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Chair: Mr. Ken McDonald



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• (1410)

[English]

The Chair (Mr. Ken McDonald (Avalon, Lib.)): I call this meeting to order.

Welcome to meeting number 10 of the House of Commons Standing Committee on Fisheries and Oceans. Pursuant to the motion adopted by the House on May 26, 2020, Standing Order 108(2) and the motion adopted on June 1, 2020, the committee is resuming its study of the impacts of COVID-19 on fishing industry stakeholders.

Today's meeting is taking place via video conference. The proceedings are public and are made available via the House of Commons website. So that you are aware, I will tell you that the webcast will show the person speaking rather than the entire committee.

We had to modify our witnesses at 1 p.m. eastern time because some were unable to connect with us. They were informed that they can send us briefs in writing. Some other witnesses have not been in touch with us to test their connection and sound as we normally ask the witnesses to do. If the connection is difficult or impossible with some of the witnesses, or if the sound is bad and interpretation cannot be done, the witnesses will have to send their statements to the clerk, who will distribute them to all members. Members could also ask that some questions be answered in writing if the witnesses accept to do so.

For the benefit of all members, but also our witnesses who participate in a House of Commons virtual committee meeting for the first time, I should remind you all of a few rules to follow.

Interpretation in this video conference will work very much like in a regular committee meeting. You have the choice at the bottom of your screen of floor, English or French. As you are speaking, if you plan to alternate from one language to the other, you will need to also switch the interpretation channel so that it aligns with the language you are speaking. You may want to allow for a short pause when switching languages. Before speaking, please wait until I recognize you by name. When you are ready to speak, you can click on the microphone icon to activate your mike.

Should members have a point of order, they should activate their mike and state that they have a point of order. If a member wishes to intervene on a point of order that has been raised by another member, I encourage him or her to use the “raise hand” function. In order to do so, you should click on “Participants” at the bottom of the screen. When the list pops up, you will see next to your name

that you can click “raise hand”. This will signal to the chair your interest to speak. We will keep your names in chronological order.

When you are not speaking, your mike should be on mute. The use of headsets is strongly encouraged.

Finally, when speaking, please speak slowly and clearly. This might be especially important today. Our witnesses are not necessarily with us from offices with high-speed Internet and high-tech equipment. We will try to do our best, and this could mean talking more slowly than usual.

Should any technical challenge arise, for example, in relation to interpretation or if a problem with audio arises, please advise the chair immediately and the technical team will work to resolve it. Please note that we may need to suspend during these times as we need to ensure that all members are able to participate fully.

Before we get started, would everyone click on their screen in the top right-hand corner and ensure that they are on gallery view. With this view, you should be able to see all the participants in a grid view. It will ensure that all video participants can see one another.

I would now like to welcome our witnesses for today.

With us are Jean Lanteigne, director general, Fédération régionale acadienne des pêcheurs professionnels; and Paul Lansbergen, president of the Fisheries Council of Canada.

I know, Paul, that you've appeared before committee many times.

I'll go to Mr. Lanteigne first.

• (1415)

Mr. Serge Cormier (Acadie—Bathurst, Lib.): I have a point of order, Mr. Chair.

The Chair: Yes.

[Translation]

Mr. Serge Cormier: I'm sorry to interrupt, Mr. Chair, but my camera isn't working. I'm wondering if it's possible to disconnect and reconnect.

I'd also like some clarification. I know there have been some changes to the list of witnesses for today. Could you explain to the committee why some witnesses weren't able to join the meeting?

So, can I disconnect and reconnect?

[English]

The Chair: Yes.

[*Translation*]

Mr. Serge Cormier: Perfect. Thank you.

[*English*]

The Chair: We'll suspend for a moment if you're doing that.

The Clerk of the Committee (Ms. Nancy Vohl): Mr. Chair, you don't have to suspend. You can reconnect very quickly.

The Chair: Okay, I'll wait for him to reconnect, because he did have a question about some witnesses who are not appearing. I'll answer that as soon as he reconnects.

The Clerk: There we go.

Mr. Cormier is with us.

Mr. Serge Cormier: Mr. Chair, my camera is not working. Do you want to call IT services?

Maybe you want to continue.

The Chair: Yes, we will continue.

You can listen to the audio. We don't necessarily have to see your face.

If you still want to participate or if you want to call IT, you certainly can.

I'll just answer one question that you did have, Mr. Cormier, with regard to witnesses who are on the list but are not appearing today, or who didn't have the opportunity or whatever.

The staff earlier in the day, I think around 11:30 this morning, contacted one witness in particular. The Internet connection was not stable, so they couldn't do the usual tests to get things done. They advised that the testimony can be sent in writing and that it will be distributed to all the members.

It's very difficult. I think that one of the challenges in doing the meetings the way we're doing them is the fact that people have to have a stable Internet connection to be able to participate properly, by voice only and as well by video conference.

We'll keep working on that. We will try to make sure, if we can, to include the witnesses as we move forward with this study. We'll do everything possible to make sure that the witnesses have an opportunity to testify by video conference, if at all possible. I hope that answers your question.

Now we'll go to Jean Lanteigne.

You have six minutes or less for your opening statement, please.

[*Translation*]

Mr. Jean Lanteigne (Director General, Fédération régionale acadienne des pêcheurs professionnels): Good afternoon, everyone.

The Fédération régionale acadienne des pêcheurs professionnels, or FRAPP, proud of its 52 years of existence, represents nearly 200 fishers grouped into three associations: the Association des pêcheurs professionnels crabiers acadiens, the Association des crevettiers acadiens du golfe and the Association des pêcheurs professionnels membres d'équipage. They are located in Shippagan, on the Acadian peninsula in New Brunswick.

To maximize the time available to us, I'm going to get right to the heart of the matter by giving you the specific context of our two midshore fisheries, namely, crab and shrimp. Our vessels range in length from 60 to 75 feet, with a crew of four to seven people. All crew members live, eat, and, with the exception of the captain, sleep in the same spaces.

You've heard of the problem with the physical distance requirement in lobster boats. Welcome to our fishing world, where trips at sea last from three to seven days, and sometimes eight days.

• (1420)

The Clerk: Mr. Lanteigne—

Mr. Jean Lanteigne: I can't hear you.

[*English*]

The Chair: You're on mute, Nancy.

[*Translation*]

The Clerk: Mr. Lanteigne, if you speak in French, I'd ask you to choose French at the bottom of your screen. If you speak in English afterwards, please change channels at that time.

Mr. Jean Lanteigne: Our vessels range in length from 60 to 75 feet, with a crew of four to seven people. All crew members live, eat, and, with the exception of the captain, sleep in the same spaces.

You've heard of the problem with the physical distance requirement on lobster boats. Welcome to our fishing world, where trips at sea last from three to seven days, and sometimes eight days. It's cohabitation in its truest sense.

Surprisingly, these fishers did not show any apprehension, fear or stress, or at least very little, about the risk of being victims of this pandemic. Quite the opposite happened, as if it didn't concern them. They asked to go out to sea as quickly as possible. My member of Parliament, your colleague, Serge Cormier, can testify to that.

What hurts isn't having to comply with the public health rules that have been implemented on the maintenance sites of our ships, on our wharves and on the boats themselves. Like many other industries, it's the shrinking and, in many cases, disappearing markets that affect us. Senior management representatives of the Department of Fisheries and Oceans, or DFO, have come before you to testify to that.

As you know, the restaurant, cruise and casino buffet markets have all disappeared. In the case of snow crab, about 85% of our production is exported to the United States. However, because of its exclusivity, we are relatively fortunate and our producers are quite successful in marketing this product to some of the distributors in the food service sector and to large players in the retail sector, such as Clover Leaf. However, it's all been reduced by 50% compared with 2019. It's not the best case scenario, but unlike northern shrimp, the industry is working.

Let's talk about northern shrimp, an area where Canada became a big world player between 2010 and 2015. Unlike snow crab, competition for a share of this market on the world stage is very fierce, particularly because of the presence of aquaculture products from Asia and South America. Because this product is mainly exported to the United States, Scandinavian countries, the United Kingdom and China, our producers found themselves without any market this spring because of COVID-19.

Our fishing season, which starts in March on the Scotian Shelf and on April 1 in the gulf, has been delayed until last week. So we've lost 10 to 12 weeks of fishing. I might add that Newfoundland fishers still haven't reached an agreement with their producers to go fishing. In terms of prices, this becomes even more problematic as we are seeing declines of more than 50% compared to 2019. Is it profitable in this case? It's not. However, we'll have to wait until the end of the season to confirm this.

The fixed fee for these types of boats is in the order of \$500,000 per year. Because of the shortened fishing season at this time, it will be extremely difficult, if not impossible, to be profitable under these conditions. The big unknown at the moment is related to the abundance of fishing. If the catch per unit of effort were good, that would help the situation. Our experience with late summer and early fall fishing has never been very conclusive. In fact, a trip to sea is about \$42,000. Also, there are different price categories based on size. To add insult to injury, small shrimp is dominating the market in 2020. The price is about \$0.80 a pound.

So, you have a very good idea of how much shrimp is needed per fishing trip so that we can avoid a deficit. In this context, as early as the end of March, we asked departmental officials to meet with us to find solutions. We didn't feel that we were heard, either by the Minister or by DFO senior management in Ottawa. After several attempts, we finally held a 30-minute conference call on June 4. To date, we have received no response to our requests. Attached to our document is a list of items that we discussed with DFO and the Government of Canada. These items relate primarily to expenditure reduction items, such as the cost of licences, and wage subsidies throughout the fishing season.

In terms of possible solutions, we believe in developing the Canadian market. For example, 80% of the shrimp consumed in Canada comes from outside the country, and our major grocery store chains promote Alaskan crab more often than Canadian snow crab. How should we proceed? We should either change the role of DFO to one of marketing or create a fish and seafood division within Agriculture and Agri-Food Canada to promote local consumption.

• (1425)

Existing distribution systems, which are largely focused on exports to targeted countries, also need to be reviewed with the industry. It's easier to ship 500 tonnes of shrimp or crab to China than it is to send 100,000 pounds to Loblaw's in Toronto.

In terms of product diversification, while the food industry is changing and product offerings are increasingly varied, our processing plants are static in the productions offered to the market. We do volume in bulk. We're talking about boxes of cooked and frozen crab pieces weighing 11 kilograms, 15 kilograms, and some-

times even more. We're also talking about cooked and peeled shrimp, or cooked and frozen shrimp on factory ships in Newfoundland in 5-pound or 25-pound bags.

We sell to food producers and distributors. We've been talking about secondary and tertiary processing for a long time. We need a research strategy geared towards the use of our fisheries resources in order to maximize one hundred per cent of the fishing quotas.

In terms of research and development, we don't have any specialized research organizations or centres in Canada for this purpose. Some of them may do it on a particular project or idea, but overall it is very little. Look at the Icelandic model and its marine products research centre called Matis.

In closing, I think that, despite everything, we have been lucky so far—

[English]

The Chair: Sorry, Monsieur Lantaigne, but we've gone over time. Anything you didn't get to say will, hopefully, come out in the line of questioning later. By all means we invite you to submit your statement as is to the committee.

We'll now go to you, Mr. Lansbergen, for six minutes or less for your opening remarks, sir.

Mr. Paul Lansbergen (President, Fisheries Council of Canada): Thank you very much, Mr. Chair. I apologize for the poor Internet connection and for not being able to use the video. Most of you have seen my face before anyway, so I don't think it will detract from the deliberations.

It's a pleasure to participate with you this afternoon. As some members of the committee have changed since my last appearance prior to the election, I should just indicate whom I represent.

The Fisheries Council of Canada is the national voice for the wild capture sector, representing processors on all three coasts. Practically all members also harvest. For those of you on the east coast, you know about the fleet separation rules. I represent the processors and the offshore harvesters. Most are privately held family-owned businesses.

The fisheries sector in Canada has enjoyed strong growth in recent years. The value of our exports was up 25% in the last five years to \$7.5 billion, so this is good news. The sector employs nearly 80,000 people across the country, primarily in coastal communities.

Our top four export markets, by value, are the U.S. at a 61% share of our exports, China at 17%, the EU at 7% as a bloc, and Japan at 4%.

Lobster and other crustaceans are the top product grouping, representing 55% of our exports. Fresh or chilled fish is second at 14%. Molluscs are third at 7%.

Turning to the pandemic, impacts on individual companies vary, as Jean indicated, depending on species, product format, geographic market and market segment. Products that would typically go to food service or white tablecloth restaurants have been the hardest hit. Unfortunately, seafood is not top of mind for takeout.

The trade stats can be used to assess the disruption of the global trading system and its impact on our sector. March exports were down by 15% as a whole for fish and seafood. We did see some panic buying during March, which mutes some of the pandemic's impact during that month. April exports were down by double that, at 30%.

Aside from the market disruption, there is tremendous effort to protect our workers and vessel crews. FCC has been doing everything it can to help the sector stay on top of the public health guidance. Companies are investing in PPE, modifying operational configurations to create more distancing, implementing more sanitation practices and so on. In some sectors there is a reliance on temporary foreign workers and some have been more successful than others in securing them in light of the pandemic.

We are pleased that the government has come forth with the Canadian seafood stabilization fund, in recognition of the disruption faced by the sector. The priority for the sector is the health and safety measures for workers. These are increasing costs for everyone. For example, a processing plant could spend upward of \$50,000 a year or more on PPE. Costs to install physical barriers are in the tens of thousands of dollars per plant, and isolating vessel crews before voyages adds cost as well.

The program will also help shift operations to serve retail markets, and it will be administered by the regional development agencies. Regions not included will be eligible for support from the regional relief and recovery fund. We hope the stabilization fund will go live imminently. I have to say that companies are quite anxious to learn exactly what is covered and what is not.

The sector is eligible for the economy-wide measures, including the wage subsidy and the emergency response benefit. Smaller operators are eligible for the business account. Financing support from EDC, BDC and Farm Credit Canada is also helpful. In particular, we have confirmed that Farm Credit is now providing support to the factory freezer vessels, as they have integrated harvesting and processing operations.

As economies open and the food service market recovers, it will create opportunity for our sector to recover, but it will be a long and difficult voyage. We look forward to many discussions with you and other parliamentarians and governments on how to best position the fisheries sector to contribute to the recovery of Canadians in coastal communities and across the country.

I look forward to your questions. Thank you.

• (1430)

The Chair: Thank you.

We'll now go to our first round of questions.

Mr. Lansbergen and Mr. Lanteigne, I will remind you that when answering to put the mike as close in front of your mouth as possible so that you can be heard clearly.

We'll now go to Mr. Arnold for six minutes or less.

Mr. Mel Arnold (North Okanagan—Shuswap, CPC): Thank you, Mr. Chair.

Thank you to both of the witnesses for being here today.

Mr. Lanteigne, in early May, Minister Jordan stated that it was up to each individual area to determine if the fishermen wanted to delay their season opening or to stay onshore. Were you and your members able to determine the season opening date for your harvest areas? As a group, were you able to determine those opening dates?

[*Translation*]

Mr. Jean Lanteigne: In the case of snow crab, we were able to work with the department. We wanted to go out as early as April 10 or 12, but the Minister and Mr. Cormier wanted to make sure that the plants were safe for the workers. So we postponed the fishing season until April 24. For a period of about two weeks, we considered that we were ready to go fishing.

In the case of shrimp fishing, there were no departures, given the closure of the market, except in the Acadian Peninsula, where we started last Friday. Quebec fishers went out a few days before we did. In short, in the case of shrimp, the market was the determining factor. It wasn't a decision made jointly with the department.

[*English*]

Mr. Mel Arnold: It sounds like the season opening thing was due to delays in the processing plant availability.

Did the delays in the season opening have an effect on the harvesters and processors? Did the delays cause a surge in the harvest? What did that do to pricing and so on?

• (1435)

[*Translation*]

Mr. Jean Lanteigne: In terms of pricing, I don't think it had an impact, given the difficult market conditions. However, Mother's Day in May made it easier to sell snow crab. In fact, American wholesalers promoted snow crab for that occasion, and I think that was positive.

With respect to the late opening of the season, there is one important factor that isn't related to COVID-19: the right whale. It's really working against us today, because almost 90% of the fishing area is currently closed. Obviously, if we could have started earlier this spring, it would have helped us a lot. It's really the late opening of the season that's hurting fishers.

[English]

Mr. Mel Arnold: Okay, thank you. Maybe we can come back to the right whale later on.

Mr. Lansbergen, after months of delay, the Government of Canada announced the seafood stabilization fund, the harvester benefit and the harvester grant.

When the minister appeared last week she said some of the announcements could start being opened through applications in the coming days or weeks. Are you aware of the stabilization fund, the harvester benefit or the harvester grant being open for applications yet?

Mr. Paul Lansbergen: No, all of those three programs are still in the design phase. I understand, as the minister said last week, the stabilization fund is due to be opened imminently, whereas the harvester grant and benefit will take a little longer.

Mr. Mel Arnold: So, fishermen have been out on the water for weeks, basically, and there's still no certainty if they are going to be covered under those programs, and they can't open them up yet, I understand.

To date, the government has announced these three fishery support programs and employment insurance changes that we have yet to see, and the minister didn't even know last week if the EI changes were going to require legislation in the House of Commons.

Do you feel the government's response to the fishery has been timely and adequate to this point?

Mr. Paul Lansbergen: That's a good question. It is very difficult for anyone to answer. Obviously, all of the people in the sector would like these support programs to be announced one day and live the next, but we know that just isn't possible.

The public servants in the government have been doing a tremendous amount of work. I know they have been working very long hours trying to develop and design all the implementation elements. It just takes time, unfortunately, and longer than we would like.

We hope, certainly, that the stabilization fund, because it was announced first, will be coming very soon. As I said, we're anxious to know exactly what is covered and what isn't. From the initial announcements, we have an idea, but it's not absolutely clear.

Mr. Mel Arnold: Thank you.

This question is for both witnesses.

Have your organizations been consulted adequately as to how these programs are rolled out or what's really needed on the ground that would work for harvesters and processors?

Mr. Paul Lansbergen: We were consulted much like anyone else in the sector in the lead-up to the government announcing the stabilization fund or even the harvesters grant and benefit. Since

they were announced, we have been deeply in discussion with the officials at the political level on the elements. We're quite comfortable with that process.

We just wish it didn't take this long.

The Chair: Thanks, Mr. Lansbergen.

We'll now go to Mr. Morrissey for six minutes or less.

Mr. Robert Morrissey (Egmont, Lib.): Thank you, Chair.

My question is primarily directed towards Mr. Lansbergen, but if Mr. Lanteigne wants to comment, he can.

For the record, we have to make clear that government and the department had roughly six weeks to deal with a 100-year incident, which was the shutdown of the worldwide market in seafood. Nobody could have ever predicted or dreamt that a situation such as this would have occurred.

Where is our industry most vulnerable going forward, and how best should we structure the industry for the future? What have we learned in the past month?

We have programs that will run out, and government has been consistent in announcing programs and following through with them. One thing we have been extremely effective in is getting money into people's hands, and that will include the fishers.

My question for both of you gentlemen representing the industry is, are we focused enough today to learn from this issue, and where do we have to position ourselves so that we're not vulnerable to a similar worldwide situation?

Nobody could have predicted that the worldwide economy could almost shut down within 24 hours.

● (1440)

Mr. Paul Lansbergen: It's a good question. No one could have predicted this and no one could really have better protected ourselves from a global pandemic.

Mr. Robert Morrissey: Yes, including government.

Mr. Paul Lansbergen: No market was immune to it. We're relatively balanced between food service and retail markets. We're relatively diversified in our export markets. We export to 139 countries. Yes, the U.S. is the dominant one and always will be for Canada.

It's just a very painful fact with a global pandemic.

Mr. Robert Morrissey: Historically, DFO has not been in the marketing business. It has been in managing the resource, protecting the resource, ensuring long-term conservation is put in place.

Again, where do we go on that? Could you address that briefly?

[*Translation*]

Mr. Jean Lanteigne: Mr. Morrissey, I disagree. On the contrary, I think we have put too many of our eggs in the same basket. We are too dependent on the markets, and there we sit. We develop a market and then we do business with the same people in perpetuity, and we do very little to explore the other markets.

As I said in my presentation, we also have to make sure that we make the most of our resource, which is something we don't do in Canada. We live in abundance. Too many products are thrown into the sea or thrown away by the plants, which consider them waste. It's imperative that we implement strategies to ensure that we consume one hundred per cent of our resource. We need to move in a different direction, and we've been saying this for a long time.

[*English*]

Mr. Robert Morrissey: Okay, thank you. I agree.

Mr. Chair, I'm going to give the rest of my time to my colleague Mr. Cormier.

The Chair: That's very good.

Mr. Cormier, go ahead. You have just over two minutes.

[*Translation*]

Mr. Serge Cormier: Thank you, Mr. Chair.

I welcome all the witnesses who are with us today virtually.

Mr. Lanteigne, I'd like to ask you a few questions to clarify the comments of my colleague Mr. Arnold.

Let's talk about shrimp first. Shrimp fishing has now begun. You're certainly expecting some losses, but how do you think the next season will go?

Do you think fishers will still be able to take some of their quota?

Mr. Jean Lanteigne: It's hard to say, since the first week of fishing isn't over yet. We'll see how the markets react.

The plants are very particular in terms of the size of the product. It seems that the only place we can possibly sell shrimp right now is in the sandwich market. They want small shrimp, not big shrimp. It's a low-end shrimp, and it's the cheapest. This limits the fishing business's ability to maximize its income. This is going to be very worrisome. We'll see over the next two or three weeks what the market reaction will be.

Mr. Serge Cormier: Okay.

[*English*]

How much time do I have? I have 25 seconds.

[*Translation*]

Mr. Lanteigne, you said that the fixed costs for shrimp fishers were roughly \$500,000. If possible, could you give us a breakdown of the costs so we can analyze them?

As you know, the federal government has programs in place, but has the Government of New Brunswick given you any assistance or any indication that assistance would be provided?

• (1445)

Mr. Jean Lanteigne: The answer to the first question is yes. We have produced these figures, and we can easily pass them on to you.

As for the second question, the Government of New Brunswick hasn't provided any support to date.

Mr. Serge Cormier: Thank you, Mr. Lanteigne.

[*English*]

Is my time is done, Mr. Chair?

The Chair: Thank you, Mr. Cormier.

Madam Gill, I believe you're giving your time to Mr. Blanchette-Joncas.

I'll ask Mr. Blanchette-Joncas to start off for six minutes or less, please.

[*Translation*]

Mr. Maxime Blanchette-Joncas (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you very much, Mr. Chair.

I'd also like to thank both witnesses for being with us today.

We've seen in the media that both indigenous and non-indigenous people have asked Ottawa for help on shrimp fishing. In eastern Quebec, fishers warned Ottawa that shrimp fishing, which is normally allowed on April 1, wasn't currently viable. This is a real problem, and the situation was deplored.

Mr. Lanteigne, you have also made requests to Ottawa in relation to the Coalition des pêcheurs de crevette du golfe. Could you tell us more about that?

Have you assessed the potential losses of the shrimp fishers?

Mr. Jean Lanteigne: We did indeed, yes. Earlier, I said the fixed costs were \$500,000. So if we do not fish, we face losing half a million dollars, it is fairly simple. It costs \$25,000 to insure a fishing vessel. That is no small amount. So when you get \$10,000 in assistance from Ottawa, I do not have to tell you it does not even cover that amount.

We tried to be strategic and determine how much shrimp we need to catch to cover a fishing season, that is, to break even. However, there are too many variables to determine that.

I alluded to the issue of catch per unit of effort. If a trip to sea ends with a good catch, all is well. If we come back with a small catch because it wasn't our day, that is something else.

So it is extremely difficult to be more precise at the moment, but I can provide you with the calculation table we produced that lists all the variables.

Mr. Maxime Blanchette-Joncas: Thank you very much, Mr. Lanteigne.

We know that shrimp is one of the most expensive catches in the Gulf, mainly in eastern Quebec, and even in Acadia.

You mentioned that the shrimpers were able to go to sea recently, basically 10 weeks after the normally scheduled date, April 1.

Can you tell us what the federal government could have done differently to better support fishers? You said earlier that international markets are not open. That is a real problem, and it is badly affecting the opening of the shrimping season. I would like to hear your comments on that.

What different types of action would you have liked to see from the federal government, based on the recommendations you made?

Mr. Jean Lanteigne: The federal government program involving a secure line of credit to pay for surplus inventory, which was announced by Prime Minister Trudeau, should have been introduced much earlier. That solution would have helped us move forward much more quickly.

Also, \$62 million is a very small amount of assistance. On a Canadian scale, it is a pittance.

Mr. Maxime Blanchette-Joncas: Thank you, Mr. Lanteigne.

You also mentioned the change in eligibility criteria for the employment insurance program. In your view, that is necessary in order to ensure that fishing industry workers are not left without income due to the delay in opening the fishing season, which will now be shorter.

Could you provide us with more details? Which eligibility criteria specifically do you feel need to be reviewed?

Mr. Jean Lanteigne: One of your colleagues said it earlier: the criteria have yet to be released. This is making fishers very uneasy, especially because we do not know whether this shrimp harvest will be abundant or not over the course of the year. We do not know what we can rely on.

Employment insurance really does provide very good support for the industry, and fishers appreciate it very much. However, fishing is still their main source of income, and they often cannot rely on employment insurance alone to meet all their financial obligations.

It might help, but we are waiting for details about the program, which remains unclear.

● (1450)

Mr. Maxime Blanchette-Joncas: Is there a date by which the federal government needs to clarify all the issues you mentioned?

Mr. Jean Lanteigne: The season is way behind schedule right now, at least for shrimping. There will be fishing for sure, provided the market opens up a little. That is the big unknown.

Obviously, the sooner the better. If we do fish, the season will certainly extend into the fall. September 1 would be an acceptable date.

Mr. Maxime Blanchette-Joncas: If fishing can continue until December, it could still be cancelled earlier due to weather conditions, for example. It's possible that more income will be lost.

Are you looking for more financial support, given that, even if we want to extend the fishing season, it will not necessarily always be possible to do so?

Mr. Jean Lanteigne: We are making two major requests of the government.

The first is to suspend the cost of licences. They cost from \$15,000 to \$25,000, and it is an expense that fishers have incurred so that they can go fishing. That being the case, we are asking that they be reimbursed for it.

The second involves the \$40,000 financing program for businesses. When we made our request to the minister, we asked the federal government to triple that amount, to provide \$120,000 in financial support to fishing enterprises. As we know, the significant financial obligations they face call for a subsidy program that is in proportion, around \$120,000.

Mr. Maxime Blanchette-Joncas: With respect to that \$120,000 in assistance—

[English]

The Chair: Thank you, Mr. Blanchette-Joncas. The time is up.

We'll now go to Mr. Johns, for six minutes or less.

Mr. Gord Johns (Courtenay—Alberni, NDP): Thank you, Mr. Chair.

Mr. Lanteigne, you just touched on something that I was going to ask about: the licensing fees.

Can you talk about how important that ask was? The government decided to go with the fish harvester benefit and the grant instead. I know on the west coast this was very important to fishers.

Can you speak about how significant that is? We know fishers are going to have a very difficult time coming out of this season.

[Translation]

Mr. Jean Lanteigne: As I just explained, it is a huge expense. For snow crab, the fee is \$132.50 per tonne, and for shrimp it is \$66.50 per tonne. We also have to factor in the 2% increase this year.

Since there were no funds from the federal government, we thought it was a very appropriate way to help fishers without the federal government having to dip into the public purse.

In this case, it is simply a matter of removing that expense, which would really help them. As you know, a fisher must produce a gross income of \$40,000, \$45,000, or even \$50,000 to be able to pay that \$25,000 bill.

In our opinion, that was a really easy support measure to implement. We still do not understand why the Department of Fisheries and Oceans refuses to proceed in this manner and instead went ahead with a \$10,000 subsidy. Furthermore, shrimpers and crabbers are totally ineligible, given that they have already applied for the \$40,000 subsidy.

[English]

Mr. Gord Johns: Thank you.

Mr. Lansbergen, you're welcomed to comment on that as well. Maybe you could also touch on the fish harvester benefit and fish harvester grant. Are they satisfactory to your members? What kinds of communications have you heard from the department in terms of the response to that? Do you have any idea how many fishers in your association will apply for either the fish harvester grant or fish harvester benefit?

• (1455)

Mr. Paul Lansbergen: Most of my members are not eligible for the fish harvester grant or benefit, but there are a few smaller members who could benefit from them. One of the issues that we flagged for the government, and that is addressed through the fish harvester grant, is that for a share persons crew that earn a variable compensation through a percentage of the catch, their payroll was not being captured in the right spot on the T4 slip. They're being captured by that and so are their employers, but as I said, that really doesn't help my larger members.

In terms of the fee relief—

Mr. Gord Johns: Sorry, could you speak a little about the conversation with the department in response to those concerns about those who are falling through the cracks?

Mr. Paul Lansbergen: Like everyone else in the sector, including many of the harvester groups, we all flagged that people were falling through the cracks from the economy-wide measures, like the business account and things like that. We said that the share persons crews were not being captured and that, therefore, that would deem their employer ineligible for the business account. The fish harvester grant and the fish harvester benefit were designed to fix those technical ineligibility things that—

Mr. Gord Johns: Can you also talk about the importance of the liquidity in terms of the cash flow situation, the \$40,000? We heard from Mr. Lanteigne about how that's not even close to adequate. Can you speak about how significant it is that the government expand that?

Mr. Paul Lansbergen: I think that if they expand that... As I said, my members are too large, so they're not eligible for that. Their payrolls go above \$1.5 million, but Mr. Lanteigne did mention the fee relief. As this pandemic continues, if the market disruption continues longer than we originally anticipated, then I think everyone in this sector will be interested in fee relief and access relief. My members are paying into the millions of dollars for access fees, so there may be a time when we need to revisit that decision.

Mr. Gord Johns: Thank you.

Mr. Lanteigne, you were talking about Iceland and research, and how they have an excellent model there. Can you expand a little on that as well?

Could you touch on the Canada food purchase plan, if that's serving your members, this rollout of this program and the way the government's designed it?

[Translation]

Mr. Jean Lanteigne: Obviously, that measure only applies as a last resort, when our inventory is not moving. I hope that we will find solutions to sell our products before we get to that point.

At least, as Mr. Trudeau said, instead of us throwing food away and wasting it, the Canadian government can buy it and distribute it to people who need it. It is rather dreadful that it has come to this, and it shows how weak our current situation is because we have not done enough to develop other types of products. We are really stuck in what we have always done, and I would say we are victims of our own success to some extent. We have been asleep at the wheel for too long and that is a shame.

We are waking up today, and it is a rude awakening. In a way, I feel it was very much to be expected, because we have been working the same way for too long, without even wondering if there were other ways to do things.

[English]

The Chair: Thank you, Mr. Johns. Your time has gone way over.

Mr. Gord Johns: Okay.

The Chair: I want to say thank you, of course, to our guests today, Mr. Lanteigne and Mr. Lansbergen, for joining us here as we do this study on the effects of COVID-19 on the fishing industry and the people involved in it.

We're just going to suspend for a brief moment while we allow our two guests to sign off and we make sure we have the other guests signed up.

I will say that Mr. Duane Boudreau, president of the Gulf Nova Scotia Bonafide Fishermen's Association, will be joining us in the second hour.

• (1500)

(Pause)

• (1500)

The Chair: We're good to go.

Again, for the benefit of the witnesses who are here for the first time in a House of Commons virtual committee meeting, I should remind you all of a few rules to follow.

Interpretation in this video conference will work very much like in a regular committee meeting. You have the choice at the bottom of your screen of floor, English or French. As you are speaking, if you plan to alternate from one language to the other, you will need to also switch the interpretation channel so it aligns with the language you are speaking. You may want to allow for a short pause when switching languages.

Before speaking, please wait until I recognize you by name. When you are ready to speak, you can click on the microphone icon to activate your mike. When you are not speaking, your mike should be on mute because we do get some feedback.

The use of headsets is strongly encouraged.

Finally, when speaking please speak slowly and clearly.

Should any technical challenges arise, for example, in relation to interpretation or a problem with your audio, please advise the chair immediately and the technical team will work to resolve them. Please note that we may need to suspend during these times as we need to ensure all members are able to participate fully.

Before we get started, can everyone click on their screen in the top right-hand corner and ensure they're on gallery view? With this view, you should be able to see all the participants in a grid view. It will ensure that all video participants can see one another.

For this portion of the meeting we're joined by Melanie Sonnenberg, president of the Canadian Independent Fish Harvesters Federation. As well, from the Gulf Nova Scotia Bonafide Fishermen's Association, we have president Duane Boudreau. From the Membertou Development Corporation, we have Chief Terrance Paul, chief executive officer.

Witnesses, thank you for joining.

We'll now go to Melanie Sonnenberg for six minutes or less, for her opening statement, please.

• (1505)

Ms. Melanie Sonnenberg (President, Canadian Independent Fish Harvesters Federation): Good afternoon, everyone.

Thank you, Mr. Chair, and thank you to the committee for inviting the federation to appear today.

The Canadian Independent Fish Harvesters Federation is the national advocacy voice for the over 12,000 independent harvesters who land most of Canada's seafood. Collectively we employ a crew of about 30,000.

We are the people who produce most of Canada's lobster, crab, wild salmon, shrimp and groundfish. Our seafood landings put Canada among the top fishing nations in the world and make us the single largest private sector employer in the majority of our coastal communities across Canada.

Canada's fishery sector was hit particularly hard in January by COVID-19, which is earlier than other sectors. The seasonal nature of the fishery has left it exceptionally hard hit by the pandemic, with critical decisions centred around the ability of harvesters to survive the present market conditions and financial crisis that has impacted the industry. Canada's fish harvesters are facing very dif-

icult times, and we hope that, by appearing today, we can identify some of the gaps and issues that have arisen as a result of the situation around COVID-19.

The federation has been closely following the various emergency support programs announced by the Government of Canada in response to the economic crisis caused by COVID-19. Of particular interest to our members has been the Canada emergency business account, the seafood stabilization fund, Farm Credit Canada, the Canadian emergency relief benefit, the Canada emergency wage subsidy, and just recently, the fish harvester benefit program.

Unfortunately, due to the nature of our industry as well as the various restrictions and the limitations on the programs, it is difficult, if not impossible, for some fish harvesters to access the programs as they are presently structured. More adjustments need to be made to assist harvesters, but there are, almost certainly, others who will fall between the cracks if we do not proactively take steps to prevent devastating losses to our independent harvester fleets across the country.

Considering the unique situation of our industry and our ability to provide a secure food source to Canadians, we wish to highlight the following concerns that exist for harvesters. The fish harvesters relief package that was announced May 14 was welcome news. Now harvesters urgently need details, eligibility requirements and when funds are going to be released.

We acknowledge there is considerable work to get the program going, but those in industry who are not eligible for other programs urgently require financial assistance. The new enterprise owner-operator who is just beginning a business in the fishery and has no financial history continues to be left out of most programs. Dedicated resources must be given to this important issue, and we need to collectively work together to find solutions for this segment of the industry.

The federation was formed over eight years ago as a need to protect the independent harvesters across Canada. Independent harvester fleets were highlighted in the legislation that was adopted last June by Parliament through Bill C-68. The bill identified the need to protect and promote this important part of our industry. Because of the financial crisis, large corporations, both inside the country and out, are in a position to acquire our enterprises. These acquisitions include the use of controlling agreements, which are under-the-table deals that give access to our public resources in a way that was never intended nor compliant with regulations and DFO policy. Most importantly, under COVID-19, we must not allow the erosion of this policy. The Canadian ownership in the fishery is important, and this erosion is happening now and will weaken our national food security.

Presently there is a regulatory package that is waiting to move from Canada Gazette part I to Canada Gazette part II. It is imperative that this is supported and completed, as it gives the department more strength to support the legislative piece on owner-operators that I previously mentioned. This is an urgent matter that is directly related to the pandemic in light of the financial vulnerability of the industry. We must not stand by and let owner-operators be further eroded in the face of the pandemic.

Innovative market solutions must be explored to support the industry both domestically and abroad. The situation in British Columbia is unique, given their vertically integrated, corporate-style fishery. As noted in FOPO's west coast benefits report last year, the need to protect B.C.'s independent harvesters is critical. COVID-19 has made the situation even worse, with last season's lease prices holding many harvesters hostage. Coastal communities will continue to decline if action is not taken to address the recommendations of the report.

With multiple fishery surveys cancelled, COVID-19 is directly in the way of collecting scientific information needed for the sustainable management of our fisheries. Independent harvesters stand willing to work with the department's scientists to ensure that critical data and information is collected. Additional resources are needed to support this important and necessary work. Presently, science is not deemed essential but it is supporting an industry that is essential. Therefore, we need science to be recognized as essential in support of the fishery as well. That would ensure that we have responsible management and continued industry access through strong science advice.

- (1510)

It is important to emphasize how urgently these issues and gaps need to be addressed on behalf of our industry. The seasonal nature of our fisheries makes recovery throughout the rest of the year extremely difficult. Without strong, comprehensive support, the future livelihood of many independent fish harvesters and, in turn, the economy of many of Canada's coastal communities are in doubt.

The challenge of this pandemic has demonstrated that now more than ever it's important to support domestic and international food supply chains, and that includes our seafood. We stand ready to assist your officials to ensure fish harvesters do not fall through the cracks. Please accept our offer of ongoing support and dialogue to protect the economic well-being of our vibrant coastal communities.

Thank you for your time and attention on this matter. By working together, we can ensure that our Atlantic and Pacific fisheries remain a viable renewable industry and that they support Canada's economic recovery.

In closing, I'd like to again thank the members of the committee for inviting us here today and for hosting the panel on the challenges facing the industry during the COVID-19 pandemic. We trust that through our work together we can ensure that our vital industry is not overlooked. I'm looking forward to your questions.

Thank you.

The Chair: Thank you, Ms. Sonnenberg.

We'll now go to Mr. Duane Boudreau, president of the Gulf Nova Scotia Bonafide Fishermen's Association.

When you're ready, sir, go ahead for six minutes or less.

Mr. Duane Boudreau (President, Gulf Nova Scotia Bonafide Fishermen's Association): Thank you.

I won't repeat any of Melanie's comments.

As mentioned, I'm the president of the Gulf Nova Scotia Bonafide Fishermen's Association, representing roughly 100 of the 620 fishermen in the Gulf Nova Scotia region. I also sit as the vice-president of the fleet planning board, which represents the entirety of the Gulf of Nova Scotia.

Back in April, I participated in the process of trying to design the ask from the fishers in the gulf region to the government for financial assistance. Along with that, we sat in multiple meetings with the Department of Fisheries, with Serge Doucet and the management from the gulf area. In each of these meetings we were asked what we wanted and how we saw the season going forward, and in each of those meetings we said we really had two options. One was a financial package that would protect our enterprises, some of which are in multiple generations now, three or four generations. The second option was the ability to start our season on time.

When the decision was handed down from DFO, for some reason we were told in the gulf that we needed an additional two weeks to prepare for the COVID pandemic. Oddly enough, it was only Gulf Nova Scotia that needed this time. From a health standpoint, I personally have seen very little change in the fishing industry. I've not personally heard of a single case of a lobster fisher in my area contracting the virus. The biggest impact that COVID-19 has had on our season is obviously the loss of two weeks and 25% to 40% of our income, as well as the additional market volatility and overall price reduction.

In the lobster industry in the gulf, price typically follows a pretty predictable schedule. In mid-April, area 31B opens up and the price drops two dollars. At the end of April, the remainder of area 31, the entire eastern shore, opens up along with the gulf, and the price will drop another dollar. Mother's Day arrives, and we see another price drop. Then at the end of May, the south shore closes their season, and we see an additional drop. I've been in the industry for—not to date myself—over 50 years, and this price schedule has repeated year after year. By losing the first two weeks of our season, we had already suffered the first two price drops before we started.

To make matters worse in the gulf, we really only have the lobster season and the snow crab season as our main sources of income. Fishers in the south shore, the eastern shore, as well as Quebec and Newfoundland have multiple other fisheries that they participate in as income supplements, whereas most of our other fisheries are basically recreational. By depriving the fishers in my area of 40% of their income with, really, at this point, still no viable, economic assistance package, we've pushed a lot of fishers to the brink of financial ruin. We still haven't seen a package that will prevent that. A \$40,000 line of credit, basically, does very little to help the majority of fishers. In my own personal instance, my payments alone to the bank are \$75,000, so that \$40,000 doesn't do a whole lot.

My other concern that's come out of this is that this is the first time in history that the department has made a decision on delaying a season based on economic reasons. The mandate of the department is conservation and protection, and that's how it should remain.

- (1515)

It's very difficult to refute the outcome of conservation and protection measures. It's very difficult to prove who the economic benefactor is in a decision like this when the majority of our lobsters are live-shipped and areas of the minister's backyard and eastern shore were allowed to fish while we sat on the shore.

That pretty much concludes my comments. Thank you for allowing me to speak here today.

The Chair: Thank you, Mr. Boudreau.

We'll now go to Chief Paul for six minutes or less, please, with an opening statement.

- (1520)

Chief Terrance Paul (Chief Executive Officer, Membertou Development Corporation): Thank you, Mr. Chair and members of Parliament on the fisheries panel and, of course, staff.

Kwe. Good afternoon. Thank you for inviting me to speak with you today regarding COVID-19's impact on our community.

Today I am with you from my community of Membertou, where I've been the elected chief for 36 years. I also serve as the lead for fisheries with the Assembly of Nova Scotia Mi'kmaq Chiefs.

In my time leading our community of Membertou, we have been through a great deal of struggle surrounding our rights, but I have also had the opportunity to be part of new opportunities within the fishery. One that I am particularly proud of is how our Membertou fishery has been built and has grown under our community's leadership.

With the sudden threat of COVID-19 forcing closures in many of our operations in Membertou in March, we took action to create emergency operation plans and an emergency COVID-19 budget.

For the Membertou Development Corporation, of which I am the CEO, our revenue last year was \$67 million. Our fishery operation accounts for \$3 million of that total number. Due to our loss of business we initially projected \$13 million to \$14 million in lost revenue in our total COVID-19 emergency budget.

Due to low prices and reduced catches imposed by our buyers as well as buyers placing daily limits on our lobster, we anticipate that \$900,000 to \$1 million of our overall loss will be within our fishery. Shrimp prices, as has been mentioned before, are very low, and we are anticipating a 60% loss of that revenue due to lack of markets.

We were incredibly pleased to see our fishers move forward with the fishery this season, given the magnitude of what has taken place over the last three months in our country and around the world.

When we put our boats in the water this season, we already knew we would come up short, but we knew that for the sustainability of our community and our fishers we needed to go fishing. Our season is still in process and our quotas are being caught; however, we're losing one-third of our annual profit due to the low prices this season and the late season start, as was mentioned before.

Here in Cape Breton, Onamagi, crab is selling for \$3.50 a pound when last year it was valued at between \$5.75 and six dollars. Our lobsters are selling for \$4.35 a pound instead of their usual six dollars and up. These numbers have fluctuated and continue to do so.

Aside from the financial impacts of COVID-19, there have been many social implications as well. Our communities have been deemed higher risk for the virus and, therefore, we've taken great steps to protect our people, especially our elders. Many of our fishers had to make difficult decisions on whether they would go out on the water this season and risk bringing home the virus. If they didn't go, they risked not making a living for their families.

We stepped up to do our very best to protect our fishers and supplied them with PPE like sanitizers, forehead thermometers, gloves and other safety equipment. This was at a cost of more than \$5,000 to begin the season.

Our fishery department employs 50 people. We have four crab crews made up of six crew members each and six lobster crews of four fishers each. These are well-paying jobs for our community, and the majority of our fishers are grateful for the opportunity to be working during this pandemic.

Throughout the course of the pandemic we've been in touch with our political representatives on all levels to come to the table with us and understand the significant financial loss that we will be facing this season, nearly \$1 million in fisheries loss alone.

- (1525)

Our community of Membertou and the other Mi'kmaq communities across Nova Scotia need support from our government to help alleviate the overall loss to our communities. Revenue generated within our communities supports other aspects of the community, including education, social aspects and health.

I understand that in being here with you today you're looking to compile this information, and I hope that very soon we can come back together to talk about opportunities to support our fishery at the time of our great loss.

Wela'liog. Thank you.

The Chair: Thank you, Chief Paul.

We'll now go to our rounds of questioning.

We'll go to the Conservative Party, with Mr. Bragdon, please, for six minutes or less.

Mr. Richard Bragdon (Tobique—Mactaquac, CPC): Thank you, Mr. Chair.

Thank you to our special guests. We appreciate your taking the time to come before committee to express some very valid concerns that are affecting the industry during this time.

I have a few questions as it relates to export market solutions and if you have been consulted as to how we're looking to break into these new markets, perhaps, as people and nations begin to emerge out of the COVID pandemic. Have you been consulted on some of that as well as domestic opportunities?

To start with, since late February it has been clear that COVID-19 is eliminating a lot of our export markets for Canadian fish and seafood. While other nations, like Australia and the U.K., have taken decisive and timely action to reconnect their fish and seafood sectors with high-value overseas markets, in Canada we are still waiting for government action. Are you aware of any government initiatives that are currently reconnecting our fish and seafood to overseas markets?

I will start with Ms. Sonnenberg.

Ms. Melanie Sonnenberg: Thanks for the question.

Clearly, the marketing issue is one. As the federation started into COVID, we did a short-, medium- and long-term view of what we thought, if our crystal ball was in its best form, we would need to address.

One of the things we did talk about is marketing. It's not as much our bailiwick, to be very frank, but we put it on the agenda each and every time.

As we go forward, we hope to spend more time on it, to be very honest. Right now, we've spent more time on the relief package and other financial aid, the things that have been put up, but certainly it's something that we're going to need to spend a fair bit of time on to try to sort out where we're headed with this, and how we're going to deal with the diversity in the industry and the different markets that have been so negatively impacted, as we are now into this for a few months.

Mr. Richard Bragdon: Thank you.

I'm not sure if any of the other panellists would like to speak to that as well in regard to whether they have been consulted or made aware of any outreach as it relates to expanding or reconnecting with export markets.

Mr. Duane Boudreau: We haven't been connected with information on that. Typically, as harvesters, we're kept at arm's length when it comes to the marketing aspect. P.E.I. is a little more involved at the direct marketing level with the fishers, but in Nova Scotia, not so much.

Mr. Richard Bragdon: Thank you.

As it relates to the domestic market solutions, for months now we have been advocating that the Government of Canada take some leadership to promote the demand for Canadian fish and seafood here at home in our domestic market. There are also opportunities to connect our fish and seafood with Canadians in institutions, like local markets and food banks that need it, etc.

Are you aware of any government initiative that is currently promoting Canadian fish and seafood in our domestic markets?

• (1530)

Ms. Melanie Sonnenberg: I am, Mr. Bragdon.

The Lobster Council of Canada is one example. It has been working on a program that's domestically centred. They've done a couple of different things through social media and they're starting to ramp up their efforts. That's one thing. Certainly, there are a lot of things locally that I've seen people do in some of the smaller organizations to try to highlight the good-quality seafood that we have available to us.

I think these things are starting to evolve as we get further into this discussion, but there are initiatives going on. It's just taking some time to get some legs, to find out where we're going with it and how much seafood we can convince our people in Canada domestically to eat when we've had a very complex marketing system abroad. We need to change the dial a bit and perhaps make it more diverse in terms of a blend between international and domestic markets.

I foresee more activity in that regard, but certainly there are things going on now on the ground.

Mr. Richard Bragdon: Thank you.

I'm wondering, as it relates to the domestic market and expanding there, do you feel there needs to be a more robust response as it relates to that, and that the government could be doing more to expand that? If so, are there any suggestions you folks may have?

Ms. Melanie Sonnenberg: Certainly, the federation has brought this up time and time again, and we will continue to do that. As I said in the beginning days, it's been about eight packages. We will be looking to government for more focused reactions to this and more help. Going forward, you'll hear more from us on that, but at the present time, no, we have not had much discussion on how we can market our seafood domestically and what that might look like going forward.

Mr. Richard Bragdon: Thank you.

This question is—

The Chair: Thank you, Mr. Bragdon.

We'll now go to Mr. Battiste for six minutes or less, please.

Mr. Jaime Battiste (Sydney—Victoria, Lib.): Thank you, Chief Paul, for joining us.

I know you're quite busy, and I can state with confidence that Membertou is one of the fastest-growing areas of economic growth in Cape Breton. I thank you for your leadership in creating a better Cape Breton.

You've shared with us that COVID has had major impacts in all areas of Canada, and I thank you for giving us a sense of the challenges that Mi'kmaq communities are facing. With the estimated loss in own-source revenue from Mi'kmaq communities, do you know whether the communal fisheries are eligible for the programs that the government has announced, like the wage subsidy, or some of the benefits for fish harvesters that we've announced?

Chief Terrance Paul: Thank you for that.

No, we were not eligible. That's one of the problems. They have funds for harvesters, but we're not classified as harvesters. We're indigenous communal fishers. We've asked, but we haven't received a response to a number of questions we had for them. One of them was that. If we're not eligible for the programs that have been announced already, could there be something done for the indigenous fishers?

Mr. Jaime Battiste: Can you elaborate on some of the barriers that the Mi'kmaq fishermen are facing during the COVID era? Can you give us any examples of some of the challenges that many Mi'kmaq bands and Mi'kmaq people who are trying to get into the fisheries are dealing with due to the recent difficulties and challenges with COVID and beyond?

Chief Terrance Paul: Yes. Like many other fishers, we're operating at a great loss to our operation here.

Other MPs may already know, and certainly you do, that we have a treaty right to the fishery, which was decided back in 1999. We're still not exercising that.

I'll give you an example. It's been in the news, so I think it went across the country that when we tried to fish for food, which we have a right to do, our boat was burned. This is some of the stuff that we're facing. We've been talking to the government through DFO for many years, and we're still not able to come up with an agreement yet. It's a very slow process. Governments change, so I feel that all of government needs to take this seriously. There's a Supreme Court decision on our fisheries, and we need DFO's help to implement that fishery.

• (1535)

Mr. Jaime Battiste: I'd like to go over to the federation now.

I'd like to get a sense of what the difference is in terms of domestic versus exported. What is the actual percentage of our catch remaining in Canada versus going to other places across international markets? Do you have a percentage breakdown of what that would be?

Ms. Melanie Sonnenberg: I don't have those numbers at my fingertips, but I can certainly see that the committee gets them.

I think what's important to remember is that we have about 35 million people in Canada, and the domestic markets go to millions and millions. When you look at places like the United States or some of the Asian markets, we're talking about considerable numbers of people. It looks quite different from our own domestic market. That's why I say that a blend of international and domestic markets is really what we need to strive for. We need to find that balance.

I can certainly get you some information, and I'll see that the clerk gets it.

Mr. Jaime Battiste: Okay.

This is a question for all the panellists.

Would increased storage and increased capacity... I know that for lobster and snow crab this is something that's a challenge. Would our government's increasing capacity and increasing the storage ability be something of great assistance during this COVID era?

Mr. Duane Boudreau: Absolutely. Long-term storage of lobster specifically is something that's greatly needed in this area, especially in northeastern Nova Scotia.

The lobster that we catch early in the spring holds very well in long-term storage, for as much as six to eight months. We have one of the lowest numbers of storage facilities in the Maritimes.

Mr. Jaime Battiste: Thank you.

Mr. Chair, I think that's all for me. Those were some very good questions and answers.

The Chair: Thank you, sir.

We'll now go to Madam Gill for six minutes or less, please.

[*Translation*]

Mrs. Marilène Gill (Manicouagan, BQ): Thank you, Mr. Chair.

First, I would like to thank all the witnesses here today on Zoom. I must admit that I wish everyone could be here. One of the witnesses could not make it because of the format our committee is using. I hope we can accommodate all of the witnesses on subsequent occasions, because it is a matter of democracy.

Having said that, I would like to speak generally about COVID-19. I am sure you will agree that the fishing industry is truly a sector with some unique characteristics. Certain vulnerabilities have, of course, been brought to light by the crisis.

I would like the witnesses to tell me which aspects of the industry are most fragile right now. I would also like them to tell me what we could have done to prevent a crisis like this one. Unfortunately, we have no protection in the event of a future crisis, which could, for example, happen next year.

What should be done right now to make the industry more solid? The question is for all witnesses.

[*English*]

Ms. Melanie Sonnenberg: I can highlight a couple of things, Madam Gill.

One thing that is really critical right now is the need to get money into the hands of harvesters. You've heard several times this afternoon that this has not been as rapid as we would like to see it.

The need for people to be able to access money so that they can continue their operations is critical. I can't highlight that enough. This is a gap that I mentioned in my presentation to you, and I will continue to. That's been the shortfall, I think. Looking back we'll have much more clarity on what would be better and how we've addressed problems.

The other gap that's very concerning is with regard to people who are new to the industry and who have invested heavily in the industry to get started. There is a real concern that they're going to fall through the cracks due to their inability to access financial assistance due to the lack of history that they have when they're reaching out to get additional credit. That liquidity they require may not be there. That's something we've highlighted.

Those are a couple of really important points that we don't want to leave behind. We have to keep them in the forefront.

• (1540)

Mr. Duane Boudreau: Perhaps I could add to that.

My membership in particular has a very aging population. The majority of my fishers are, I would say, 60 or older.

Access to financial resources that would allow them to make the decision of whether to put their health at risk or their enterprise at risk would have been very helpful up front.

[*Translation*]

Mrs. Marilène Gill: I would like to ask some questions about research and development. We actually heard a number of witness-talk about it earlier.

Ms. Sonnenberg, you talked about promoting and diversifying markets.

How could the government provide more structural support for research and development, and for opening and diversifying markets in the fishing industry, regardless of location?

[*English*]

Ms. Melanie Sonnenberg: Right now we need a dedicated table and certainly I think there are some of those things going on. As my colleague, Mr. Boudreau, pointed out, as harvesters sometimes we find ourselves a little bit distanced from this discussion. Because of the COVID situation, we're having to take a very long, hard look at

it to help our harvesters access markets to stay viable and be able to survive this.

Going forward, I think we need to have some structure where we're doing only that. We have a number of forums that are going on, which you've heard about, where we're talking about a wide variety of things. Definitely we need a dedicated table where we start to have experts come in and we start to look at ways we can diversify the market and promote our products. For example, in the case of the surplus food purchase program, how would that work for us?

Those are the things we need to take some time on now. Because we're coming out of that immediate crisis, the timing is getting better for it. I can tell you, in the beginning of this we spent most of our time looking at how we can get financial assistance to the industry. We still continue to do that, but I think we're in a place where we could start to shift into another place as well in conjunction with it.

[*Translation*]

Mrs. Marilène Gill: My next question is about the year ahead.

We would like to find measures for the current year. However, it seems that the fishery will still be feeling the impacts of the crisis next year.

In your opinion, are there any other long-term needs, other than those being met by the current government benefits and subsidies for harvesters and industry workers?

[*English*]

Ms. Melanie Sonnenberg: That might be a question best answered by my colleagues here, because certainly they're closer to the industry in terms of work. We're going to be looking at this. I do think that in some areas there are going to be places where there will be more financial assistance required. We're going to have to work through that, and we're going to need the support of government.

Chief Terrance Paul: I know MP Gill asked what more we can do to be more prepared. I think we all should be prepared for the second wave. Inevitably, it's going to come, and we've learned through what we've been doing right across the country in following guidelines to help flatten this virus.

In our case, this is on behalf of the indigenous people, the Mi'kmaq, at least in Nova Scotia. That's the only tribal people that are there. What are the programs that are available now for fishers, for harvesters? We don't even get that, so I would ask the panel to consider the indigenous people somehow being eligible for the programs that other people are. It's all we're asking for, really. Like all the other fishers, we're suffering the same. We all need help. Don't forget about us.

It's kind of like...I don't know what to call it. It's a situation of a different kind. Let me put it that way. Dealing with us, the Mi'kmaq in Nova Scotia, we fish in the same waters; we fish with others and we have non-indigenous people who work with us and for us. Because of the way it's structured, where our fishery is run by the band council and it's not run by individual fishers, we're not eligible. That's the big problem. The fishers are losing just as much as anyone else. This is what I'm asking, to help at least the fishers.

• (1545)

The Chair: Thank you, Chief Paul. Thank you, Madam Gill.

We'll now go to Mr. Johns for six minutes or less, please.

Mr. Gord Johns: Thank you, Mr. Chair.

Ms. Sonnenberg, you talked about the challenges fishers are facing with the delays in the funding getting out the door. Would the fastest way to get money into the pockets of fishers be by waiving licence fees in the regulations? Could you talk about the importance of that important ask?

Ms. Melanie Sonnenberg: Certainly, Mr. Johns. We had put it into one of our first submissions that this was something we were looking for. We understand there was a decision made when the harvester package came out that the \$10,000 would be to cover some of that. I think it's important to remember that for some of the operators, that doesn't cut it. There will be a time when we'll have to reconcile. When you're running a business, \$10,000 goes pretty quickly. If you're spending that money to make your operation...

We heard Chief Paul talk about buying PPE. You can chew through a considerable amount of money when changing your operation, educating your crew and doing those sorts of things.

We'd like to go back to it and we'd like to have more discussion on it. I think it's an important one. The recognition of those fees may become necessary, given the state of the situation. That is a gap, certainly.

Mr. Gord Johns: To add to that, we talked about new entrants and young fishers starting out. They don't qualify for almost any of these programs that are rolled out, to my understanding and from what we're hearing from fishers and organizations such as yours that are doing great work.

Is this something that captures them right off the bat and gives them a shot to get at least some support?

Ms. Melanie Sonnenberg: It is some relief. There's no doubt about it. When you start to take away fees for licensing or quota access, some of which can be fairly substantial, it's certainly a relief. There's no doubt about it. Yes, if this is something we could do for the new harvesters, the new enterprise owners, I think it would be a step in the right direction.

Mr. Gord Johns: Ms. Sonnenberg, you talked about foreign ownership and the report "West Coast Fisheries: Sharing Risks and Benefits". Can you talk about the impact of the foreign ownership of licensing right now? Would it be fair for the government to intervene in a year like this and ensure that there's a fifty-fifty split? My understanding is that a lot of harvesters have locked into pricing based on last year's market. Now they can't even leave the dock before they can take a hit.

Can you talk about that?

Ms. Melanie Sonnenberg: There are a couple of different fronts in this discussion. Number one is that the Canadian resource needs to be in the hands of Canadians. This is a huge concern to the federation. There is an erosion of control in terms of some of the state-owned enterprises that are trying to buy up our resource. That's something I would like to flag to the committee.

In terms of what's going on in British Columbia on the water, the situation is very unique. This committee made some very great recommendations in terms of changing the tide, really, and starting down a different direction. That needs to be done. The coastal communities in British Columbia and in other parts of the country are being impacted by corporate takeover. Our communities run on the support they get from these enterprise owners, owner-operators, independent harvesters or whatever terminology you use in your region. In B.C. it's independent harvesters. These folks need to be assisted. We need to see some dedicated help go to them, and it needs to happen quickly. We don't have time to languish under possible solutions. We need to get to the table. We need to find some things that will help them solidify their operations and be able to go forward.

Financially, they'll need to have assistance too. On this fish harvester relief package that's coming out, if we could even have some details around it, then people would have some understanding of what their eligibility might look like. That's been a huge issue. As I'm sure you've heard from some of your own constituents, not knowing is almost as bad as being rejected when you apply for the program.

Those are some of the things we would like to see right away.

• (1550)

Mr. Gord Johns: Thank you for that. It's very important.

Chief Paul, you talked about some of the barriers that indigenous fishers are facing around capacity building, around financing. Can you speak to that a little bit? I know that where I live, the Nuuchahnulth Seafood corporation has been lobbying for more investments in capacity building. Is that something you could speak to in terms of your community and how that's affecting your members?

Chief Terrance Paul: Yes, it certainly is. We have a lot more people who want to go out fishing, but they can't get access. Again, we would like to work with the government, and we would like the fisheries associations to work with us to try to get more of us in. The decision was made over 20 years ago, and we're still in the situation where.... Like I say, it's a fishery of a different kind. We're not considered regular fishermen. Indigenous communities hold commercial communal fishing licences. We're not getting anywhere, and it's a big issue for us. We're still having discussions, but it seems like the wheels are spinning and we're not really getting anywhere.

Mr. Gord Johns: Thank you.

How much time do I have, Mr. Chair?

The Chair: You have time for a very short question, Gord.

Mr. Gord Johns: Mr. Boudreau, could you speak about how important licence relief would be for your members on the east coast?

Mr. Duane Boudreau: For the majority of my members, licence relief would be a help, but it would be a drop in the bucket. Most of my guys probably pay less than \$500. That doesn't pay your expenses for one day of fishing.

Mr. Gord Johns: It's liquidity and financing they need as well.

Mr. Duane Boudreau: It is. The big thing that most of my guys desperately need is payment protection on their enterprises. It takes a lot of pressure off my guys if they're not staring down the barrel of a \$45,000 to \$75,000 payment in either June or December.

Mr. Gord Johns: Thank you, Mr. Chair. I appreciate that.

The Chair: Thank you, Mr. Johns.

Before we sign off, I want to say a big thank you to Ms. Sonnenberg, Chief Terrance Paul and Duane Boudreau for participating today.

I want to stress the fact that, for any witnesses that have been put forward to the committee, it really depends on their Internet connection and the strength of it to be able to give good testimony here. Unfortunately, sometimes that's something we are not in control of, and the witness is not in control of it either.

Thank you to everyone on the committee today for their participation.

Thank you to the clerk and all the staff.

We look forward to seeing committee members again tomorrow afternoon.

• (1555)

Mr. Mel Arnold: A point of order, Mr. Chair.

I see about five minutes left on the clock. Is it possible to have a quick round of 30-second questions for each of the parties in the five minutes I see on the clock?

The Chair: If we do a 30-second question, we can only get a 30-second answer, because we have to be gone by 5:30 my time. There's another committee waiting and ready to go.

If you want to lead off with a 30-second question, I'll time you right to the second.

Mr. Mel Arnold: Thank you, Mr. Chair. I might even be able to keep it shorter than that.

To the witnesses, we've seen other countries provide support right away. Australia provided access and transportation for their fish market, their high-value markets, to get the product to market and to keep the fisheries active and working. Would it have helped if Canada had done the same thing, if the government had done the same thing to get products to market? Would there be fewer payments going out in the way of relief if that had happened?

The Chair: Is anybody going to take that one from Mr. Arnold?

Chief Terrance Paul: Yes, it certainly would help, for sure. I would give a thumbs-up on that question.

Yes, we certainly can use the help. Like I said, we're different and we're not eligible, and it seems like we're not eligible because of who we are. We're not thought of. I know when decisions are made about funding, for example, that industry, the fishing industry, whatever program you come up with doesn't extend to our being eligible like anyone else.

The Chair: Thank you, Chief Paul.

Mr. Morrissey for 30 seconds, please.

Mr. Robert Morrissey: Thank you, Chair.

I want to go Ms. Sonnenberg, whom I've known for a while.

You made the reference that we must support science in DFO and that you see science as the way forward if this ever happens again. Could you comment briefly on our government's commitment in the science area over the last number of years in building the science capacity at DFO?

Ms. Melanie Sonnenberg: Certainly, we've seen an increase in the interest and the support that's been given to science.

As far as COVID goes, I think what's important for the committee to understand—and I'll try to do this briefly—is that our fisheries management plans depend on good science. We make decisions based on good science. When we lose the ability to get out and collect some of that critical data that we plug into our fisheries management plans, it's devastating, and there will be an economic hardship as a result of it. I cannot stress enough to the committee how important it is that science is just as essential as the actual industry it supports.

The Chair: Thank you.

Madam Gill, you have 30 seconds or less, please.

[*Translation*]

Mrs. Marilène Gill: I would have liked to talk about something completely different, that is, seals. We are talking about research and development and market diversification.

Could sealing be an avenue of interest to the sector?

[*English*]

Mr. Duane Boudreau: It's definitely an untapped market. It's rare that you'll ever get fishermen to agree on anything, but they would absolutely agree to participate in a seal fishery.

The Chair: Thank you.

Mr. Johns, be very brief, please.

Mr. Gord Johns: This is a question for Ms. Sonnenberg around the Canada food purchase plan.

Can you tell me what needs to be in that plan to help support fishers? We know that in the U.S., including Alaska, they've done very well at supporting their fishers at times when prices are low. Can you speak about what the government's doing right now and what needs to be in that?

Ms. Melanie Sonnenberg: Again, I go back to the issue of having a dedicated table. I would emphasize the diversity in the fishery. It makes it really difficult to just give a simple, straightforward answer when we look at the diversity of the species that are being harvested in our country. How we get those out and get the kind of support we need is going to be on a case-by-case basis.

That table, with different parties representing different species and with some experts on how to put that product out there, is what's needed. Right now, we have not spent time there. We've

spent more time on trying to find financial solutions so that we have people who can bring species to shore, and then we can get them to market.

● (1600)

The Chair: Again, thank you, everyone, and a special thank you, of course, to our guests.

If there's anything you didn't have a chance to say or any point you didn't get a chance to make today, please send in a written submission. We'll make sure it's included in the report and in the testimony that's reviewed in the creation of a report later.

Thank you for an insightful day. I look forward to seeing you again tomorrow.

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