

Fish Processing Licensing Board Meetings

April 27-28, 2021

May 12, 2021

Board Recommendations

Dear Minister Bragg,

The Fish Processing Licensing Board (Board), held a meeting in St. John's on April 27 and 28, 2021, and had a follow-up conference call on May 12, 2021. The Board considered five applications that were comprised of the following:

- New primary processing licence for groundfish (all species), pelagics (all species), and snow crab for Peerless Fisheries Limited, Petty Harbour;
- New secondary processing licence for North Atlantic Aquaponics, Robinsons.
- Addition of lobster, lumpfish and scallop to a primary processing licence (approved in principal), for Seaward Seafoods Company Limited, New Ferolle.
- Addition of sea cucumber to an existing primary processing licence for Golden Shell Fisheries Limited, Hickman's Harbour.
- Addition of snow crab to an existing primary processing licence for Dandy Dan's Fish Market Ltd., Ship Harbour.

The Board is making the following recommendations:

1. Peerless Fisheries Limited, Petty Harbour, requested a primary processing licence for groundfish (all species), pelagics (all species), and snow crab. There were four letters of objection and four letters of support received. The company is currently operating under an agreement with Skipper's Quality Seafood Inc., Petty Harbour, that is currently licensed to operate an In-Province Retail Fish Establishment for groundfish (all species), pelagics (all species), and shellfish (all species). It's the Board's view that groundfish (all species), pelagics (all species), and snow crab are now fully utilized within this area (resource availability and regional balance). After careful consideration, it has been concluded that there are no other mitigating circumstances that would warrant granting this species authorization at this time.

The Board recommends **not approving** a primary processing licence for groundfish (all species), pelagics (all species), and snow crab for Peerless Fisheries Limited, Petty Harbour.

2. North Atlantic Aquaponics Limited (NAAP), requested a secondary processing licence for eels for its operation in Robinsons, which is located on the province's west coast. The company intends on smoking eels. There were no letters of objection or support received. In addition to the facility in Robinsons, NAAP has another facility located in Black Duck Siding, and was recently granted a secondary processing licence on December 21, 2020, for eels. The company also holds a fish buyers licence for eel and crab (other), and an aquaculture licence for eel. There are no resource issues or competitive issues with neighboring enterprises. Like other fish related businesses, the ability to offer a varied selection of products in the marketplace helps expand operations, build

and maintain markets, and promote the province as a reliable source of high quality and sustainable seafood.

The Board recommends **approving** a secondary processing licence for North Atlantic Aquaponics Limited, Robinsons.

3. Seaward Seafoods Company Limited, New Ferolle, currently has a buyers licence for lobster and groundfish (all species), and an approval-in-principal for a primary processing licence for groundfish (all species) and pelagics (all species). The company has requested to add lobster, scallop and lumpfish to the primary processing licence (approval-in-principal). There was one letter of objection and no letters of support.

In May 2019, Gulf Shrimp Limited, Black Duck Cove, was destroyed by fire. The company was licensed to process shrimp and employed approximately 100 plant workers. Black Duck Cove is approximately 49 km or a 40 minute drive from New Ferolle, so there may be opportunities for some of the former plant workers to obtain employment at Seaward Seafoods Company Limited, if this application is approved.

The Board recommends **approving** the addition of lobster, scallop and lumpfish to a primary processing licence (approval-in-principal), for Seaward Seafoods Company Limited, New Ferolle.

4. Golden Shell Fisheries Ltd., Hickman's Harbour, requested the addition of sea cucumber to a primary processing licence. The facility in Hickman's Harbour is a multi-species operation and is currently licensed for the following species: pelagics (all species); lumpfish; crab snow; whelk; groundfish (all species); and lobster. The plant generally operates from April to November and sources most of its raw material from 3Ps harvesters. After considerable consideration, the Board is recommending granting this species authorization based on economic considerations for the company. There have been a great deal of mergers, acquisitions, and consolidations of production in the industry since the cod moratorium, resulting in very few small and medium sized operators remaining in the province. The Board felt that it would provide new revenue, increase business stability and viability for this company. The company indicated that they would purchase sea cucumber landed by local fish harvesters, which currently sell other fish species to them. The company has demonstrated its long-term commitment to the Newfoundland and Labrador Fishery, as a medium size, locally owned, independent company. There were two letters of objection and three letters of support.

The Board recommends **approving** a sea cucumber licence, with a restriction on purchases not exceeding one million pounds in round weight form for Golden Shell Fisheries Ltd., Hickman's Harbour.

5. Dandy Dan's Fish Market Ltd., Ship Harbour, requested the addition of snow crab to an existing primary processing licence. Dandy Dan's has a primary processing licence in Ship Harbour, Placentia Bay, for groundfish (all species), pelagics (all species), crab (other), lobster, lumpfish, and seal. The company has been operating an In-Province Retail Fish Processing Establishment (Dandy Dan's Fish Market Ltd.), in Ship Harbour, Placentia Bay, since 1990. The main focus of this operation is to process groundfish for the local restaurant market.

Since the COVID-19 pandemic has started, the local market has changed, due to the reduction in capacity at restaurants, hotels, supermarkets, etc. Like other fish related businesses, the ability to offer a varied selection of products in the marketplace helps expand operations, build and maintain markets, and promote the province as a reliable source of high quality and sustainable seafood.

The plant generally operates from April to November and sources most of its raw material (codfish), from 3Ps harvesters. The total allowable catch for cod in 3Ps was reduced by 50 per cent for the 2021 season, down to 1,346 tonnes. In 2020, the 3PS cod quota was set at 2,691 tons, a reduction of more than 55% from 2019.

In 2021, the total allowable catch for snow crab in 3Ps increased by approximately 53% to 5,047 tons. In 2020, the 3PS snow crab quota was set at 3,292 tons, an increase of approximately 25% from 2019. There is only one other licensed snow crab processor within this region and it is located in St. Lawrence.

The Board is recommending granting this species authorization based on the decrease in cod quota, and increase in snow crab quota adjacent to the processing facility. There have been a great deal of mergers, acquisitions, and consolidations of production in the industry since the cod moratorium, resulting in very few small and medium sized operators being left in the province. Due to the impact of cod quota reductions and the company's reliance on cod, the Board felt that it would provide new revenue, increase business stability and viability for this company. The company has demonstrated its long-term commitment to the Newfoundland and Labrador Fishery, as a smaller, locally owned independent company.

There were two letters of objection and eighteen letters of support.

The Board recommends **approving** a snow crab licence, with a restriction on purchases not exceeding one million pounds in round weight form for Dandy Dan's Fish Market Ltd., Ship Harbour.



Reg Anstey

Chair, Fish Processing Licensing Board

May 21, 2021

Date