

CANADIAN ASSOCIATION OF PRAWN PRODUCERS



**PRESENTATION TO THE MINISTERIAL
ADVISORY PANEL FOR THE LIFO REVIEW**

MAY 25, 2016

**The Canadian Association of Prawn Producers (CAPP)
representing frozen-at-sea (FAS) shrimp harvesters
opposes in the strongest terms**

**any changes to application of the established rules for Threshold
Quotas and LIFO provisions as set out in
management plans since 1997.**

Consequences

Consequences of excluding the year-round fleet from SFA 6 and re-allocating the entire 11,050t threshold quota to the seasonal sector

Seasonal Sector Impacts:

- Extra 7-8 fishing days per average vessel;
- 650 extra hours for 220-290 seasonal workers earning \$8-\$9,000 each by maintaining 1.5-2 plants (equivalent to <97 FTE).

Year-round Sector Impacts:

- Immediate loss of 130 high paying jobs and place 570 direct jobs at-risk;
- Lose access to ~25% of recent catch; ~35% of value
- Lose an ice-free fishing zone critical for 12-month operation (forcing vessel tie-ups);
- Lose skilled personnel (Captains and engineers);
- Reduce financial ability to replace vessels;
- Reduce financial ability to provide “royalty payments” ~ \$30 M/year that supports inshore fishery and community infrastructure (especially in far north);
- Reduces NL GDP and labour income by 24%/mt.

Consequences (cont'd)

Consequences of making any change to threshold quotas and the LIFO approach to surplus quotas

Impacts on Canada's Fishery Policy for Sustainable Use:

- Fails to honour the “social-contract” between all stakeholders and the government on which the temporary access approach was built;
- Casts aside pre-established entry and exit rules on which we relied;
- Fails to respect historic attachment and economic viability principles;
- Fails to respect fleet and provincial shares;
- Undermines government's commitment to access and allocation stability;
- Re-ignites efforts to change quota shares in other fisheries;
- Undermines investor and lender confidence.

Supporting Arguments

Our position is supported by arguments including:

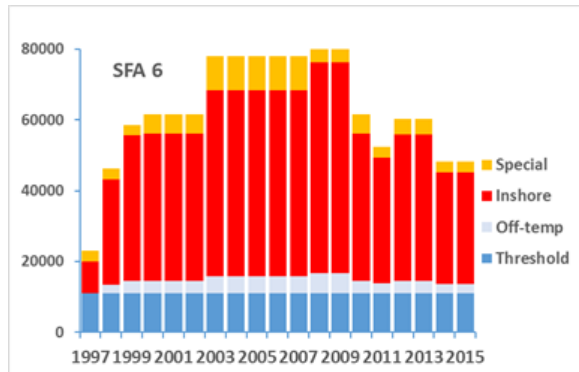
- A stronger policy case
- A stronger economic case
- A fair social contract
- Re-allocation of FAS quotas has limited impact on seasonal sector
- Compatibility with government obligations of Lands Claim Agreements



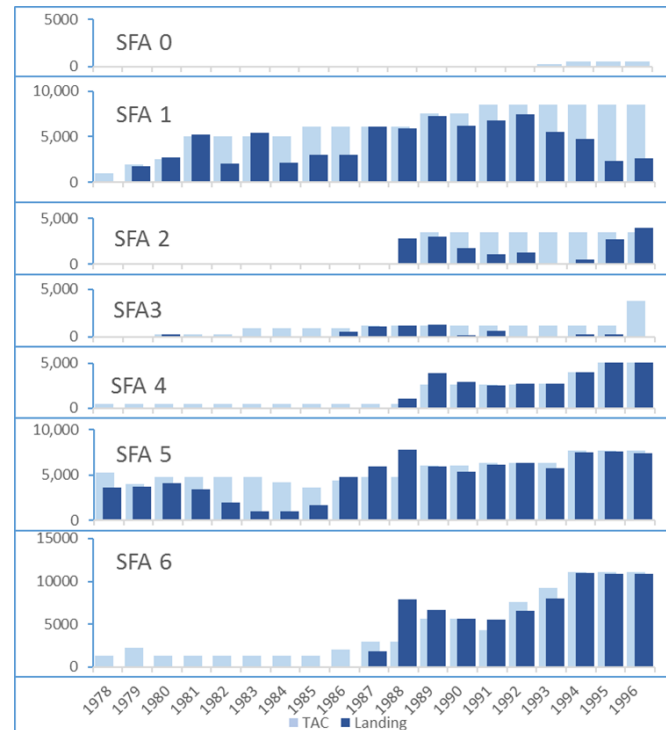
And ... the FFAW (and like-minded Interests) are (again) exaggerating about this being a crisis... 2015 was a record year of earnings for the seasonal shellfish sector, that is able to transition back to a groundfish dominated fishery, supplemented by earnings from shellfish.

Canadian FAS Shrimp Harvesters

- Roots extend back to 1970s. Exploratory and development phases at the expense of 6 vessel sinkings, and several bankruptcies (the most recent being in 2006). See catch profile (issue of data re Hawke Channel)
- By 1990's, developed a mature and stable year-round fishery for high value, shrimp products in SFAs 1 to 6
- After 1997, most increases in SFA6 were allocated to temporary participants (60Kt vs 5Kt)



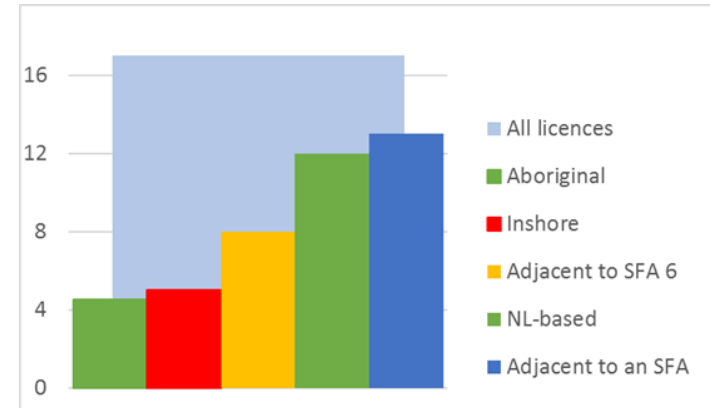
Changes in traditional and temporary allocations in SFA 6, 1997-2015



FAS fleet landings (mt), 1978 - 1996

Canadian FAS Shrimp Harvesters

- The FAS shrimp industry features:
 - All Canadian crew
 - Modest foreign involvement in capitalization and financing of vessels (quite similar to seasonal processing sector but control rests with Canadians)
 - Far greater Canadian ownership than virtually all other resource-based industries in NL.
- Current licence holders:
 - Aboriginal interests (4.5)
 - “Inshore” companies including LFUSC and Torngat Coop (5)
 - Adjacent to shrimp resource (13)
 - Head-office in NL (8)
 - Vessels based in NL ports (7 of 10)
- About 700 people (crew and shore-based) from eastern and northern Canada (mostly from 116 towns in NL) are directly employed by FAS shrimp fleet, many with advanced fishing and processing skills.
- More than 2,000 additional “inshore fishery” jobs are directly employed/supported by ~\$30M FAS shrimp earnings



FAS shrimp licence affiliations



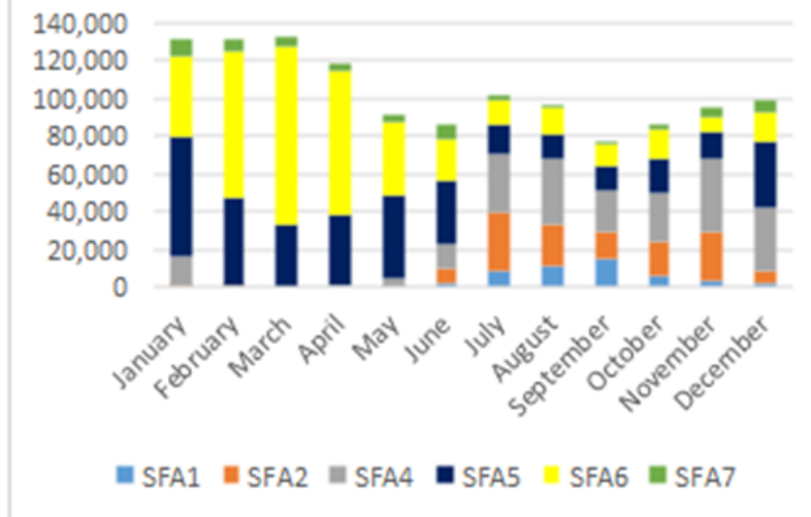
Canadian FAS Shrimp Harvesters



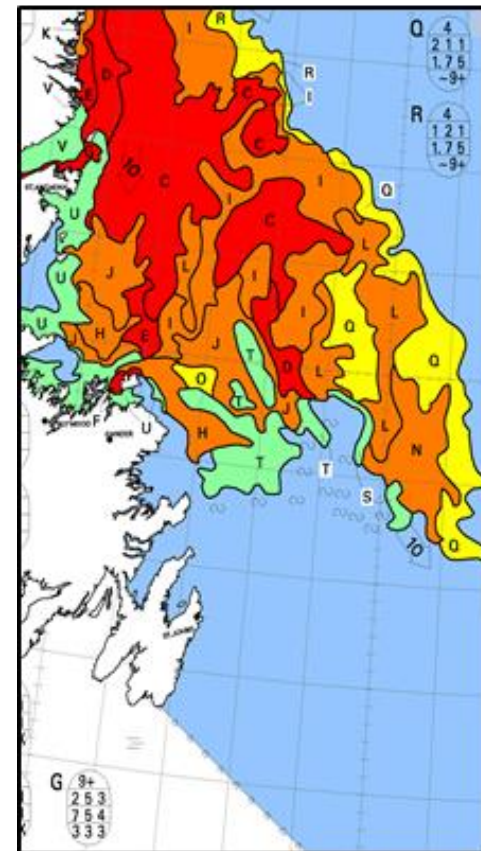
- Canadian FAS harvesters are world-class producers of highest quality products
 - Includes technologically advanced vessels (2016 and 2017) to produce value-added products more efficiently
 - \$60M cost of each new vessel
 - Reduced ecological and carbon footprints
- Self-reliant FAS shrimp harvesters contribute to professional management of the industry:
 - Maintain capacity in balance with quotas
 - 100% at-sea observer coverage saves DFO surveillance & control costs
 - Self-managed Enterprise Allocation system contributes >\$2.5 million access fees per year to DFO
 - Contribute to annual research survey in far north
 - Contribute toward stock assessment modeling
 - manage Marine Stewardship Council Certification

Canadian FAS Shrimp Harvesters

- Year-round operations are absolutely critical to the economics required for fleet replacement required to prosecute shrimp in SFAs 1-5
- Access to SFAs 1-4 is not possible during Feb-May
- SFA 5 allocations are not sufficient to keep fishing until ice leaves SFAs 1-4; SFA 6 is also key to full-time employment for crew, year-round service of markets, and maintaining shore-based service sector and communities.



Average monthly landings (mt) by SFA by >100' shrimp vessels, 1996-2015



Winter pack ice in SFA 6
March 31, 2016

Canadian FAS Shrimp Harvesters

- March 2016 Fishing in SFA6

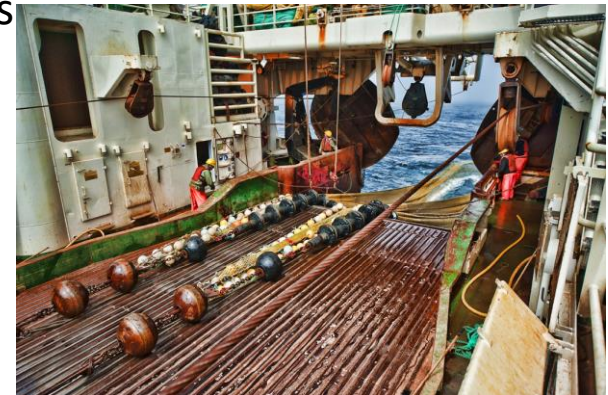


The Policy Case

- Three key policy points:
 - The >100' Threshold Quotas and Last In, First Out (LIFO) mechanism are nested within and directly support DFO's broader policy and program agenda for stabilizing access and allocations in the Atlantic commercial fisheries.
 - The department's plans for managing entry to and exit from the temporary increase in abundance of shrimp were clear to all in 1997, and actions have been clear and consistent over the subsequent 19 years.
 - Adjacency was a key consideration in the distribution of surplus abundance above the 1996 quota thresholds allocated to the year-round sector, and the pre-agreed rules stated historic attachment and economic viability of the year-round harvesters would prevail when the resource returned to traditional levels.

The Policy Case

- Stable Access and Allocation Rules:
 - Removes the suspicion of political pandering and deal-making; reduces conflict among user groups; provides a stable environment for business investment and lender financing; and encourages all parties at the table to focus on resource sustainability for their own sectors.
 - After the Independent Panel on Access Criteria (IPAC) in 2002 and the Atlantic Fisheries Policy Review (AFPR) in 2004 , it has become a foundational policy widely supported by industry and Provinces.
 - The 2012 DFO Paper “The Future of Canada’s Commercial Fisheries” states the adjustment of quota sharing arrangement would occur, only in exceptional cases, such as responses to legal obligations and obligations stemming from comprehensive land claims agreements.



The Policy Case

- LIFO rules and their use are clear
 - Minister Mifflin's original announcement in April 1997 was unambiguous
 - ***'Participation by new entrants will be temporary and will end for those SFAs where quotas decline in the future and the established thresholds are reached'*** and ***'Current Northern shrimp licence holders will retain their full 1996 allocation in all Shrimp Fishing Areas -- 37,600 tonnes'***
 - Rules were understood and accepted by inshore interests – October 1997 letter from FFAW President (evidence), and we understand fishers had to sign an acknowledgement form in 1997.
 - All eight subsequent DFO Ministers reiterated the policy
 - LIFO has been applied in exact accordance with the original announcement for 19 years, including five years of resource declines and attendant removals of new entrants
- There is no credible dispute about the clarity of the policy.

The Policy Case

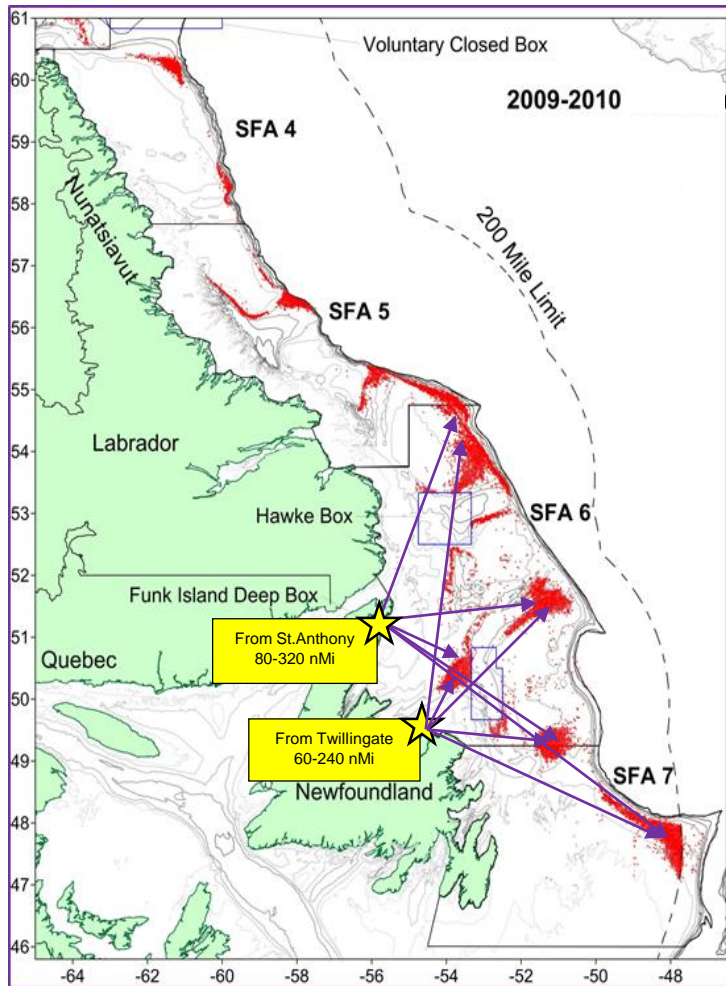


Figure 8. Sailing distances for seasonal vessels from top ports

- 230-350 seasonal mid-size trawlers crisscross huge tracts of the ocean floor creating enormous harvesting effort when the shrimp is of poorest quality, including during the sensitive spawning, moult and mating season in August-September.
- These mid-size trawlers harvest shrimp 60-380 km from their home ports. Theirs is not an “inshore” fishery but a highly seasonal fishery conducted in the mid-shore and offshore areas.
- Recommendations of the IPAC (adopted by DFO in 2002) states as the fishery moves to the mid-shore and offshore areas....adjacency should not be the sole criterion used, nor is it paramount over other values.
- Historic dependence is applied on basis of the specific stock in question (in this case by >100'), and not on the basis of other stocks in the area; no single vessel size has a sole claim of history of fishing other species in the area of SFA6, e.g.
 - 2+3K Redfish: primarily >100' but also <65'
 - 2J3KL Cod: primarily <65' but also >100'
 - 2+3K Turbot: both >100' and <65'

The Policy Case



- Adjacency does not trump the historic attachment and economic dependence of the FAS fleet, especially in these mid-shore and offshore areas;
 - There is a clear hierarchy of the application of principles in this instance
 - Thresholds are designed to protect the viability of the existing permanent licence holders, and allow for new entrants;
 - Among new entrants, adjacency was used to ensure the needs of the Newfoundland and Labrador inshore groundfish sector were met, but was never the exclusive principle even for this purpose;
- Notwithstanding, the FAS fleet has a strong adjacent profile of its own
 - 13 licenses are directly adjacent to a SFA
 - 12 licences are based in NL
 - 8 licences are held by companies with NL head-offices

The Economic Case

- Year-round shrimp harvesters produce more benefits from every quota tonne of shrimp than does the seasonal, harvesting and processing sectors combined
- This advantage is clearly substantiated based on;
 - Number and quality of full-time jobs supported;
 - Spending in the shore-based services sector;
 - Royalty payments to developing communities;
 - Contributions to GDP and Labour Income



The Economic Case

- Jobs and employment
 - FAS shrimp operators maintain 700 well-paying jobs (530 crew and 170 on shore) for workers of all ranks,
 - Most of these workers live in 116 coastal communities in Newfoundland and Labrador,
 - Fleet operations directly support over 2,000 additional shore-based jobs, mostly in NL
- Service businesses
 - FAS vessels purchase \$89 M in local goods and services annually, related to maintenance, supplies, fuel, transshipment, cold storage, and a host of other specialized services
- Royalty Payments
 - Well-developed business partnerships with northern licence-holders and special allocation holders
 - A significant source of income (~\$30 million/an) to maintain other ongoing fishing-related businesses and/or general community services and projects

The Economic Case

- Transferring FAS fleet’s 2015 SFA6 quota to the seasonal sector would result in:
 - 24% per tonne loss in GDP and Labour Income
 - ~25% loss in annual catch/vsl
 - ~1/3 loss in annual revenue/vsl

Impacts Per Tonne of Newfoundland Landings/Processing				
Category	Sector	Economic Impact 2013 (\$M)	MTs Landed/Processed 2013	Impact (\$) per MT Landed/Processed 2013
GDP	FAS Fleet	\$113.00	40,571	\$2,785.27
	Seasonal Fleet	\$114.00	50,768	\$2,245.51
	Difference			+\$540 (24% higher)
Income	FAS Fleet	\$68.50	40,571	\$1,688.43
	Seasonal Fleet	\$69.30	50,768	\$1,365.03
	Difference			+\$323 (23.7% higher)

Source: Locke Analysis of Pisces 2015 Socio-Economic Report.

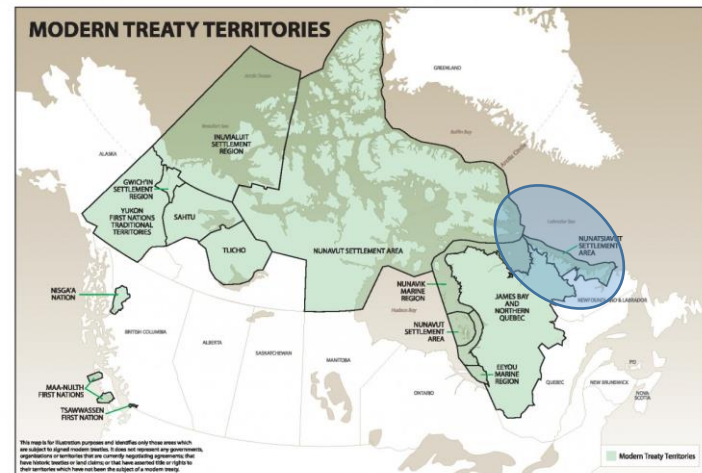


- Re-allocation scenarios presented by the 2015 Pisces Report has been dis-credited by Dr. Wade Locke at MUN; **ref. “new study” by NL Govt
- Dr. Locke found that for each tonne of shrimp caught by the year-round sector, the contribution to GDP in Newfoundland and Labrador is 24% higher and the contribution to labour income is 23.7% higher than if that tonne were harvested by the seasonal sector.

Lands Claims Issues

- Three relevant Lands Claim Agreements:
 - Nunavut Land Claims Agreement (NLCA);
 - Labrador Inuit Land Claims Agreement (LILCA);
 - Nunavik Inuit Land Claims Agreement (NILCA).
- These are modern treaties with very precise language not subject to liberal interpretation;
 - They extinguish any Aboriginal or treaty rights that these groups can claim other than those that are outlined in the text of the LCAs.

As detailed in the following slides, CAPP contends that there are no provisions of these three LCAs that would invalidate the application of LIFO



Credit: Lands Claim Coalition

Lands Claims Issues

- Nunavut Land Claims Agreement (NLCA):
 - makes certain provisions for Inuit interest and involvement in waters which fall outside the settlement area (12nMi);
 - must ***'give special consideration to Inuit interests when issuing licences within two offshore zones'***, where there must be a ***'a fair distribution of licences'***. These zones include parts of SFA 2 and SFA 3
 - But also recognizes ***"the interests of others with a historically entrenched place in the fishery"***
 - In legal challenges by Nunavut interests, courts have ruled that;
 - 'special consideration' does not mean priority access for Nunavut Inuit;
 - It is not required that Nunavut interests receive a particular portion of any new allocation (or, by analogy, that these interests be exempted from any particular reduction in allocation); rather that their access is 'fair'
 - Given that Nunavut interests have 8.8% share of the whole FAS shrimp allocation in both adjacent and non-adjacent areas, we contend that this is 'fair' access in these circumstances

Lands Claims Issues

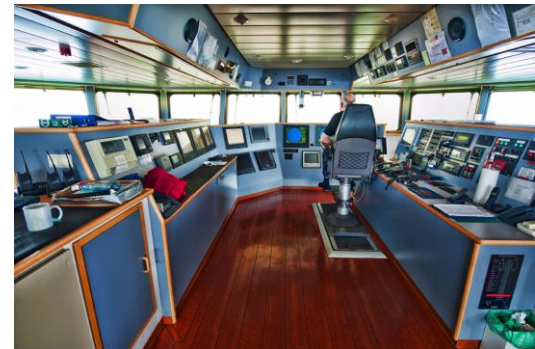
- Labrador Inuit Land Claims Agreement (LILCA) and Nunavik Inuit Land Claims Agreement (NILCA).
 - These LCAs specify a precise amount of access to fishery resources (11% and 8.8%, respectively) that the Government is obligated to allocate to their interests when issuing licenses in defined areas off their respective lands;



- In both cases, these provisions apply only to those new licences issued by the Government after the effective date of those LCAs (December 1, 2005 and July 10, 2008 respectively);
- No new northern shrimp licences have been issued with access in these waters since 1991
- The use of LIFO and Quota Thresholds are not contrary to these LCAs.

The Social Contract

- In 1997, FAS shrimp harvesters accepted temporary new entrants having preferential allocations for TAC increases, based on Government's commitment to implement Quota Thresholds and entry/exit rules, which were rooted in a widely-applied policy that has been reiterated in subsequent years;
- The Government has implemented this mechanism faithfully for near 20 years, demonstrating commitment and building trust;
- Ministerial discretion notwithstanding, breaking this contract, and placing at risk hundreds of millions of dollars of investments by those who followed the rules, without a compelling socio-economic rationale, would break a strong social contract with FAS shrimp harvesters and many others;
- The consequences would extend well beyond this fishery



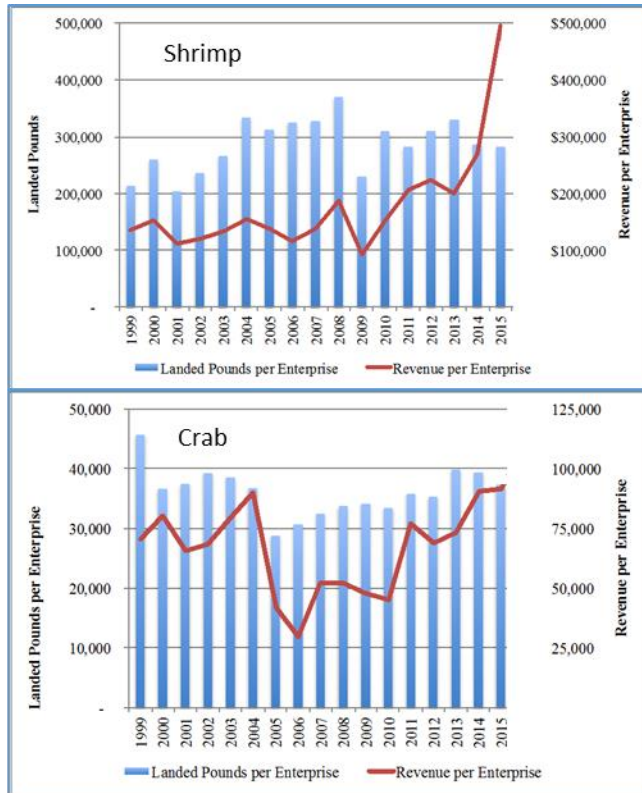
The Social Contract

- Those implicated by this break would include;
 - Investors and lenders in the northern shrimp fishery
 - in this fishery and others, who could no longer believe their investments are secure from predatory actions of others, and undermined by the very government who warranted that their investments would be secure.
 - License holders in other fisheries
 - who could no longer believe that following the rules and being a good corporate citizen is sufficient to provide security for themselves and their partners.
 - Provinces
 - which had mostly set aside rancorous and destructive debates about stability of access in the name of local and regional economic development;
 - Future fishers
 - No other fishery could contemplate a temporary quota sharing approach as a fair way to broaden benefits from the resource.
 - The Federal government
 - which would suffer a sharp loss of credibility for not following its own to its policy commitments, and for not supporting an established and sustainable fishery of the very nature that it advocates for all.

The Proposals of Others

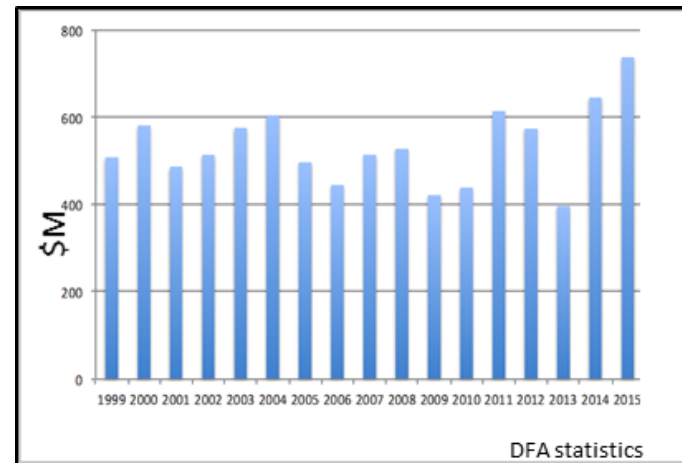
- **The case for casting aside Quota Thresholds and not implementing LIFO, and re-allocating the FAS allocation to the seasonal fishery, is not compelling.**
- There is a long history of studying capacity problems in the seasonal ‘inshore’ sector in NL, but not really addressing them. Recent examples;
 - Review of the Cooked and Peeled Shrimp Industry. April 2002
 - Profile of the Atlantic Shrimp Industry. November 2006
 - MOU Steering Committee-Newfoundland and Labrador Fishing Industry Rationalization and Restructuring. 2011
- FAS shrimp harvesters have no desire to dictate solutions for those other sectors. However, we feel forced to expose the myths being spread by the FFAW, and to identify what alternative options there are to address the situation of the seasonal sector, rather than undermining the year-round employment and the economic contribution made by the FAS shrimp sector.

Advocated Myths



Landings and landed value of snow crab (lower) and northern shrimp (upper) by active seasonal <65' vessels in Newfoundland and Labrador, 1999-2015 (DFO Statistics)

- MYTH: there is a crisis in Newfoundland's seasonal fishery.
- Landed values from all species remain high at the sector and Provincial level

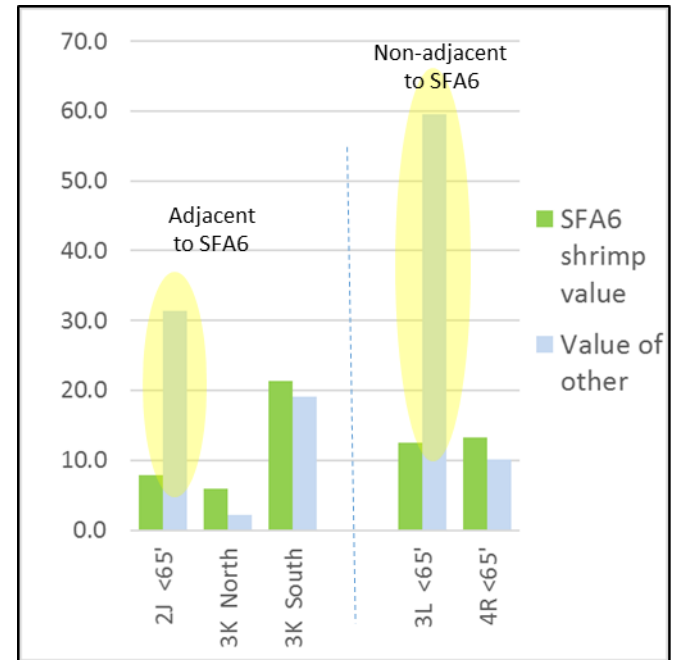


Total landed value of wild fisheries, Newfoundland and Labrador, 1999 - 2015

Advocated Myths

- **MYTH: Seasonal shrimp harvesters need more allocation from year-round shrimp harvesters.**
- In fact, the seasonal fleet is multi-species and retains access to a range of resources; including Shrimp in other zones, Snow crab, and groundfish (especially cod, on the horizon)
- There is an opportunity within the <65' sector to apply the FFAW's advocated primacy of adjacency, and reallocate <65' shrimp quotas to the SFA6 fleet only
 - Over 40% of SFA6 seasonal shrimp is landed by non-adjacent
 - Overall, SFA 6 represents about 1/3 of fleet landed value

Adjacency and relative importance of the SFA6 shrimp fishery to seasonal vessels, 2012-14 averages						
Base	# of Enterprises	SFA6 shrimp landed	% of total landings	SFA6 shrimp value	Value of other	% value SFA6 shrimp
2J <65'	19	4,696,321	12.6%	7,804,724	31,437,072	19.9%
3K North	22	3,650,145	9.8%	5,928,805	2,144,789	73.4%
3K South	76	12,964,163	34.9%	21,380,484	19,145,166	52.8%
3L <65'	99	7,721,435	20.8%	12,506,770	59,570,789	17.4%
4R <65'	49	8,153,731	21.9%	13,227,420	10,093,861	56.7%
Adjacent	117	21,310,629	57.3%	35,114,013	52,727,026	40.0%
Not adjacent	148	15,875,166	42.7%	25,734,190	69,664,651	27.0%
All	265	37,185,796	100.0%	60,848,203	122,391,677	33.2%



Landed value of shrimp (\$M) in relation to the landed value of other species landed by seasonal vessels, 2012-14

(DFO data)

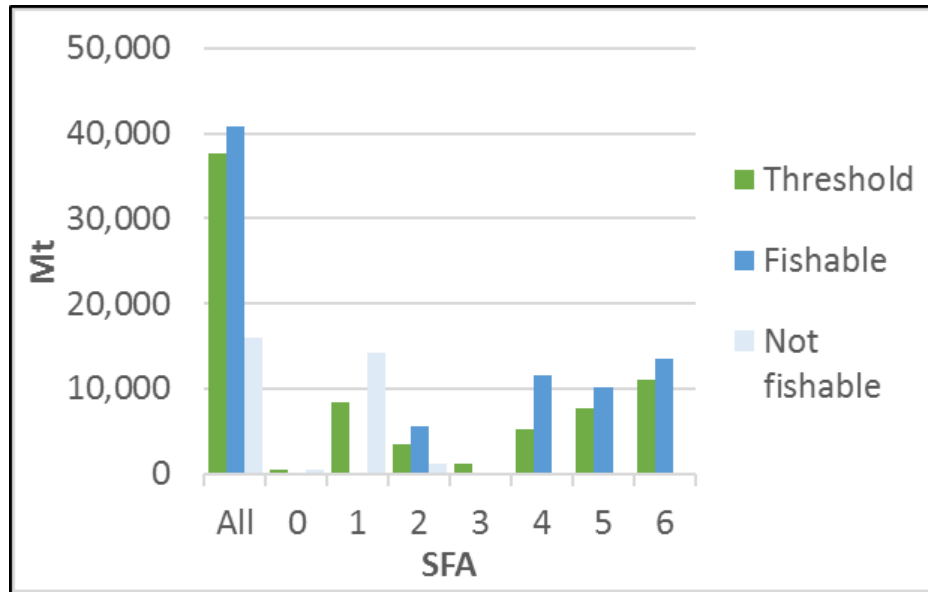
Advocated Myths

- **MYTH: Re-allocation of FAS quotas in SFA 6 will solve needs of the seasonal fishery and “save” communities in rural NL.**
- In fact, transferring the full threshold quota (11,050mt) of the year-round harvesters in SFA 6 would;
 - supply the seasonal harvesters for only 7-8 days, and
 - maintain only 1.5-2 plants with 220-290 seasonal workers who earn \$8,000/year
- On the other hand, tying up the FAS fleet during the late winter would;
 - Lose 130 well-paid (>\$100k/a) jobs, and
 - Put at risk 570 other jobs in the year-round shrimp sector, most of which are in NL
- Seeing this re-allocation as a solution;
 - Is a net loss of 24% in GDP and Labour Income to NL
 - The FAS shrimp fishery is critical to Labrador
 - Risks yet again missing an opportunity to make what changes are really needed to bring sustainability to the seasonal fleet.



Advocated Myths

- **MYTH: year-round harvesters can compensate a re-allocation of their SFA6 Threshold Quota by fishing more quota in areas north of SFA 6.**
- In fact, there is not enough fishable quota available in areas north of SFA 6 to meet the FAS total threshold of 37,600mt.



Allocations to FAS >100' licence holders in 2015 in relation to thresholds x SFA

- Fishable allocations in SFAs 0-5 collectively total about 27,300mt which is an immediate shortfall of 10,300mt
- Allocations in SFA 0 and SFA 1 exist on paper and count in the threshold totals but there is no more shrimp to be caught in north
- There is no way to change the impact:
 - 25-30% of revenue will be lost
 - The FAS fleet will have to tie up and become a seasonal sector, with severe consequences

Advocated Myths

- MYTH: This is a battle between the "small owner operators" and "corporate foreign operators" who bring little benefit to Newfoundland
- All FAS licenses are Canadian controlled, all vessels are Canadian flagged, and all but 3 of 530 crew are Canadian. Why does the FFAW continue to misrepresent this?
- There is limited foreign investment in both the seasonal processing sector (2 shrimp plants and cold storage) and FAS shrimp sector in NL, and through-out Atlantic Canada, although considerably less than virtually all other resource-based industries in NL. Why does FFAW ignore foreign component in the seasonal processing plants?
- Some foreign investment is a healthy and beneficial, and is promoted by the Prime Minister as a means to expand the Canadian economy.
- Why does the FFAW not acknowledge that seasonal license holders are also corporations, with 45% of them (108 of 239 per DFO Statistics) staying home in 2015 (not owner operators, hiring others to fish their licenses/vessels, presumably consistent with their corporate interests.
- FAS provides well-paying year-round jobs to NL people and contributes 24% more economic and labour income for every tonne of shrimp.



Advocated Myths

- MYTH: The FFAW supports adjacency as the only/primary quota allocation principle
- Paradoxically, the FFAW argued a very different position when new access to crab stocks was under discussion in 1999. In a letter to the Hon. Herb Dhaliwal dated Sept. 10, 1999, the Union's President wrote that this “cannot be done at the expense of existing participants in the crab fishery.”
- In a very recent case, DFO’s Gulf Groundfish Advisory Committee reviewed halibut allocation decisions made since 2007. In an April 22, 2016 press release issued in advance of the decision, the FFAW President complained that historical participation by NL fishers was being ignored and the resource re-allocated to other adjacent fleets. “Fishery management policies must be more reflective of historical attachment and economic dependence.” (emphasis added).
- It is noteworthy that the Government of NL strongly supported this view, adding “Ignoring the established sharing arrangement for Gulf Atlantic halibut fleets’ historical participation in the fishery, and principles and objectives for resource allocation calls into question all of the sharing arrangements that have been established for commercial fisheries across Atlantic Canada.” ...it seems the Government of NL can also flip flop on ‘principles’ when it suits them.

Advocated Myths

- MYTH: The FFAW supports adjacency as the only/primary quota allocation principle
.....continued
- FFAW argues with respect to a future reopening of the 2J3KL cod fishery that adjacent offshore license holders should only be allowed to participate in the harvest after the inshore and midshore seasonal quotas exceed their claimed threshold of 115,000 tonnes – despite the demonstrable reality of "adjacency" also being applicable to the >100' sector. In this fishery, the Union promotes historic attachment and economic dependence as having higher priority than adjacency.
- In the face of declining TAC's of Northern Cod in the late 1980's, the Union argued that two of the "newer" and adjacent quota holders (the last in) should be the first quotas to be terminated (first out).
- **ref. 3L crab precedent
- It appears that the "allocation principle" most supported by the FFAW is "whatever works" to advance its own best interests.

Other Ways Forward

- Unlike the FAS fleet where 130 full-time jobs will be immediately lost, 2 vessels would be decommissioned, and the remainder of the fleet would be turned into a seasonal fishery with attendant problems in being able to both maintain “Royalty fees” (for quotas to the north of SFA6) and covering replacement costs.....
 -maintaining the Quota Threshold in SFA6 (11,050t) will not cause job loss in the seasonal fleet; no seasonal fishers jobs will be lost by an average vessel not having the extra week of fishing.
 - The bottom-line issue is whether owners of about 250 seasonal fishing corporations will have \$55-60 million in revenue given to them by the Government of Canada, by virtue of transferring that revenue from the traditional year-round harvesters.
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Other Ways Forward (cont'd)

- Resource re-allocation would not place the seasonal industry on a sustainable footing. This issue is a diversion from fundamental changes that are needed in the seasonal sector.
 - Several studies (including the MOU process) have pointed to the need for strong leadership or policy change to make the seasonal shrimp harvesters more sustainable:
 - There could be a more liberal/open licence-combining system to enable self-rationalization through quota buy-outs by individual, self-reliant harvesters (to enhance viability)
 - Effective measures could be taken to avoid landing gluts, thereby improving quality and extending seasonal employment in processing plants (to enhance viability)
 - The \$400 million in the federal and provincial "CETA fisheries fund" could be made available to seed/accelerate quota buy-outs and transition to a more quality-oriented groundfish-dominated fishery.
 - DFO/FFAW could prioritize allocations among fleet components where shrimp is a relatively small proportion of their total income and/or of fleet components that are not adjacent to SFA6, i.e. those based in SFA 7 or SFA 8...(e.g. why are <65' fishers from Gaspé harvesting SFA6 shrimp?)
 - For NL shore-based shrimp processing plants, lower EU tariffs resulting from CETA will facilitate the cooking and peeling of whole raw "industrial shrimp" from the year-round fleet, about 25% of which was utilized in this way in 2015. This alone could offset the reduced supply to seasonal plants from lower SFA6 TAC.
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A Strong FAS Shrimp Sector Creates a Strong NL

- The Canadian year-round shrimp industry is proud of its achievements
 - Tradition of pioneering exploration and determined problem-solving
 - Development of a world-class fishing sector
 - A self-financing and sustainable business model
- Since the beginning, FAS harvesters have strived to realize benefits that are possible through the production of high-quality, frozen-at-sea shrimp products for a discerning world market, attracting highest value from every tonne for Canadians.
- This fleet sector understands the importance of balancing capacity with the available resource, and has self-rationalized almost 1/3 of its capacity since 2006.
- Abandoning the SFA6 Quota Threshold and changing the terms of LIFO at this juncture would severely damage this sector and the thousands of people supported by it, in ways that cannot be remedied by facile solutions – **it is critical to understand that a tonne of shrimp has different value in different SFAs).**
- Year-round operations to supply markets and maintain skilled crews in fulltime employment are what stabilized this industry in the 1990s and made it prosper. These important features must not be eroded.

A Strong FAS Shrimp Fishery Creates a Strong NL

- FAS harvesters have worked hard to build their fishery into a successful and sustainable operation that Canadians expect their government to cultivate and support.
- ***“Do members know how Canadians know their government is working? ... They know it when we have well-paying, full-time jobs.”*** Prime Minister Justin Trudeau, House of Commons, April 22, 2015.
- We look to continue our contribution in building a stronger economy for rural and northern communities, and in particular, benefitting the economy of Newfoundland and Labrador.

