Canadian Council of Professional Fish Harvesters

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Testimony to the

Senate Committee on Fisheries and Oceans

On

Bill C-68

An Act to amend the Fisheries Act and other Acts in consequence

Witness: Dr. Rick Williams
April 4th, 2019
I appear today as research director for the Canadian Council of Professional Fish Harvesters, the national human resources sector council for the fish harvesting industry across Canada. We represent harvester organizations in commercial fisheries, including Indigenous fisheries, and our primary mandate is labour force renewal.

There are many important provisions in Bill C-68 that our members support, including respect for Indigenous rights, improvements in stock conservation and habitat protection, and strengthening surveillance and enforcement to reduce illegal fisheries. However, we will focus our comments here on Section 2.5 and its new language on consideration for “social, economic and cultural factors in the management of fisheries” and for “the preservation or promotion of the independence of licence holders in commercial inshore fisheries”. It is our understanding that these clauses are included in the Act to affirm the Minister’s authority to shape licensing policies, allocation decisions and fisheries management plans to address social, cultural and economic objectives -- an authority that has been challenged in recent legal proceedings.

This language in C-68 is strongly supported by Council members because the strategic exercise of the Minister’s authority and, indeed, responsibility, in these areas is critically important for labour force renewal.

We have recently completed a three-year, $1.7m study, funded by Employment and Social Development Canada, on labour supply and demand trends in the Canadian fish harvesting sector. (We have shared the report with the Committee Secretariat.) Major findings from the study include the following:

1. Responding to surging global demand for seafood products, the Canadian fishing industry is currently experiencing unprecedented growth. Since the end of the Great Recession in 2009 the after-inflation value of seafood exports is up by two-thirds, and average fish harvester incomes have doubled (See appended data). Depending on how this growth is managed, the fishery holds potential to generate much needed economic renewal in rural-coastal regions and Indigenous communities across Canada.

2. We have fish, and we have market demand. The biggest barrier to the realization of this growth potential will be shrinking labour supply. Demographic data confirms that over 40% of the current labour force -- captains and crew -- will age out of the industry by 2025. Due to long-term rural population decline and youth out-migration, there are simply not enough potential new entrants in coastal communities to replace them.

- According to 2016 Census data, for the entire rural economy in Newfoundland & Labrador, for every 100 workers reaching retirement age, there are only 60 young people entering the labour force. In rural Nova Scotia and British Columbia there are 75, and in rural New Brunswick and Québec only 70. From 25 to 40 jobs will go unfilled across all rural industries unless new entrants are attracted from outside these regions.

3. As the fish in the water grows in value, the market value of the rights to harvest that fish will also keep rising, generating new barriers to intergenerational transfers of fishing enterprises. Crew workers and new entrants to the industry have increasing difficulty accessing sufficient capital to purchase enterprises from retiring owner-operators, while fish processors and outside investors are ramping up efforts to gain control of licenses and quotas, further contributing to price inflation.

- This is a potentially divisive issue among communities and industry organizations, pitting retiring harvesters against new entrants and crew members who aspire to become enterprise owners.
Policy and program innovations will be needed to provide new paths to owner-operator status and affordable sources of loans and investment capital.

4. The British Columbia fishery is not seeing the growth now underway in Atlantic Canada, and we attribute this in large part to the absence of Owner-Operator and Fleet Separation protections in Pacific Region DFO.

- The 2009 to 2015 period saw increases of from 125% to 325% in average after-inflation harvester incomes across Atlantic fisheries, but only 9% growth in B.C.
- In a wide-open speculative market in B.C., license and quota prices become unaffordable for people making their livings from actively fishing. To keep fishing, many owner-operators have to pay from 70% to 80% of their landed value to lease quota from on-shore investor-owners.
- It is understandable, therefore, that the labour force renewal challenge in B.C. is the most daunting with incomes and job security that are not competitive with other industries. Indigenous communities have many young people needing career opportunities, but under these conditions they have very little access to jobs in commercial fisheries.

In the Atlantic region, the Owner-operator and Fleet Separation policies have largely kept control over the rights to harvest adjacent fish stocks in the hands of independent, community-based small businesses. As a direct result, the decade-long surge in global demand for our seafood products has brought solid middle-class incomes and a new sense of optimism to our communities. We still face challenges to manage our fisheries sustainably and to renew an aging labour force, but we do so with the knowledge that our industry now has a bright economic future. We want our brother and sister harvesters in British Columbia to have the same prospects and opportunities.

DFO has a significant leadership role to play in addressing these looming labour supply challenges. The most critical need is for more consistent and effective enforcement of the Owner-operator and Fleet Separation policies in the Atlantic, and the development of parallel protections for Pacific Region fleets, to maintain ownership and control of access rights by independent harvester enterprises based in adjacent communities.

We are entering a new era in fisheries policy and governance, with greater opportunities and greater risks. With sustainably managed harvesting, and rapidly expanding global demand for seafood products, the fishery will continue to be a generator of significant new wealth. The critical question is: who will benefit? As the industry expands in value, there is ever greater risk that the growth dividends will be drained away from rural communities by remote corporate interests and speculative investors as has happened in other primary production sectors and is now the pattern in British Columbia.

Fish harvesters are the primary producers of this new wealth and primary stewards of resources in their adjacent waters. Our member organizations want to see fair and substantial shares retained by the people who work in the industry to ensure rural economic renewal and the revitalization of Indigenous and non-Indigenous communities that have relied on fishing for many generations.

Our Council therefore strongly supports the passage of Bill C-68 as an essential step in assuring that DFO ministers have authority and responsibility, as stated in the Bill, to preserve and promote “the independence of licence holders in commercial inshore fisheries”.

The only amendment to the Bill that we would propose would be to revise this specific wording to say, “preservation or promotion of the independence of owner-operator enterprises in commercial fisheries” to have language that applies equally well in all regions of Canada.

Thank you for this opportunity to share our research findings and policy perspective with you.
## Growth in the Value of Seafood Exports, 2009 to 2017
### In Constant Dollars (2017)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2017</th>
<th>% Growth Seafood Exports</th>
<th>% Growth All Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland &amp; Labrador</td>
<td>$568</td>
<td>$898</td>
<td>58%</td>
<td>3%</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>$887</td>
<td>$1,843</td>
<td>108%</td>
<td>11%</td>
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<tr>
<td>New Brunswick</td>
<td>$646</td>
<td>$1,384</td>
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<td>53%</td>
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<tr>
<td>Prince Edward Island</td>
<td>$144</td>
<td>$208</td>
<td>45%</td>
<td>14%</td>
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<tr>
<td>Québec</td>
<td>$178</td>
<td>$396</td>
<td>122%</td>
<td>28%</td>
</tr>
<tr>
<td>British Columbia¹</td>
<td>$991</td>
<td>$1,273</td>
<td>28%</td>
<td>51%</td>
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<tr>
<td>Canada</td>
<td>$3,786</td>
<td>$6,226</td>
<td>64%</td>
<td>16%</td>
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</tbody>
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*Source: Industry Canada trade data* <www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/home>*

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### Changes in Average Fishing Income, Self-Employed Fish Harvesters 2009 to 2015
#### Constant Dollars (2015)

![Graph showing changes in average fishing income](#)

*Source: Statistics Canada Tax Filer Data*  

¹ Caveat: approximately 80% of seafood exports from British Columbia are produced by the aquaculture industry, predominantly farmed salmon.