

Small Business Views on LIFO Policy

*Presentation to the Ministerial Advisory Panel on
DFO's Last-In, First-Out Policy on Northern Shrimp*

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About CFIB

- ▶ Represents independent business
- ▶ 2,000 business members across NL; 109,000 in Canada
- ▶ Non-partisan, not-for-profit organization
- ▶ Deals with federal, provincial and municipal issues
- ▶ Represents all sectors, all regions
- ▶ One member = one vote

Quota impact greater on inshore (2010-2015)

SFA 4

- ▶ *Increase to the offshore sector (8,908 t to 10,394 t; 17%) and the inshore sector (537 t to 677 t; 31%)*

SFA 5

- ▶ *No change in quota; decline in 2014, reversed in 2015*

SFA 6

- ▶ *Offshore decline from 13,928 t to 13,559 t and inshore decline from 35,459 t to 31,637 t*
- ▶ *Effect on inshore compounded by the quota share increase to 41,293 t for 2012 and 2013*

Science is telling...

- ▶ Significant biomass decline in SFA 4 (42% from 2014 to 2015)
- ▶ Slight increase in biomass in SFA 5 (3 % from 2014 to 2015)
- ▶ Significant biomass decline in SFA 6 (41 % from 2014 to 2015)

Serious concern about the effects of the LIFO policy

- ▶ Not presenting data per se; numerous reports for the panel to consider and analyze
- ▶ Conducted interviews with over 30 small business owners in Old Perlican, Port-au-Choix, Fogo Island, Twillingate, Lewisporte and St. Anthony.
- ▶ Members stated if no changes to the LIFO policy, the effects would be drastic and their communities would be devastated.

Inshore has huge economic effect

- ▶ There are substantial spin-offs in the region
 - ▶ *Groceries and other supplies are purchased locally*
 - ▶ *Boat and fish plant repairs and maintenance done locally*
 - ▶ *Product has to be trucked*
 - ▶ *Inshore fish harvesters and plant workers spend money in their communities*
 - ▶ *Without adequate work in the fish plant, difficult to qualify for EI for the winter*

Recommendation

- ▶ Abolish the LIFO policy
 - ▶ *Leave total SFA 6 quota for the inshore sector and let offshore sector have more in SFA 5*
- ▶ Begin to seriously plan a transition for inshore harvesters from shellfish to groundfish

Thank you for this opportunity.
Questions?

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