



**External Review of the Department's "Last In, First Out" (LIFO)
Policy on Northern Shrimp**

Ministerial Advisory Panel:

The St. John's Board of Trade has had the opportunity over the last several years to listen and evaluate the LIFO policy specific to the Northern Shrimp Fishery.

Since 2010, the Federal Government has used LIFO to implement Total Allowable Catches (TACs) reductions in the Southern Shrimp Fishing Areas (SFAs) and we see no reason, to modify or abolish an agreed upon contract between the parties involved.

No matter the size, business requires certainty and stability. A predictable and transparent quota allocation policy is essential to enable business to invest and lenders to lend. The rules were set and known for how quota sharing would occur during the temporary increase.

Benefits of the Offshore Fishery

The year-round shrimp fishery is an example of a successful and sustainable fisheries sector that provides a significant contribution to the Newfoundland and Labrador economy. Early this year the Board had Dr. Wade Locke, the Head of Memorial University's Economics Department, present at a luncheon. He confirms that this sector provides 24 per cent higher labour income and GDP than the seasonal sector for every tonne of shrimp caught.

This sector provides direct employment for hundreds of Newfoundlanders and Labradorians from 116 communities in full-time, well-paying jobs, and supports about 2,000 additional shore-based jobs in this Province.

The offshore sector also has greater historical attachment and economic dependence on the shrimp resource than do seasonal harvesters. Seasonal harvesters were allocated most of the temporary increase in the shrimp abundance on the condition that the "threshold quota" held by the year-round sector would be maintained when the abundance of shrimp returned to normal levels.



Most of the economic and employment loss in the seasonal sector will result from the decline on the shrimp resource itself, not because of the quota shares between the two sectors.

The declining shrimp resource is an unfortunate situation that was anticipated. Maintaining the existing quota allocation policy and the pre-agreed quota thresholds for the year-round shrimp sector is a prudent course to take.

Thank you for your time and consideration.

Sincerely,

Des Whelan

A handwritten signature in black ink that reads "Des Whelan".

Chair, St. John's Board of Trade