and Aquaculture will have advanced a coordinated approach to coastal and ocean management in the province.

Measure: Advanced a coordinated approach to coastal and ocean management in the province.

Indicators:

- Developed a provincial coastal and ocean management strategy.
- Provided clear strategic direction for the coordination of coastal and ocean policies and programs
- Coordinated the implementation of the coastal and ocean management strategy and policy framework.
- Promoted awareness and engagement of stakeholders in regards to coastal and ocean management in the province.

Goal Results

This section outlines the planned versus the actual results for the goal indicators set out in the department's 2011-14 Strategic Plan.

The department was successful in developing a provincial coastal and ocean management strategy in the 2011-14 planning cycle.

The Coastal and Ocean Management Strategy and Policy Framework was approved by government and publicly released on June 16, 2011. The province, with DFA as the lead department, was the first jurisdiction in Canada to develop such a strategy, which provided a long-term vision for planning and management, conservation, and sustainable use of the province's coastal and ocean areas and resources through collaboration with other stakeholders, government departments, and user groups.

In 2011-14, the department was successful in providing clear strategic direction for the coordination of coastal and ocean policies and programs.

The goal of the provincial Coastal and Ocean Management Strategy and Policy Framework is to provide long-term strategic direction on the sustainable use of coastal and ocean resources in Newfoundland and Labrador. The strategy outlines policy direction on six key coastal issues identified through consultations with stakeholders and community groups. These include:

- Healthy Marine Environments
- Social, Cultural, and Economic Sustainability
- Coastal Land Use
- Competing Needs and Interests
- Coastal and Marine Infrastructure
- Climate Change

The strategy identifies policy directions and coordinated action needed to address objectives for each. DFA is responsible for coordinating policies and activities which relate to the strategy through collaboration with Provincial and Federal Government departments and stakeholders.

The department successfully coordinated the implementation of the coastal and ocean management strategy and policy framework in the 2011-14 planning cycle.

The Provincial Coastal and Ocean Network (PCON) finalized its Terms of Reference in 2011 and is the mechanism DFA used for promoting inter-departmental communication and cooperation on coastal and ocean issues and initiatives within the Provincial Government. As chair of this committee, DFA collaborates with PCON members to identify initiatives, and funded projects with partner organizations and stakeholder groups to advance coastal and ocean management across the province. Since 2011-12, an annual grant budget of \$150,000 has supported activities focused on promoting educational programs, collecting and disseminating coastal and ocean information, enhancing relationships between government departments on coastal and ocean management, promoting awareness, and engagement of stakeholders.

After release of the provincial Coastal and Ocean Management Strategy and Policy Framework, DFA partnered with DFO to re-engage senior level officials within federal and provincial departments and co-chair the Regional Oversight Committee on Oceans Management. In January 2012, ROCOM met to identify areas of collaboration between federal and provincial departments which were consistent with both the provincial strategy and the federal oceans program. Through this process, a coordinated approach on the implementation of the coastal and ocean management priorities and activities which are of interest to both the Federal and Provincial Governments is achieved. ROCOM met again in January 2013, to approve moving forward with activities identified by DFA and DFO co-chairs. DFA also co-chairs the Canada-Newfoundland and Labrador Committee on Oceans Management which implements and coordinates efforts on issues identified by ROCOM and makes recommendations to ROCOM moving forward. This committee has met at least twice per year since 2011-12.

On a regional level, DFA supports and participates on Coastal Management Area committees across the province to assist in the coordination of local input in decision-making and priority-

setting. DFA has provided assistance to five CMA committees (Coast of Bays, Placentia Bay, Bay St. George/Port au Port, Bay of Islands, and Great Northern Peninsula) since 2011-12, including operational funding to assist in meetings for the purpose of information exchange and coordination of local coastal activities, and project funding for workshops and other educational initiatives. DFA staff have also attended and actively participated in CMA committee meetings each year to promote regionally-based integrated coastal and ocean management across the province.

During the 2011-14 planning cycle, the department also promoted awareness and engagement of stakeholders in regards to coastal and ocean management in the province.

DFA supports and participates on both regional and issues-based stakeholder committees, such as CMAs, as a mechanism to engage stakeholders in the coastal and ocean management process. Meetings of these committees have been ongoing over the last three years and are identified as a mechanism for local input in the coastal strategy. A focused effort has been made at these meetings to promote collaboration with stakeholders to ensure the planning and management of coastal activities is done in a manner that reduces conflicts and encourages conservation and sustainable use. DFA has presented at a number of conferences, events, and to various groups on the strategy and on various coastal and ocean management projects or issues across the province. For example, a presentation was made at the Coastal Zone Canada Conference in 2012, the Atlantic Coastal Zone Information Steering Committee, and the Canada–Newfoundland and Labrador Committee on Oceans Management in 2011.

DFA has funded workshops and public sessions on issues impacting the province's coastal environment, such as a Climate Change Workshop in 2012, and an Aquatic Invasive Species Workshop in St. John's in 2011-12. Annual funding was also provided since 2011 towards a Coastal Matters Speaker Series aimed at providing public information on a specific coastal or ocean issue facing the Humber Arm region. Engagement sessions were also held in the Coast of Bays and Placentia Bay areas in 2012 and on the Northern Peninsula in 2013 to raise awareness of coastal issues in the regions and gauge public support for local integrated coastal and ocean management committees.

A number of projects have been funded annually since 2011-12 aimed at education and awareness of coastal and ocean issues and engaging youth in ocean stewardship and careers. Some of these include the Ocean Learning Partnership's Ocean Education Initiative, aimed at enhancing ocean education in schools through hands-on learning experiences; MI Ocean Net's Youth and the Oceans Conference Series and Friends of Beaches Network which engage students in ocean stewardship; and World Oceans Day activities including an art and essay contest for schools across the province and a free family event in St. John's with interactive and educational displays and activities.

Objective Results

This section outlines the planned versus the actual results for the indicators under the final yearly objective during the planning period, as established in the department's 2012-13 Annual Report.

Objective 3: By March 31, 2014, the Department of Fisheries and Aquaculture will have continued the implementation of action items and policy development to further advance the coastal and ocean management strategy.

Measure: Continued the implementation of action items and policy development to further advance the coastal and ocean management strategy.

Indicators:

- Continued to work with other departments and stakeholders to implement action items.
- Continued to develop new action items.
- Continued to promote awareness and engagement of stakeholders of coastal and ocean management.

CONTINUED TO WORK WITH OTHER DEPARTMENTS AND STAKEHOLDERS TO IMPLEMENT ACTION ITEMS.

This indicator has been met.

In the 2011 Coastal and Ocean Management Strategy and Policy Framework, 14 action items were outlined under three overarching strategic directions: “education and awareness,” “information and research,” and “a coordinated approach.” For a full list of action items and detailed information for the strategic directions and objectives, please view the Coastal and Ocean Management Strategy and Policy Framework on DFA’s website.

In 2013-14, DFA collaborated with various stakeholders and committed \$150,000 in grants towards projects which contributed to the implementation of action items under the three strategic directions as highlighted in the strategy.

Education and Awareness:

DFA supported a number of initiatives in 2013-14 to enhance education and awareness of coastal and ocean management, including the Ocean Learning Partnership’s Ocean Education Initiative, MI Ocean Net’s Friends of Beaches Network, Atlantic Coastal Action Program (ACAP) Humber Arm’s Coastal Matters Lecture Series, Students on Ice Youth Arctic Expedition student sponsorship, Bonne Bay Marine Station’s Kiosk on climate change and the ocean, and World Oceans Day activities. In this way, DFA implemented the action item of “promoting initiatives and educational programs aimed at enhancing marine education and increasing youth involvement in coastal and ocean stewardship activities across the province.”

Information and Research:

Through collaboration with the Newfoundland and Labrador Aquatic Invasive Species Steering Committee, funding was provided to NAIA to conduct research and mitigation measures on vase tunicate, an aquatic invasive species found in Placentia Bay, and to ACAP Humber Arm to collect information on the distribution and impacts of green crab in the Bay of Islands. In this way, DFA implemented the action item of “supporting collaborative initiatives to promote coastal and ocean data and information gathering to help ensure informed decision-making regarding management of the coastal and ocean environment.”

A Coordinated Approach:

DFA enhanced relationships and networking opportunities between the Provincial Government, Federal Government, and industry stakeholders to promote information sharing and partnership building around coastal and ocean management in the province by facilitating the following committee meetings and engagement sessions:

- In 2013-14, DFA chaired two PCON committee meetings where Provincial Government departments provided updates on programs and initiatives related to coastal and ocean management. This sharing of information helped to identify opportunities for departments to partner on projects, avoid duplication of efforts, and pool resources. It also allowed DFA to highlight activities undertaken by various provincial departments that contribute to implementation of the coastal strategy and issues which need more research. By doing so, DFA implemented the action item of “ensuring consistencies between coastal and ocean management initiatives, particularly where issues are cross-cutting and involve multiple government departments or agencies.”
- DFA implemented the action item of “building on current relationships with federal departments and agencies that have responsibilities in coastal and ocean areas” by co-chairing the ROCOM and CNLCOM, which brought provincial and federal department officials together to discuss areas of collaboration and implement priorities identified for advancing coastal management in the province. Additional details are outlined under Indicator 3.2.
- DFA also attended CMA Committee meetings and held public engagement sessions in partnership with DFO to engage local stakeholders in coastal activities and to promote regionally-based integrated coastal and ocean management. Additional details are outlined under Indicator 3.3. Through all these activities, DFA implemented three action items, including “encouraging and facilitating local stakeholder participation and input into decision-making and policy development,” “exploring options for development of regionally-based committees and building upon the mandates of existing structures,” and “supporting community-driven coastal and ocean initiatives.”

CONTINUED TO DEVELOP NEW ACTION ITEMS.

This indicator has been met.

In 2013-14, DFA collaborated with other government departments and partners in the development of new action items to address coastal and ocean issues.

- DFA co-chaired the CNLCOM meeting in May 2013 and the ROCOM meeting in January 2014. New action items were identified for collaboration between federal and provincial departments on priority issues related to coastal management. Some of these include:
 - Develop the Canada-Newfoundland and Labrador Marine Protected Areas Strategy for the Newfoundland and Labrador Shelves Bioregion and Engagement Strategy.
 - Develop an Action Plan and Engagement Strategy for Aquatic Invasive Species initiatives within the province. Projects will include continuation of green crab and vase tunicate mitigation and education efforts.
 - Cooperation on identifying and sharing geospatial information between government departments through web-based mapping tools.
 - Develop a Coastal Management Area Framework to guide regional stakeholder input and cooperation on coastal management across the province.
- DFA identified the need to raise awareness of coastal management priorities and initiatives, and clarify responsibilities of government departments and agencies in the oceans sector, through development of an integrated coastal and ocean management website in partnership with DFO in 2014-15.

CONTINUED TO PROMOTE AWARENESS AND ENGAGEMENT OF STAKEHOLDERS OF COASTAL AND OCEAN MANAGEMENT.

This indicator has been met.

- During 2013-14, the department undertook initiatives to promote public education and awareness of coastal and ocean matters and impacts, and to communicate and engage with stakeholders.
- DFA produced and distributed a children's book, *Jake the Puffin's Amazing Adventure: Part II*, to educate young children about the importance of ocean research and careers.
- In partnership with the Newfoundland and Labrador World Oceans Day Committee, DFA held World Oceans Day activities for youth across the province, including an art and essay contest for grades K-9, and a free family fun day in St. John's on June 8, 2013. The family event saw over 1,250 people in attendance and included interactive and educational exhibits on ocean topics.
- DFA attended CMA committee meetings in Placentia Bay (four meetings between April – October 2013) and in the Coast of Bays region (three meetings between April – November 2013) to discuss the future of coastal management planning with regional stakeholders. In attendance were representatives from the Provincial Government, Federal Government, regional associations, industry groups, non-government organizations, and academia. Action items from these meetings resulted in aquatic invasive species awareness activities in both regions.
- With the assistance of the Office of Public Engagement, DFA and DFO held public engagement sessions with the Great Northern Peninsula CMA Committee in St. Anthony, Plum Point, and Hawkes Bay in October 2013. Approximately 30 people attended these sessions. These sessions helped determine local coastal and ocean issues and the need for integrated management activities.
- DFA attended the Atlantic Coastal Zone Information Steering Committee meeting in St. John's in September 2013, to discuss access to coastal and ocean digital information through the Coastal and Ocean Information Network Atlantic project and to exchange information on coastal management activities.



DISCUSSION OF RESULTS

The issue of coastal and ocean management in the province, though cross-jurisdictional, has been successfully advanced under the leadership of DFA during the 2011-14 period. The development of a provincial coastal and ocean management strategy through the release of the Coastal and Ocean Management Strategy and Policy Framework in 2011 has provided necessary strategic direction for the coordination of coastal and ocean policies and programs. DFA has continued to promote awareness of coastal and ocean issues and develop new action items under the strategic directions outlined in this document, resulting in an unprecedented level of awareness and engagement among all stakeholders. Consequently, the department has established the necessary awareness, interest, education, and collaborative relationships among stakeholders to advance coastal and ocean issues in the province.



FISHING INDUSTRY

OPPORTUNITIES AND CHALLENGES



OPPORTUNITIES

In the harvesting sector, increased science and research capabilities assist the department with sustainable resource management and ensure the department is engaged in the Federal Government's fisheries resource management process. The enhanced Fisheries Loan Guarantee Program, announced in 2012, addressed capital requirements for fish harvesters seeking to combine their licences and enterprises, and thus will facilitate self-rationalization in the harvesting sector. In addition, projects funded by the Fisheries Technology and New Opportunities Program provide opportunities to improve the efficiency and contribute to the viability of the harvesting sector.

In the fish processing sector, FTNOP provides opportunities for increased research and development as well as improved energy efficiency. Innovative approaches in seafood processing provide access to new markets. The delivery of the Inspection Program by DFA contributes to improved seafood product quality in the province and, as such, increases seafood producers' competitiveness in the marketplace. Also, revisions to DFA's fish processing licensing policy aim at achieving rationalization in the industry. The revisions support conditions for a stable and competitive processing sector with enhanced product quality and improved total returns from processing available resources in the province.

For seafood marketing, increased global seafood consumption and diversified high-end markets have positive impacts on the province's seafood exports. Eco-certification and product traceability initiatives assist the industry in gaining and maintaining market access. Successful trade agreements provide opportunities for the industry to eliminate trade barriers and pursue potential export growth. Upon entry into force, CETA will provide the province's seafood industry with unprecedented tariff-free access to the EU, the most lucrative seafood market with a population of 500 million. CETA will provide Newfoundland and Labrador producers with opportunities to develop new value-added and branded seafood products for EU markets. The announced \$400 million Fisheries Investment Fund will enable the province's fishing industry to fully capitalize on opportunities in the global market.

OPPORTUNITIES AND CHALLENGES

CHALLENGES

The province's seafood industry continues to face challenges which impact margins, including competition from low-cost producers, exchange rate fluctuations, and high fuel prices.

Internal challenges include: overcapacity in both the harvesting and processing sectors, the seasonality of the industry, aging infrastructure, and resource uncertainty.

The seafood industry faces workforce challenges. Both the harvesting and processing sectors' workforces are aging. Attraction and retention of new workers is difficult due to seasonal employment, competitive wages, and other employment alternatives. Evolving technology in the work environment requires workers to receive specialized training before entering the industry. Although improved technology brings opportunities for sustainable development of the fishing industry, specialized training required for new participants will require government to work with industry to enhance skills training where necessary.



AQUACULTURE INDUSTRY

OPPORTUNITIES AND CHALLENGES



The Department of Fisheries and Aquaculture recognizes the significant and growing social and economic contribution that aquaculture is having on rural communities within the province. The department continues to work closely with industry and other stakeholders to facilitate sustainable expansion. The steady growth in production seen over the last several years has created both new opportunities and challenges for the industry.

OPPORTUNITIES

The development climate for the provincial aquaculture industry is favourable. Newfoundland and Labrador remains one of the last regions in Canada that has not been developed to its full potential. The province has an abundance of marine space that is well-suited for aquaculture development, particularly for the three current commercial species (Atlantic salmon, steelhead trout, and blue mussels). Additionally, a skilled and experienced workforce is supported by collaborative relationships among industry, government, and academia.

The department recently engaged in stakeholder consultations to identify the priority areas that must be addressed to foster continued expansion. These areas will form the basis of a renewed Aquaculture Strategy that will focus efforts on the long-term sustainability and viability of the industry. Additional opportunities for growth are being supported through various departmental initiatives, including marine infrastructure development, remote aquaculture site analysis, Bay Management Area development, and aquatic animal health capacity expansion.

The department is also working with stakeholders and local governments to identify opportunities to capture additional components of the aquaculture supply chain. Atlantic salmon hatchery planning and development, along with the development of industry support services such as site engineering and net cleaning, provide further economic and employment opportunities in rural Newfoundland and Labrador.

From a marketing perspective, there is increasing demand for high-quality, sustainable seafood. In particular, interest and demand for blue mussels in the marketplace are growing, providing market opportunities for Newfoundland and Labrador producers. The mussel sector's recent certification to the Canadian Organic Aquaculture Standard is the first mussel certification in North America. This improves Newfoundland and Labrador's competitiveness and, as the first entrant into the certified mussel market, provides local producers with a unique opportunity to establish new markets. Some major salmon producers in the province have achieved certification for their salmon products as well.

OPPORTUNITIES AND CHALLENGES

CHALLENGES

The external factors that may impede the development of the province's aquaculture industry include market price fluctuation, exchange rate volatility, access to capital, competition from producers in other provinces and countries, high fish food costs, and natural events. While increased market demand in recent years has brought opportunities for the industry, the corresponding increased production to meet that growing demand and maintain market access can be a challenge to the industry.

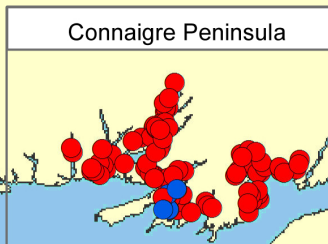
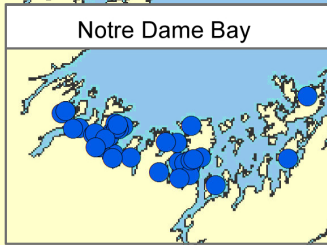
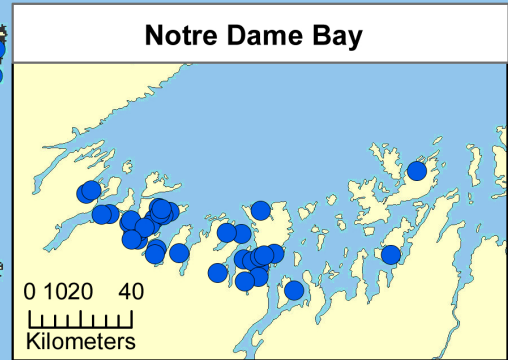
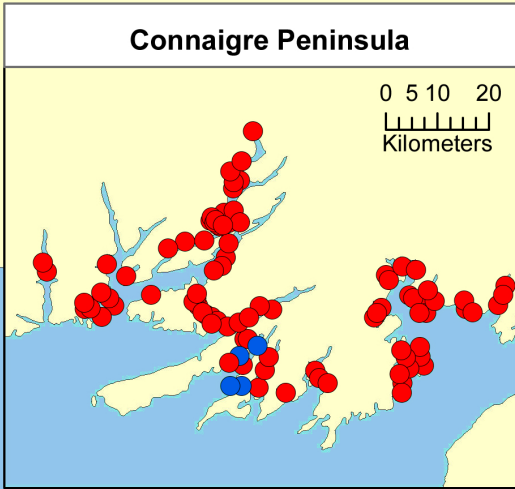
There are also internal factors that may impede the development of the industry if not addressed, including the need for improved marine infrastructure to support sustainable development and expansion, the development of increased biosecurity approaches, the maintenance of a flexible and efficient regulatory environment, the need for increased aquatic animal health management services, and the need to address public misinformation regarding aquaculture risks. DFA is already working on initiatives to address these identified challenges.

From a human resources perspective, the major challenges will be attracting and retaining trained employees and providing specialized training on evolving technologies in the work environment. Certain positions, such as aquaculture veterinarians and technologists, are considered the most challenging. All these factors have the potential to impede the sustainable development of the aquaculture industry in Newfoundland and Labrador.



Licensed Aquaculture Sites Newfoundland and Labrador, 2013

- Salmonid/Hatchery
- Shellfish



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

Active Fish Processing Plants Newfoundland and Labrador, 2013

● Location of Plant

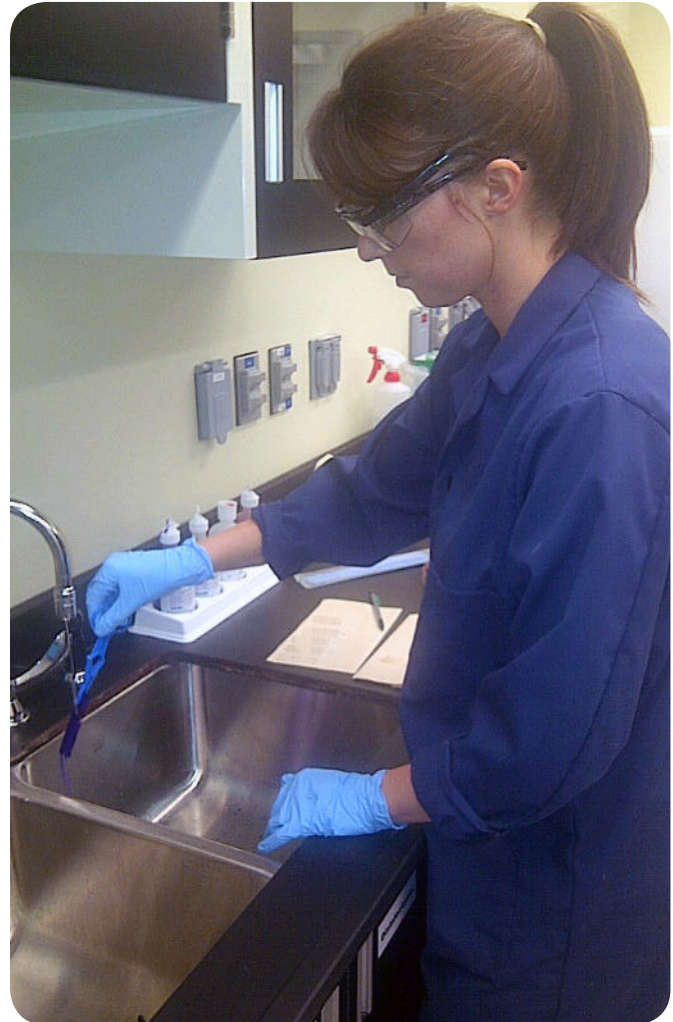


Department of Finance
Newfoundland & Labrador Statistics Agency
Edited by Department of Fisheries and Aquaculture

Aquatic Animal Health

The Aquatic Animal Health Division (AAHD), located within the Newfoundland and Labrador Department of Fisheries and Aquaculture, monitors and optimizes the health of aquatic species cultured in the province. The AAHD is made up of a team of highly specialized personnel, including a director/chief aquaculture veterinarian, aquaculture veterinarians, veterinary epidemiologists, veterinary technicians and technologists, and a biosecurity auditor.

The AAHD operates out of three laboratories, of varying capacity, located in St. John's, Grand Falls-Windsor, and St. Alban's. The Centre for Aquaculture Health and Development (CAHD) in St. Alban's is strategically placed in the heart of the province's finfish aquaculture industry. This building is 14,000 square feet and consists of administrative offices, a boardroom, nine laboratories, a Live Animal Holding Unit, and a cleaning and disinfection bay. The CAHD's laboratories contain state-of-the-art equipment for sample processing and diagnostic testing which allows for rapid health testing of aquatic species.



The AAHD has a number of programs in place, one of which is the Aquatic Animal Health Surveillance Program. The program consists of routine sampling on aquaculture sites, as well as responding to aquatic animal health issues from clients, including producers, academia, and government. Targeted programs of the AAHD include Biosecurity Audits, Primary Veterinary Care, Research and Development, and Introductions and Transfers.

Biosecurity audits occur at critical stages of the aquaculture process, as part of the AAHD's Biosecurity Audit Program. Audits occur at hatcheries, processing plants, grow-out sites, nurseries, vessels, equipment, and wharves, and are carried out to ensure that sound biosecurity practices are being conducted.

The role of the AAHD in its Introductions and Transfers Program is to ensure that fish entering the province, or being moved within the province, are healthy and free of specific pathogens. Prior to any fish transfer, the AAHD collaborates with the attending aquaculture veterinarian in the province or facility of origin to obtain health information to assist with this assessment.

In addition to these programs, the AAHD is actively involved in research programs specifically aimed at benefiting the aquaculture industry in Newfoundland and Labrador and providing data to inform evidence-based veterinary medicine. These programs are often conducted in collaboration with academia, other provinces, and federal agencies.

The programs that the AAHD currently have in place aim to monitor and optimize the health of cultured aquatic animals in today's industry. The goal of the research in which the AAHD participates is to constantly improve these programs, thus working to maintain the health of aquatic animals in the future, and enhance the long-term sustainability of the provincial aquaculture industry



Centre for Aquaculture Health and Development

NEWFOUNDLAND AND LABRADOR SEAFOOD A GLOBAL PRESENCE



The Department of Fisheries and Aquaculture's Seafood Marketing and Support Services Division is very active in enhancing the value and presence of Newfoundland and Labrador seafood in the global marketplace. The division works to support industry initiatives in a number of ways: by organizing trade events; hosting receptions; providing market information; and funding marketing projects.

The department exhibits at several trade shows throughout the year, including Seafood Expo North America (formerly the International Boston Seafood Show), Seafood Expo Global (formerly the European Seafood Exhibition), and the China Fisheries and Seafood Expo. Staff coordinate all logistics for the design and set-up of a Newfoundland and Labrador seafood trade booth and are also responsible for working the show to promote Newfoundland and Labrador seafood to potential customers.

Seafood companies are invited each year to participate in these shows under the Newfoundland and Labrador seafood banner. These events have been very successful in promoting the province's seafood industry and helping identify new market opportunities. Participation involves exhibiting at these various trade shows, attending targeted one-on-one meetings with potential seafood buyers, visiting wholesale/retail outlets, attending marketing information sessions, and other relevant marketing efforts. These activities help identify new trends, gather market information, develop new contacts, generate quality sales leads, and tap into lucrative markets for our seafood products. In some cases, DFA participates in activities/events organized specifically for the Canadian contingents at the shows.



DFA – Promoting Seafood Close to Home

DFA’s marketing staff is also active on a local level. The Seafood Marketing and Support Services Division works closely with the Newfoundland and Labrador Chef’s Association, the Restaurant Association of Newfoundland and Labrador, and other partners to promote seafood locally as well as internationally. The “From This Rock” culinary events featured local chefs preparing provincial food and seafood products at sold out events across the province. DFA also supplied the seafood for “The Gathering” in Burlington, a music and food festival that was the brainchild of comedian Shaun Majumder. For several years now, DFA has supported a contingent of chefs who have travelled to New York City to cook at the prestigious James Beard House. As well, DFA supported the Newfoundland and Labrador Culinary Olympic Team with its participation in culinary competitions, conferences, and educational endeavours. These activities have all helped increase the profile of Newfoundland and Labrador seafood around the world.

In order to showcase our province’s clean and pristine environment, modern processing facilities, and top quality seafood, DFA has undertaken a number of photography and graphic design projects. The photography featured on promotional material often takes extensive coordination between marketing staff, other department staff, industry representatives, photographers, and graphic designers. Over the past number of years, an extensive library of images that showcase our modern industry and picturesque landscape, as well as the extensive variety of seafood products we produce, has been developed. Recently, DFA conducted a series of consumer photo shoots, which included a family cooking at home, friends having a mussel boil-up on the beach, and a couple eating seafood at a high-end restaurant. The shots will be used in promoting Newfoundland and Labrador seafood products to the world.

Support for the Industry

DFA collects market research and intelligence in major and emerging markets and provides this to government and the province’s fishing industry. DFA supports the Standing Fish Price-Setting Panel by making available current international market information to assist the parties during collective bargaining and to further provide the Panel with a market knowledge base to utilize in its decision-making process. DFA continuously collects and disseminates information in areas such as prices, trends, market conditions, supply/demand, currency situation, inventory, market access, and outlooks. DFA achieves this by internally monitoring market trends and using the services of international consultants to provide on-the-ground



market knowledge in vital international markets. These consultants have the advantage of access to local contacts and a wealth of anecdotal information.

DFA encourages innovation, and supports the seafood industry through market research, development, and promotion undertaken through the Fisheries Technology and New Opportunities Program, which began in 2007. The program encourages seafood companies, industry associations, and educational institutions to become more innovative in their harvesting, processing, and marketing activities with the goal of improving the viability of the industry. The Seafood Marketing and Support Services Division evaluates and manages the marketing projects that are submitted to the program. Over the last three years, the division has overseen almost 30 marketing projects involving 13 different companies and associations.

Many of the marketing projects are very specific and company-driven, while some involve a longer-term approach. For example, in 2010-11, the Newfoundland Aquaculture Industry Association received funding to hold workshops to help the aquaculture industry better understand its options related to eco-certification. Two years later, the industry decided to pursue certification. Once certification was granted, NAIA submitted a proposal for funding to promote the newly-acquired organic standard, which was launched at the 2013 Seafood Expo North America, in online ads, in international seafood business magazines, and at seafood trade shows in China.

The seafood industry is highly competitive and our province must stay well-informed of what is happening in the local, national, and international marketplaces. The department's Seafood Marketing and Support Services Division works collaboratively with industry to promote our high-quality seafood to a diversified global marketplace, determining the best value for its marketing budget, and the interests of the province's seafood industry.

CENTRE FOR FISHERIES ECOSYSTEMS RESEARCH



Cod with satellite "pop-up" tags

Promoting the sustainable management of Newfoundland and Labrador's fishing industry remains a priority of the Department of Fisheries and Aquaculture. Understanding the health of our fisheries resources, as well as the factors affecting fish stock dynamics, is an important component of resource management. Our changing marine ecosystem is one of these factors. For example, a warmer ocean climate over the past decade appears to be having a positive impact on adjacent groundfish stocks such as cod, and a negative impact on shellfish stocks, such as shrimp. Understanding these types of ecosystem shifts and their influence on adjacent fish stocks is essential to informing fisheries management decisions, but requires a high level of scientific research and support.

Recognizing the need for enhanced understanding of the province's marine ecosystem and fisheries resources, in 2010 the Government of Newfoundland and Labrador committed \$11.75 million over five years to establish the Centre for Fisheries Ecosystems Research at the Fisheries and Marine Institute of Memorial University of Newfoundland. Of this funding, \$10.25 million was provided by DFA and \$1.5 million by the Research & Development Corporation. The province's investment included \$1,641,712 to fund the 2013-14 activities of CFER.

CFER is focusing on both coastal and offshore fisheries studies in Newfoundland and Labrador, national and international collaboration, and fisheries ecosystems studies. Led by world-renowned cod scientist Dr. George Rose, CFER is using cutting-edge techniques to conduct independent fisheries research on species such as cod, shrimp, and capelin, as well as research on the influences of climate change on the province's marine ecosystem.

Since 2011, CFER has been conducting annual acoustic surveys in areas off Newfoundland and Labrador, including the northeast and south coasts of the province and the Grand Banks. These surveys, conducted using the state-of-the-art research vessel the *RV Celtic Explorer*, represents the first time in Newfoundland and Labrador's history that the province has solely funded and deployed a fisheries science vessel. This investment has proven invaluable for the province, as CFER's offshore acoustic research is providing real insight into fish stock abundance, distribution, and behaviour. For instance, CFER's acoustic surveys in 2012 and 2013 indicated a significant improvement in the number and size of cod off the northeast coast, most notably in the Bonavista Corridor. These initial signs of stock rebuilding are encouraging, particularly as large aggregations of northern cod have not been seen in the Bonavista Corridor for about two decades. In May 2014, CFER will complete its fourth acoustic survey in offshore areas around Newfoundland and Labrador.



Minister Hutchings aboard the RV Celtic Explorer.

CFER's innovative research also includes the use of sophisticated satellite "pop-up" tags to study the movement and behaviour of cod within inshore and offshore areas around the province. To date, CFER has deployed over 100 satellite tags on cod during its offshore acoustic surveys, and the centre is the first world-wide to use these types of tags on Atlantic cod. In October 2013, CFER, together with DFO and the FFAW, also deployed 20 satellite tags on Atlantic halibut in the northern Gulf of St. Lawrence. CFER's other unique research initiatives include fisheries ecological and biological studies on species such as haddock off the south coast, northern shrimp, and deep water species including turbot and redfish.

CFER collaborates with other scientific bodies in Canada and also with researchers from around the world, which helps bring national and international expertise in addressing key questions related to fisheries science in Newfoundland and Labrador. The centre's research results are incorporated into federal fish stock assessment processes, which guide the establishment of fisheries management measures. This means that CFER's research efforts are not only enhancing knowledge of Newfoundland and Labrador's fisheries resources, but are also enabling the province to more effectively contribute to the decision-making processes associated with fisheries management.

CFER is also providing valuable opportunities for fisheries scientists and graduate students to train and work in Newfoundland and Labrador. Dr. Rose is supported by five fisheries scientists covering a wide range of expertise in the field of fisheries science. His research team is currently training 20 graduate students and six post-doctoral fellows in fisheries science and management. CFER now has the largest fisheries research team within any university in Canada and no similar structure currently exists in any other provincial jurisdiction in Canada.

When CFER was created in 2010, Newfoundland and Labrador became the only province in Canada to solely fund offshore fisheries research, and remains the only province doing so today. Recognizing the value of this investment, the Government of Newfoundland and Labrador is further investing \$750,000 in 2014-15, and \$2.6 million in 2015-16, to allow CFER to maintain its research capabilities over the next two years.

COMMITTEE PARTICIPATION

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

National Participation

- Canada/France Fisheries Advisory Committee
- Canadian Council of Fisheries and Aquaculture Ministers, with associated task groups, working groups, and committees
- Canadian delegation to Northwest Atlantic Fisheries Organization meetings
- 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 Export Market Development Consortium
- Federal/Provincial Market Development Council
- Fur Institute of Canada Sealing Committee
- Health Canada Expert Advisory Panel on Veterinary Drugs
- National Fish Health Management Working Group
- Seafood Value Chain Roundtable

Regional/Provincial Participation

- Atlantic Council of Fisheries and Aquaculture Ministers with associated task groups, working groups, and committees
- ACAP Humber Arm Environmental Association/Bay of Islands Coastal Management Area Committee
- Atlantic Coastal Zone Information Steering Committee
- Canada-Newfoundland and Labrador Committee on Ocean Management
- Atlantic Seal and Atlantic Large Pelagic Advisory Committees
- Atlantic Seafood and Food Trade Group
- Bay St. George and Port au Port Peninsula Marine and Coastal Resources Steering Committee
- Coast of Bays Coastal Planning Committee
- Eastern Aquaculture Veterinary Association (sub-committees)
- Gulf Groundfish, Gulf Shrimp, and Gulf Capelin Advisory Committees
- Newfoundland and Labrador Aquatic Invasive Species Steering Committee
- Newfoundland and Labrador Regional Cod Recovery Working Group
- Newfoundland Lobster Sustainability Board – Executive Committee
- Offshore Clam, Atlantic Mackerel, and Northern Shrimp Advisory Committees
- Placentia Bay Integrated Management Planning Committee
- Provincial Aquatic Invasive Steering Committee
- Provincial Investment Attraction Strategy Committee
- Provincial Coastal and Ocean Network
- Regional Oversight Committee on Oceans Management
- Regional Snow Crab Committee
- 3Ps and 2+3KLNO Groundfish Advisory Committees

*Note: This list is not exhaustive.

EVENT PARTICIPATION*

Trade Events:

- Seafood Expo Global (formerly European Seafood Exposition), Brussels, Belgium, April 2013
- China Fisheries and Seafood Expo, Qingdao, China, November 2013
- International Coldwater Prawn Forum, London, UK, November 2013
- North Atlantic Seafood Forum, Bergen, Norway, March 2014
- Seafood Expo North America (formerly the International Boston Seafood Show), Boston, MA, March 2014
- Canadian Lobster Value Recovery Summit, Halifax, NS, March 2014

Conferences and Events:

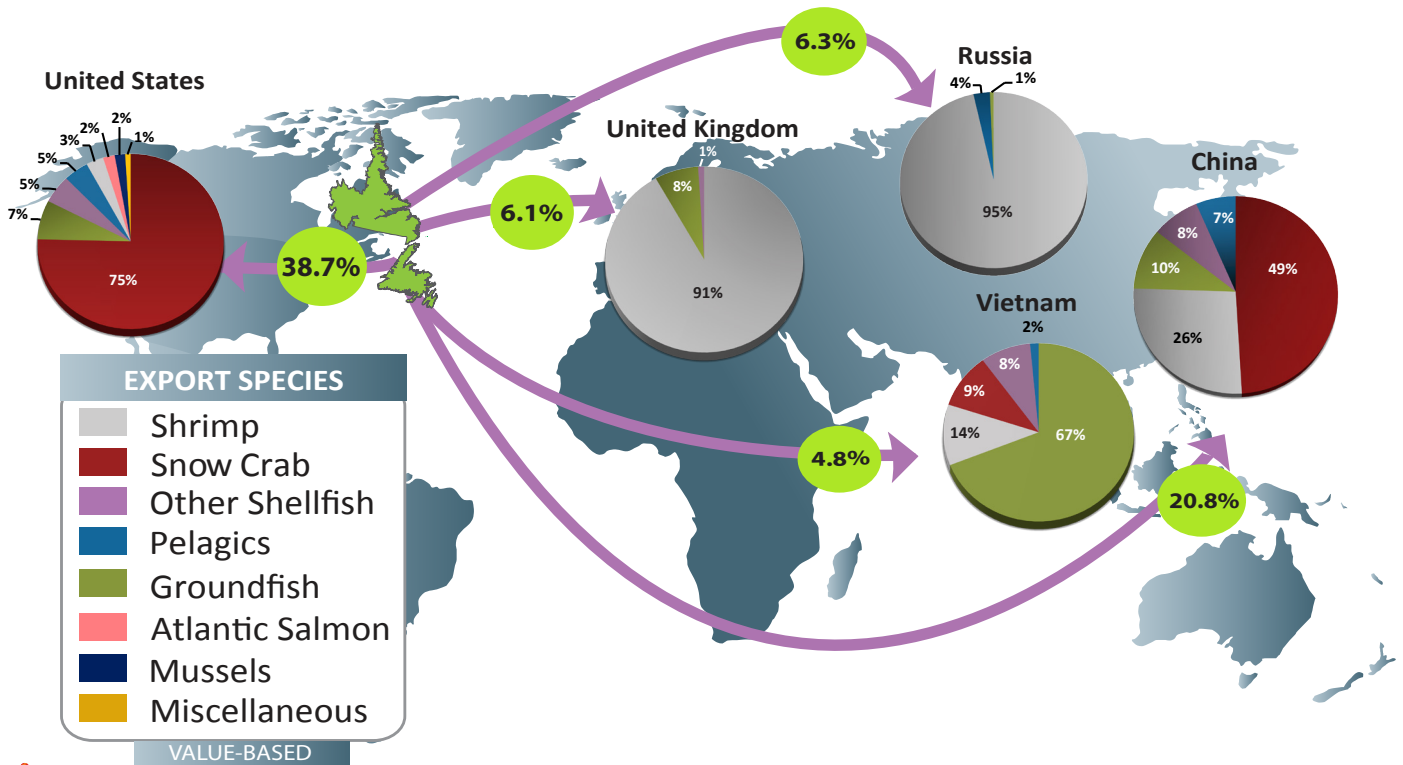
- Atlantic Council of Fisheries and Aquaculture Ministers/Canadian Council of Fisheries and Aquaculture Ministers, Victoria, BC, September 2013
- Atlantic Fisheries and Aquaculture Committee, Ottawa, ON, April & November 2013, March 2014
- Atlantic Coastal Zone Information Steering Committee, Halifax, NS, May 2014
- Cold Harvest 2014 - Newfoundland Aquaculture Industry Association Trade Show, Gander, NL, February 2014
- Coastal Estuary Research Foundation Meeting, San Diego, CA, November 2013
- International Conference on Marine Bioinvasions, Vancouver, BC, August 2013
- 2020 Vision of Canada's Oceans Dialogue, Vancouver, BC, December 2013

**Note: This list is not exhaustive.*



MARKET OVERVIEW

TOP FIVE WORLD MARKET DESTINATIONS FOR SEAFOOD PRODUCTS NEWFOUNDLAND AND LABRADOR, 2013



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

Note: Each pie chart represents the distribution of products within the identified country based on export value.

Source: Statistics Canada

The majority of Newfoundland and Labrador seafood is exported to more than 40 countries around the globe. In 2013, the province's seafood industry exported seafood products valued at over \$827 million, up approximately 6.8 per cent from 2012. The volume of seafood exports increased as well, up 4.6 per cent to approximately 144,000 tonnes.

The United States remained the largest export market for Newfoundland and Labrador seafood, representing 38.7 per cent of export value for 2013. China followed as the second largest export destination, representing 20.8 per cent of export value. Other key markets, based on export value, included Russia at 6.3 per cent, the United Kingdom at 6.1 per cent, and Vietnam at 4.8 per cent. These markets represented 76.7 per cent of the province's value of seafood exports.



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