



# LICENCING POLICY, FOREIGN OWNERSHIP, AND ENTERPRISE VIABILITY DFO PACIFIC REGION

HOUSE OF COMMONS FISHERIES AND OCEANS COMMITTEE  
MAY 18<sup>TH</sup>, 2023

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# Canadian Council of Professional Fish Harvesters

- Created in 1996 under HRDC national human resources sector council program
- Have been tracking and reporting on economic performance and labour supply trends in fish harvesting industry for over 25 years



**Contrasts  
in social  
and  
economic  
benefits  
from  
fishery**

	Pacific	Atlantic
Change, fish harvesting jobs, 2010 to 2019	Down 18%	N&L down 10% Maritimes up 6 to 17%,
Average incomes, fishing jobs, in 2019, and after-inflation change since 2010	\$23,900 - up 32%	\$37,500 - Maritimes, up 137% \$27,400 -- N&L, up 85%
% of harvester workforce at or above 55 years of age	40%	Maritimes – 31% NL – 45%
Harvester incomes as share of total landed value	29%	37%
<b>If BC harvesters received same share of total landed value as in Atlantic, average fishing incomes would improve by more than \$6,000</b>		
Statistics Canada Tax Filer data		



# It's not an omelet, it's a failing policy that needs to be fixed

## • **Option 1: PIIFCAF process**

- Time limit (e.g., 7 years) for licences/quota to return to ownership by working fish harvesters after which they return to Crown ownership

## • **Option 2: new ownership structure**

- All licences/quota return to Crown
  - On retirement for working harvesters
  - After e.g., 7 years for non-harvesters
- Crown-owned or non-profit licence bank providing long-term leases at affordable cost levels

## **Caveats**

- Neither option will work unless harvesters are able buy licences/quota at fair market value for a working fishing enterprise
  - May require a mandated review board to regulate prices and provide appeal process
- Option 1 not feasible without a purpose-built fisheries loan board or other mechanism to provide access to affordable credit



## Option 2 example: BC halibut

- Recent market prices for halibut quota vary from \$100 to \$125/lb.
  - Would be lower if companies and speculators excluded from market
- Approximately 7 million lbs. landed in 2021
  - Total quota value - \$700 to \$870 million
- Approximately 85% of quota owned by people/entities other than the working owner-operators who were fishing it
- Cost to purchase 85% of quota at current price levels: \$600 to \$740 million
  - Not unmanageable as an investment to be paid back over 25 to 30 years by affordable leasing fees or lease-to-own payments (e.g., 30% of landed value)



## Corporate concentration, foreign control – unintended consequences of a broken licence policy delivering poor socio-economic outcomes

- Despite challenges, a resilient Atlantic fishery is revitalizing coastal communities and First Nations with most harvesters earning middle class incomes
- Almost reverse trends in Pacific Region commercial fishery
  - Continuing employment decline, weak and insecure incomes
  - Poor career prospects - industry not competitive for new labour supply
  - Coastal communities and First Nations losing population and economic viability
- Licence policy regime a critical factor contributing to poor socio-economic outcomes
  - Limiting foreign control will help, but alone won't reverse the downward spiral
- As recommended in 2019 *Sharing Risks and Benefits* report, full licence policy review is needed
- Critical first step – implement fleet separation, then develop made-in-BC owner operator model