



Agriculture and
Fisheries

Agriculture et
des Pêches



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Paul Sprout, Chair
DFO Ministerial Advisory Panel

Dear Mr. Sprout:

Thank you for this opportunity to respond on the issue of “Last In-First Out” policy, or commonly referred to as LIFO policy. It is an important management tool adopted in 2007 to an expanding natural resource of Atlantic Canada, that of the Northern Shrimp stock.

In 2000, the Province of Prince Edward Island became an entity in Northern Shrimp, through a PEI consortium. The Prince Edward Island Atlantic Shrimp Corporation received an allocation in the Northern Shrimp resource of Atlantic Canada, whereby the Fisheries & Oceans (DFO) granted 1,500 mt.

There were special conditions attached to this allocation, unlike other new allocations or existing entities. The net benefits derived from the allocation were directed at lobster research, product development of fisheries and aquaculture related projects throughout Atlantic Canada.

The Province of Prince Edward Island has continuously supported the LIFO policy adopted by DFO in 2007. Despite the rise and fall of the shrimp resource in NAFO Area 7, the province accepted and respected the principle of this policy and is now temporarily out of the fishery.

It was well known that when the resource was in a growth period, through the early 2000's, that under the LIFO policy, more entities would enter this fishery on a temporary basis. Now, in this downturn phase of the resource, other fleets, besides ourselves do not have an allocation to fish.

Despite the impact this will have on both the onshore plants and inshore fishing industries, the correct action to take would be to abide by the LIFO policy.

The additional commercial access to the northern shrimp fishery granted in 1997 (and later) was indicated as being on a temporary basis and that these allocations would be removed in the order

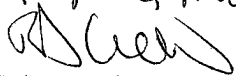
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in which they were received. A total threshold of 37,600 mt across all Shrimp Fishing Areas (SFA), based on 1996 quota numbers, was established to ensure the continued viability of the 17 offshore licence holders. In addition, this overall threshold had a provision that any post-1996 commercial quota allocations would terminate when the TAC for any SFA fell below its 1996 level. In 2003, this was described as being the principle of “Last In-First Out” and became known as LIFO.

The shrimp industry must adhere to restricted measures and maintain reduced exploitation rates while the resource is in the cautious zone to increase shrimp production, and thus its biomass.

Until conditions exist for this stock’s return to higher levels, PEI government’s position is to respect the terms of the initial conditions when the stock was increasing. We further request the respect of maintaining historical shares when the fishery rebounds and we would expect to have participation in this valuable resource in a reasonable manner.

Sincerely,

Acting Deputy Minister,


John Jamieson
Deputy Minister