



Fisheries Council of Canada  
Conseil Canadien des Pêches

**Written Submission for the Pre-Budget  
Consultations in Advance of the 2020 Budget**

Submitted by:

The Fisheries Council of Canada

**To Address Climate Change in Canada’s Fisheries Sector:**

**Recommendation 1:**

The government allocate additional funding for research on climate impacts, to better determine and measure potential impacts on fish stocks, coastal communities and Canada’s commercial fisheries.

**Recommendation 2:**

The Government of Canada under the direction of Fisheries and Oceans Canada should undertake analysis of the socio-economic implications of climate impacts on Canada’s fish resources and of adaptation scenarios.

**Carry-over Recommendations from Fall 2018:**

**Restore investment confidence:** FCC urges Fisheries and Oceans Canada to resume its use of a willing-buyer-willing-seller model for reallocations as part of the Reconciliation Agenda. Re-establishing the confidence for investment and financing will enable the growth aspired by the sector and envisioned by the Government.

**Address labour shortages:** FCC urges more coordinated action by Immigration, Refugees and Citizenship Canada and Employment and Social Development Canada with the fishery sector to look for opportunities to enhance existing policy and programs and provide more meaningful solutions to the sector’s labour challenges.

## **About the Fisheries Council of Canada**

The Fisheries Council of Canada (FCC) is the voice of Canada’s wild capture fish and seafood industry, promoting a healthy resource and working to develop an economically sound, market-driven, competitive industry.

FCC represents small, medium and larger-sized, primarily family-owned companies from rural, coastal and Indigenous communities operating along Canada’s three coasts. FCC’s member companies create jobs in their communities and provide an economic base that sustains and creates other local businesses. Our members also play a vital role in supporting independent fishers by providing access to both capital and operating costs.

FCC members process the bulk of Canada’s fish and seafood production and harvest a significant portion of the fisheries resources of Canada. In addition to our direct membership, our associate membership includes Canadian and international companies and institutions that provide products and services to the industry.

For over 100 years, the FCC has championed:

- Market access and global trade policies
- Adoption of world class food safety and quality programs
- Sustainable fishing practices and conservation efforts nationally and internationally
- The need to achieve and maintain economically viable fisheries

We endeavour to create a prosperous Canadian industry that is internationally competitive and believe this is achieved in part through smart legislation and good policy.

## **Sector Overview**

The seafood industry is the most export sensitive sector in the Canadian food manufacturing sector with almost 80% of production destined for foreign markets. Last year the industry was responsible for \$7 billion in exports, with 63% of exports shipped to the United States, followed by China (14%) and the European Union (7%). On the flipside Canadian food retailers and restaurants are also significant importers of seafood, with 73% of the domestic market supplied by imports.

Global population growth and increased per capita consumption of seafood combined with the advantages enjoyed by the Canadian seafood producers: a favourable international brand; a world leader in sustainable fisheries management; high food safety and labour standards; and rich biodiversity, all signal significant opportunity. However, despite these advantages, Canada is also losing its global market share of seafood exports, currently ranking 8<sup>th</sup> in the world, whereas 25 years ago it ranked first.

Other trends are affecting fisheries-- consumers are increasingly seeking choices that are environmentally and socially responsible, and Canada is a world leader in good fisheries management practices. Two-thirds of Canadian wild capture production is certified to the MSC standard, which represents almost all major stocks and is over 80 percent of the value of Canada’s fishery. By contrast only 14% of the world’s fisheries are certified.

## Sector Vision

Before diving into this year's Pre-Budget theme, "Addressing Canada's Climate Emergency", it's important to revisit events from last year. In the fall of 2018, FCC appeared before the Finance Committee and outlined a vision for Canada's commercial fisheries, to "create a *prosperous and competitive Canadian seafood industry that is a world leader and the preferred supplier of high value seafood, domestically and internationally*". To achieve that we put forward four recommendations, of which significant progress was achieved against two.

### Progress Since the last Pre-Budget Consultation

In terms of successes, last year FCC urged the Government of Canada to ratify the CPTPP agreement without further delay and to continue discussions with China regarding a free trade agreement. We are pleased to see that CPTPP is now up and running, providing new market access opportunities for fish and seafood exporters.

Also, worth noting, the government took positive steps to address our recommendation calling for additional funding to close the gap on fish stock assessments and improve sustainable fisheries management. We were pleased to see that the 2018 Fall Economic Statement included investments for stock assessment and rebuilding efforts for priority Pacific salmon stocks, as well as other priority fish stocks across Canada, to support the implementation of stock assessment and rebuilding provisions in the renewed Fisheries Act.

### Carry-over Recommendations

Two key recommendations from last year's pre-budget submission remain critically unaddressed and FCC does not want this year's pre-budget theme to distract from the attention these two issues still require. Therefore FCC, is re-issuing two recommendations which aimed to (respectively) restore investor confidence within the fish and seafood sector and address critical labour shortages. It is our hope that progress will be made on these in the upcoming year.

#### 1. Restore investment confidence:

- Recent policy decisions regarding fishing quota allocations, including the involuntary relinquishment of a quota as part of the Reconciliation agenda, has created instability and uncertainty in the fisheries sector.
- Consequently, sector participants lack confidence to invest in equipment, new technologies, and conservation. Moreover, banks and financial institutions have less confidence leading to a tightening of access to capital and higher risk premiums. This is impeding the fishery sector's ability to grow, innovate and create employment.
- In fact, the sector needs to accelerate investment in R&D and innovations to maximize the value from what we currently harvest. This won't happen in the current climate of instability.
- Fisheries and Oceans Canada has testified in court that involuntary relinquishment by commercial licenceholders is unnecessary and unhelpful to the principles of Reconciliation<sup>1</sup>. Moreover, the BC Supreme Court has iterated that voluntary relinquishment should be the route to Reconciliation.

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<sup>1</sup> Ahousaht et al v. Canada, 2018 BCSC 633, para 144.

- Canada’s fisheries need to have confidence in the stability and predictability of access particularly when it comes to conservation, sustainability, and reconciliation.

**Recommendation:** FCC urges Fisheries and Oceans Canada to resume its use of a willing-buyer-willing-seller model for reallocations as part of the Reconciliation Agenda. Re-establishing the confidence for investment and financing will enable the growth aspired by the sector and envisioned by the Government.

**2. Address labour shortages:**

- Part of the fishery sector offers only seasonal employment due to the seasonality of certain fisheries.
- As a result, some operators face labour shortages that range from minimal to severe, especially in small rural and coastal communities.
- Current immigration policies and the Temporary Foreign Worker program are not sufficient to address the sector’s labour challenges, and Canada’s aging population indicates the problem is only going to get worse.

**Recommendation:** FCC urges more coordinated action by Immigration, Refugees and Citizenship Canada and Employment and Social Development Canada with the fishery sector to look for opportunities to enhance existing policy and programs and provide more meaningful solutions to the sector’s labour challenges.

## **Recommendations for Budget 2020**

Canada’s fish and seafood sector is vulnerable to the effects of climate change. Warmer water initially accelerates the growth rate of marine organisms, but rising temperatures also have metabolic effects and can increase the susceptibility to disease of these organisms. Thus, some species may shift to deeper waters or move northward in response to ocean warming.

Take Canada’s most valuable seafood export for example, lobster. The most recent issue of Fisheries and Oceans Canada’s Sector Outlook to 2027, notes that the value and importance of lobster is expected to remain high given strong demand and few substitutes. However, the supply side is positive but less certain. As present, stock assessments indicate that lobster numbers are generally healthy. To ensure the stock remains healthy it’s important to take a long-term view and base our resource management decisions on science... science that is comprehensive and includes complex variables how climate change will shape the ocean environment.

Our oceans, their ecosystems, and our fish stocks are in constant flux. The health of our fish stocks is dependent upon many factors – ocean attributes, food supply, predation, and fish harvesting to name a few and of course climate change.

Continuing with the example of lobster, there are parts of Atlantic Canada where the species may be more vulnerable due to climate change. Summer warming can be extreme in areas such as the Northumberland Strait near P.E.I. because waters there are shallow. DFO has also cautioned that population movements benefit certain fishing areas, such as those north of Prince Edward Island.

However, the lobster population in [the] Northumberland Strait has decreased because the summer temperature already exceeds 22°C, which is close to the lethal level for the lobster. Testimony offered at the House of Commons Standing Committee on Fisheries and Oceans in the Spring of 2019, when it was studying the impact of climate change on lobster and snow crab, indicated that lobster are also increasingly found in deeper waters due to changing conditions.

Changing marine environments can also lead to year-to-year variabilities or permanent changes in migratory behaviour. For the long-term health of the stocks, and our commercial fisheries, we need three things. We need (1) to understand the underlying causes, (2) determine the permanence of the changes in migratory behaviour and (3) determine what, if anything, should be done to ensure the health of the stocks and prosperity of our commercial fisheries.

Determining the health of their stocks is not simple science, and climate change introduces a new complex variable that must be factored in when making those decisions about fisheries management and quota allocations. We need to better understand and project climate change impacts on our marine eco-systems so we can adapt.

Fisheries and Oceans Canada has made significant efforts to assess climate risks within its portfolio with the Environment Commissioner indicating that DFO is ahead of the curve among federal departments, however, we need to do more.

***Recommendation 1:***

***The government allocate additional funding for research on climate impacts, to better determine and measure potential impacts on fish stocks, coastal communities and Canada's commercial fisheries.***

It is also not simple enough to invest in additional science to inform decisions about good fisheries management. Climate change doesn't just impact species it impacts the lives of the 80,000 Canadians who earn their living from Canada's oceans. Economically speaking, the fisheries sector is the beating heart of Canada's remote coastal communities, where few other economic opportunities exist.

As we noted previously climate change can and is affecting the migration of species. Migration out of one fisheries management area into another could result in displacement of harvestors and other significant economic effects. Understanding those socio-economic risks is vital for decisions regarding fisheries management or anticipating what policy measure could mitigate impacts on affected communities.

***Recommendation 2:***

***The Government of Canada under the direction of Fisheries and Oceans Canada should undertake analysis of the socio-economic implications of climate impacts on Canada's fish resources and of adaptation scenarios.***

## **Conclusion**

The fisheries sector is critical to coastal communities. We need to, and can, do better to ensure the sector is positioned to realize the opportunity in front of it. FCC believes that investments in climate change science and assessing the socio-economic implications of changing environments on coastal communities that earn a living from the ocean are crucial. Action on these fronts must be coupled with measures to restore investor confidence through stable access to fisheries while addressing labour challenges.

### **For more information:**

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