

Submission to the Ministerial Advisory Panel on the Last In, First Out Policy in the Northern Shrimp Fishery



By: **Torngat Fish Producers Co-operative Society, Limited**
Happy Valley-Goose Bay, Labrador

June 3, 2016

INTRODUCTION

- The formation of the Co-op which was a direct result of the issuance of an offshore shrimp licence for Northern Labrador.
- After months of due diligence and meetings a decision to form a Fishery Co-operative to serve the interest of all members was felt to be the best option
- The directly affected groups consisting of all Community Fisher Committees and the Labrador Inuit Association (LIA) spear headed input from all fishers, residents and the Communities.

BACKGROUND

Torngat Fish Producers Co-operative Society, Limited (Torngat) is an aboriginal co-operative incorporated in 1980 by fishers and plant workers from communities of the northern coastal Labrador. We continue to operate processing facilities in the land of Nunatsiavut.

The Co-operatives membership has grown to 600+ members over the thirty-five years since Torngat's formation. The primary purpose of Torngat is to strive to fulfill its mandate, as outlined in its By-laws, in the communities that it serves. This mandate consists of Promoting on a co-operative basis the economic interests of member; Act as a selling agent for their products; Acquire and use of the members licenses and fishing rights of all kinds; etc.

The Co-op has processed a wide variety of seafood products since its establishment. Similar to other producers in the Province, The Co-op was adversely affected by the ground fish and salmon moratoria. This adversity has been overcome by diversification into the processing of other species, particularly shellfish. The Co-op established a successful snow crab operations in 1997 in Makkovik. Today, crab, turbot and char are the main species processed at the Co-op's facilities. Currently, the Co-op is active in fish processing in two communities; Makkovik and Nain. With the future intent to diversify and develop into other species such as scallop, north shrimp and underutilized species when all components can be met such as resource availability and harvesting capacity.

The Co-op's activities, in part, are financed by commission income received on its offshore shrimp license since its formation. This Co-op received one of the first the offshore shrimp licences by the then Honorable Romeo Leblanc, Federal Fisheries Minister for the purpose to support financially the inshore operations for the North Coast of Labrador and we have not strayed from this design during our 35+ years.

This Co-operative is open to Labrador Inuit Beneficiaries residing in the Electoral District of Torngat Mountains who are:

- fishermen and fisherwomen, spouses & children
- fish plant workers, spouses & children
- collector boat workers, spouses & children

Our main Aims & Objectives:

- Promote on Co-operative basis economic interests of members, for harvesting, procuring, transporting, buying, selling, processing, marketing in every way fish, sea mammals, shell-fish ...
- Act for & on behalf of members as the selling agent of their products...
- Rent, lease, operate, manage and use ships, wharves, processing plants necessary ...
- Acquire and use to the benefit leases, licences and fishing rights of all kinds ...

This Co-operative is a Registered Inuit Business

This Co-operative is exempt from the Province collective bargaining, and there are no FFAW plant workers or Fishers.

PROCESSING STRUCTURE

- The Co-op has processed a wide variety of seafood products since its establishment.
- Similar to other producers in the Province, The Co-op was adversely affected by the ground fish and salmon moratoria.
- This adversity has been overcome by diversification into the processing of other species, particularly shellfish.
- The Co-op established a successful snow crab operations in 1997 in Makkovik.
- Today, crab, turbot and char are the main species processed at the Co-op's facilities.
- Currently, the Co-op is active in fish processing in two communities; Makkovik and Nain.
- With the future intent to diversify and develop into other species such as scallop, north shrimp and underutilized species when all components can be met such as resource availability and harvesting capacity.

Historical Time Line

- 1978 – DFO Minister Romeo Leblanc
- Provided the North Coast of Labrador with one of the first Offshore Shrimp Licences
 - Provided to subsidize the inshore processing facilities
 - Due to isolated geographic location and the additional costs to operate
- 1980 – Formation of a Fishery Co-operative
- 1981 – Commence processing operations in the Community of Rigolet
- 1987 – Communities of Makkovik, Postville and Hopedale
- 1995 – Commence the Leasing of the Provincial processing facilities in the Communities of Nain and Davis Inlet
- 1996 – A founding member of the Northern Coalition, receiving special allocation for Labrador North offshore licence holders
- 1997 – Negotiated the establishment of snow crab TAC for new fishing area 2J north for harvesters of the LIA
- 1998 – Construction of a Snow Crab processing facility located in the Community of Makkovik
- 1998 to 2003
- FAILED attempt to access SFA 5 inshore shrimp TAC for LIA harvesters to initiate a fishery and to construct an onshore shrimp processing facility on the North Coast of Labrador
- 1981 to Present
- Executed various surveys in Communities of new or underutilized species, such as scallop, toad crab, whelk, rock shrimp, bacon wrapped scallops, rock cod blood and char harvesting technology development

Co-op Development Attributed to Offshore Shrimp

- Operated processing facilities in the most remote and isolated area of this Province - all North Coast Communities
- Over the 35 year history for 9 years only - One (1) fish plant made a profit. We operated 6 plants for the majority of our history.
- \$32 million from Offshore Shrimp Earnings, 100% reinvested into the North Coast Fishery.
- Historical Employment levels
 - \$34 million to Plant Workers
 - \$50 million to Fishers
 - \$15 million to Offshore Shrimp Crew

MAP Requested Views:

1. Should LIFO be continued, modified, or abolished?

LIFO must continue, it was applied on the increased resource so in turn it must be applied on a decreasing resource.

2. What key considerations (principles, objectives, stock status etc.) should inform any decision to continue, modify, or abolish LIFO?

- Conservation of the Resource
- Land Claims
- Adjacency
- Historical Dependence
- Viability of the Existing Fleet

3. If you support changing or abolishing LIFO, what would be the elements of a new access and allocation regime for the Northern Shrimp Fishery?

As a supporter of LIFO, unable to answer this question, so will refer to the TOR to add input relating to access and allocation regime.

TOR also states it wanted:

To engage stakeholders to seek their perspectives, concerns and suggestions on what constitutes an appropriate access and allocation regime in this fishery, including views on LIFO, while directly considering the anticipated continued stock declines in the Northern shrimp fishery.

- If LIFO is removed, then declines must be on a Pro-rated basis. (i.e. SFA 6 a 40% reduction to all allocation/licence holders)

- Access and allocation regime must correctly follow the principals:
 - Conservation of the Resource
 - Land Claims
 - Adjacency
 - Historical Dependence
 - Viability of the Existing Fleet

Presentation to the Minister's Advisory Panel on the Last in First Out (LIFO) Policy in the Northern Shrimp Fishery, May 31, 2016.

By: Keith Watts, General Manager

Welcome MAP to Labrador, our home and territory. Thank-you for allowing me to speak to you. I would also like to welcome all, even those individuals and entities who are adversaries and have come to our territory, not representing anyone here in Labrador other than their own interests or agendas to try and take away our offshore shrimp quotas in SFA 6 from our people of Northern Labrador - Nunatsiavut.

I would also like to be up front with you, the MAP, and advise you that on April 22, 2016, I wrote DFO Minister Tootoo to express my concerns on the composition of MAP as I felt it did not represent aboriginal peoples of Labrador directly adjacent to the Northern Shrimp fishing areas. Minister Tootoo responded to me on May 4, 2016 expressing his confidence in you, the MAP, as being non-biased. I have to put my trust in you and accept Minister Tootoo's word. I trust you.

I would like to take this opportunity to comment on a few relevant issues that have arisen during your consultations.

First of all, the All Party Committee DOES NOT REPRESENT the Torngat Fish Producers Co-operative Society or I don't believe other Labrador interests. We approached them but were not invited to participate and have been ignored. We held meetings with Minister Steve Crocker of the DFA and Premier Dwight Ball who holds the responsibility of Labrador and Aboriginal Affairs. We could not convince our own Province to support us and Northern Labrador - Nunatsiavut. Actually our Province went against us and recommend the abolishment of LIFO policy and the removal of us, the offshore licence holders, from SFA 6 and awarding our existing quotas in SFA 6 to the inshore Island of Newfoundland interests. This would be a significant loss to Torngat, representing 798 tons of our shrimp quotas. In today's economy that represents \$700,000.00 to \$1,000,000.00 of our annual revenue. This is unacceptable. We would definitely have to make drastic cuts in our operations.

Thank-you Premier Ball and Minister Crocker for nothing!

The Provincial Government, FFAW and other certain General Managers of Island based fishing entities have presented to you the MAP. They have expressed their ignorance of Labrador with their paternalistic or colonialist views on how Labrador quotas should be allocated. This type of arrogance only rekindles separatist sentiments in Labrador which I experienced as a teenager growing up in Labrador. Although they are voicing their support for aboriginal rights and land claims agreements, I believe this would be conditional as they have already placed island based interests first and foremost. Thank-you for nothing Province, FFAW and island based processors!

I will not stand idly by as a polite Inukuluk and agree to your undermining tactics and allow you to take away from the only fishery that we have in Northern Labrador that generates significant revenues to assist in funding our commercial fishery within Nunatsiavut.

The FFAW does not represent plant workers or fishers within Nunatsiavut. They are bullies and high paid lobbyists for a large and wealthy national union. They represent harvesters of the Island of Newfoundland who are well to do small businessmen who have taken away from our fishers in Northern Labrador. The FFAW DOES NOT LET THE TRUTH get in their way to achieve their goals.

Contracts, to them, are only for the other party to uphold and honour. In the case of LIFO, their leader of the day agreed in writing to the policy.... now they want to abolish it. What is the next policy or contract the FFAW will attempt to break? No longer are any of the protections guarding your FFAW quotas off limits as previously upheld by past and present DFO policy and bureaucrats.

In the past, we have been told by DFO that all quotas off our Labrador coast, such as turbot, shrimp, cod etc are fully subscribed. We will no longer accept this answer and will pursue these quotas gained and protected under the guise of historical attachment. All DFO allocation policies should now be reviewed as fish are a common property resource.

I believe the FFAW, whatever the result of this LIFO review, will not be satisfied. It is time for the province of Newfoundland and Labrador along with the Federal Government DFO to rightfully adjust downward the power and influence the FFAW has been permitted to accumulate through misrepresentation and other means. This would allow for a more vibrant and healthy fishing industry.

In closing, I appeal to you the MAP as a non-biased panel to take into consideration Torngat's position in this Northern Shrimp industry and provide Minister Tootoo with just and fair recommendations.

I appeal to Minister Tootoo to consider Torngat and the Inuit people of Nunatsiavut when evaluating your recommendations and making his decisions. Minister Tootoo has the ultimate power to decide the direction of our Northern Shrimp fishery. I look forward to his sense of fairness in his ruling.

Thank-you again Panel for allowing me to present before you today.