



Government of Newfoundland and Labrador
All-Party Committee on Northern Shrimp Allocations

KQ-76841

MAR 11 2015

The Honourable Gail Shea, Minister
Fisheries and Oceans Canada
200 Kent Street
Ottawa, ON K1A 0E6

Dear Minister Shea:

On behalf of the Newfoundland and Labrador All-Party Committee on Northern Shrimp Allocations, we are writing to invite you to engage in further dialogue on the policy framework governing allocations for northern shrimp adjacent to the coast of Newfoundland and Labrador.

Minister, we understand that you are considering maintaining last year's quota for this year in Shrimp Fishing Area (SFA) 6, and that an increase is proposed for SFAs 4 and 5, which could see an additional six million pounds of shrimp being made available for the offshore fleet. This situation would be indefensible when taken with the fact that the permanent inshore fleet has sustained substantial quota reductions since 2010. The All-Party Committee supports the total allowable catch rollover for SFA 6 for this year. However, this decision will only postpone the inevitable economic devastation that will result from the continued application of the "Last In, First Out" (LIFO) policy. The All-Party Committee requests that you discontinue the LIFO policy and change the allocation policy for northern shrimp for the upcoming year to support viable rural communities in this province.

Our northern shrimp fishery offers the best case opportunity for a successful and sustainable fishery that has a beneficial impact on society and the economy in Newfoundland and Labrador. The inshore fishery is prosecuted by local owners and operators who support hundreds of crew members, all onshore shrimp processing plants, and thousands of plant workers. The shrimp is landed at a hundred landing sites, and processed locally into a product that brings millions of dollars into the provincial economy. Our inshore harvesters are successful business people who have made enormous financial and personal investments and support hundreds of families and other businesses throughout our province. You may have heard some descriptions of the inshore fleet as "seasonal" harvesters, but we would like to dispel this myth. These individuals work as

long as the fishery is open, and there is no true distinction between a “year-round” and “seasonal” fishery. Even the crews on the offshore vessels are working, at most, six months based on harvesting schedules. The inshore harvesters should not be criticized or penalized for not being able to fish an allocation that has been arbitrarily taken from them.

We know that the continued application of the LIFO policy will result in widespread economic ruin for hundreds of rural communities and the thousands of people who earn their living from the northern shrimp resource. The stakeholders of the northern shrimp fishery in Newfoundland and Labrador and the All-Party Committee need your support to facilitate an outcome that will protect the viability of our rural communities and secure allocation decisions that balance the viability of both inshore and offshore fleets.

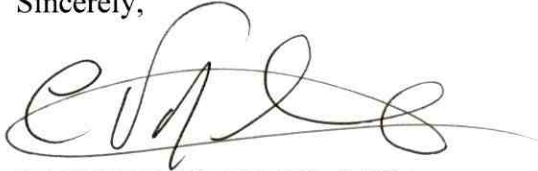
As you know, the All-Party Committee is standing united to seek a more equitable distribution between the inshore and offshore fleets that is based on the fundamental principles of adjacency and historical dependency. We recently attended meetings in Gander, Newfoundland and Labrador, where we heard first-hand about the significant importance that this fishery has for harvesters, plant workers, and communities throughout the entire province. Since the peak of the shrimp fishery in 2008, quota reductions have resulted in a loss of over \$100 million in GDP to the inshore sector, and a loss of over \$53 million in labour income. Over the same period, the offshore sector has actually **increased** by \$25 million in GDP and \$24 million in labour income. Since 2008, the inshore total production value has declined from \$240.6 million to \$126.8 million while the offshore has **increased** from \$118.0 million to \$136.5 million.

The Department of Fisheries and Aquaculture has recently undertaken a review of the socioeconomic impacts of northern shrimp quota reductions in Newfoundland and Labrador to better understand the impacts for stakeholders, regions, and the provincial economy. This critical information must be factored into any decision for northern shrimp allocations, as such decisions stand to impact the livelihoods of thousands of hard working Newfoundlanders and Labradorians. Given the importance of this information, we are willing to share the results of this study with you in person at a time of your convenience.

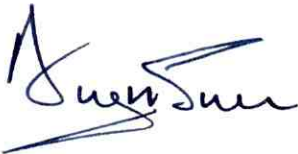
In summary, the review found that over the short to mid-term, there will be further impacts to the provincial economy under the continued application of the LIFO policy when measured by GDP, labour income, and person years of employment. These impacts are disproportionately high for the inshore harvesting sector and onshore processing. Because of the geographic dispersion of the shrimp fishery, the vast majority of these impacts will be realized in rural communities throughout our province. In direct impacts, we will see a significant decline in inshore harvesting enterprises; many crew displaced; a loss of five or more shrimp processing plants; another several hundred plant workers displaced; and dozens of communities impacted. The review thoroughly examined mitigation strategies to lessen these social and economic impacts on Newfoundland and Labrador, but found that the only high impact mitigation strategy is an alternative allocation method, such as restricting SFA 6 to the inshore only, or to establish a permanent allocation percentage within SFA 6. We look forward to an opportunity to share this analysis with you, and to discuss how we can work together to limit these devastating impacts.

Given the significance of this information, we are eager to share it with you as soon as possible. Officials will be in contact to arrange a meeting in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Vaughn Granter', with a stylized, flowing script.

VAUGHN GRANTER, MHA
Humber West
Chair of the All-Party Committee
Minister of Fisheries and Aquaculture

A handwritten signature in blue ink, appearing to read 'Dwight Ball', with a stylized, flowing script.

DWIGHT BALL, MHA
Humber Valley
Leader of the Official Opposition

A handwritten signature in black ink, appearing to read 'Lorraine Michael', with a stylized, flowing script.

LORRAINE MICHAEL, MHA
Signal Hill – Quidi Vidi
Parliamentary Leader for the NL NDP

- c. The All-Party Committee on Northern Shrimp Allocations
The Honourable Rob Moore, Minister responsible for Newfoundland and Labrador