



Monday, 25 March, 2013

The Honourable Keith Ashfield, M.P.  
Minister of Fisheries and Oceans  
200 Kent Street  
Ottawa, Ontario, K1A 0E6

**Re: Northern Shrimp Total Allowable Catch and Allocation in Shrimp Fishing Area 4**

Dear Minister Ashfield:

The Torngat Joint Fisheries Board (TJFB or 'the Board') was established by the Labrador Inuit Land Claims Agreement (LILCA) as the primary body advising the Minister on matters relating to the conservation and management of fish, fish habitat, and fisheries in Nunatsiavut, with advisory powers in waters adjacent to the Labrador Inuit Settlement Area.

On March 12, 2012, the Board recommended a stepped approach towards an exploitation rate of 15% in Shrimp Fishing Area (SFA 4). Specifically, the Board recommended that the Total Allowable Catch (TAC) in SFA 4 be increased by 15%, and that 75% of the resultant increase be allocated to the Nunatsiavut Government. The recommendation was grounded in the Precautionary Approach Framework of the Northern Shrimp Integrated Fisheries Management Plan, and allocation principles developed and long espoused by your Department. In keeping with the same approach and principals, the Board hereby recommends that you:

1. Increase the TAC in SFA 4 by 15% (1,953MT) to 14,971MT;
2. Allocate 75% (1,465MT) of the increase to the Nunatsiavut Government;
3. Share the costs of the annual research survey in the Eastern Assessment Zone proportionally amongst all licence holders in all SFAs.

The Board learned by way of your Department's TAC announcement on May 23, 2012, that the TAC for SFA 4 was increased by 15% (1,698MT), and that the Nunatsiavut Government had been added as a special allocation holder with 300MT. Although the TAC increase was consistent with the Board's 2012 recommendation, the allocation of that increase was not. We respectfully note that at the time of this writing more than a year has passed and the Board has not received a response to its 2012 recommendation, other than an acknowledgement of receipt on March 21. Part 13.11.8 of the LILCA requires that you provide timely written reasons for not accepting a Board recommendation. Part 13.11.8, and our reference to it here, is intended to be constructive – your rationale will inform our research and analysis going forward, and will help us to fulfill our mandate to provide you



with the best possible advice on matters relating to fisheries conservation and management in and adjacent to the Labrador Inuit Settlement Area.

The stepped approach to an exploitation rate of 15% outlined in this recommendation is fully consistent with our shared understanding of the resource and our shared commitment to the IFMP, and accommodates a Departmental move towards multi-year consultations.

Yours truly,

John Mercer  
Chairperson  
Torngat Joint Fisheries Board



**Torngat Joint Fisheries Board**  
Memorandum to the Minister of Fisheries and Oceans  
Northern Shrimp Co-Management in SFA 4  
(March 25, 2013)

**Issue:** Northern Shrimp co-management in and adjacent to the Labrador Inuit Settlement Area.

**Recommendations:**

1. Increase the TAC in SFA 4 by 15% (1,953MT) to 14,971MT;
2. Allocate 75% (1,465MT) of the increase to the Nunatsiavut Government;
3. Share the costs of the annual research survey in the Eastern Assessment Zone proportionally amongst all licence holders in all SFAs.

**1.0 Background:**

**1.1 *The Torngat Joint Fisheries Board and the Labrador Inuit Land Claims Agreement***

- The Torngat Joint Fisheries Board (TJFB or 'the Board') is established by Part 13.10 of the Labrador Inuit Land Claims Agreement (LILCA or 'the Agreement'), with its roles, responsibilities and powers outlined in Part 13.11. The Board is the primary body making recommendations on the conservation and management of fish, fish habitat, and fisheries in the Labrador Inuit Settlement Area, and has advisory powers in waters adjacent to the 'Zone'. The TJFB has both the authority and the responsibility to make recommendations to the Minister in respect of issues surrounding the management of Northern Shrimp, as per 13.11.1 (a) and (b), and 13.11.2 (a) through (h) of the LILCA.

**1.2 *Status of the Resource***

- Biomass and abundance indices have increased approximately 50% since 2010 to the highest level in the 8-year series.
- Based on the 2012 biomass estimate, the current TAC of 13,018 will give a projected exploitation rate of 6.8%. The exploitation rate has been between 6-10% since 2007/8, and trending downwards since 2010/11.
- The resource is assessed to be within the Healthy Zone of the Precautionary Approach Framework, and the Spawning Stock Biomass of 109,500MT is well above the Upper Stock Reference (56,300MT).

### **1.3 *The Precautionary Approach Framework and the Northern Shrimp Integrated Fisheries Management Plan***

- The Precautionary Approach Framework, which is embedded in the Northern Shrimp Integrated Fisheries Management Plan (IFMP) as Annex I, was developed by the Department of Fisheries and Oceans and stakeholders to serve as a framework for setting TACs for Northern Shrimp.
- The Precautionary Approach Framework establishes a base target exploitation rate of 15% for stocks assessed to be within the Healthy Zone.
- Harvest Control Rules embedded in the Precautionary Approach Framework establish a process for adjusting TACs to achieve the Base Target Exploitation Rate. Changes to the TAC are not to exceed 15% of the previous TAC, except in the event of a precipitous decline.
- Stability considerations limit TAC adjustments to every second year.

## **2.0 Total Allowable Catch**

### **2.1 *Alternative 1: TAC of 13,018MT***

- Rolling over the TAC of 13,018MT would be wholly consistent with the IFMP; the 15% increase in 2012 makes this an off year. Although the ‘every-second-year’ principle is, in part, a concession to industry requests for stability, it is also an important conservation tool in that it allows time to monitor any possible adverse effects of an increased TAC.
- However, rigid adherence to the ‘every-second-year’ principle will be very slow to close the gap between the current exploitation rate (7%) and the target exploitation rate (15%).

### **2.2 *Alternative 2: TAC of 14,971MT (Increase of 15% or 1,953MT)***

- Increasing the TAC by 15% will be a minor deviation from the stepped approach identified in the IFMP. The current exploitation rate (7%) is well below the target (15%) and has actually been decreasing, despite the TAC increase in 2012, as a function of an increasing biomass. There is very little risk in suspending the stability consideration and increasing the TAC by 15% in 2013.
- Moreover, the Northern Shrimp Advisory Committee (NSAC) is moving to a multi-year meeting schedule, and will not be meeting again until 2015. A TAC adjustment this year will synchronise biennial TAC adjustments with biennial NSAC decision-making.

- Based on the 2012 biomass estimate, a TAC increase of 15% will equate to an exploitation rate of 7.8%.

### **2.3 *Alternative 3: TAC of 19,018MT (Increase of 6000MT)***

- The Northern Shrimp Research Foundation is proposing that the TAC in SFA 4 be increased by 6000MT for an exploitation rate of 15%<sup>1</sup>.
- The 6000MT increase equates to a 46% increase over the 2012 TAC of 13,018MT, and a 68% increase over the 2011 TAC of 11,300MT.
- Based on the 2012 biomass estimate, a TAC increase of 6000MT will equate to an exploitation rate of 9.9% in 2013/14.
- The proposed increase exceeds the 15% adjustment cap specified in the Harvest Control Rules and would constitute a major departure from the IFMP. A TAC increase of this magnitude is a risk, with no opportunity to monitor the impact of stepped increases.
- A stepped approach is also a safeguard against TAC decreases exceeding 15%. A large increase now will greatly increase the likelihood of a proportionally large decrease in the future.

## **3.0 Allocation**

### **3.1 *Current and Projected Participation Rates.***

- The Nunatsiavut Government currently holds a special allocation of 300MT in SFA 4, out of a TAC of 13,018MT, for a participation rate of 2.3%. A TAC increase of 15% and an allocation of 1,465MT, as per this recommendation, would bring their participation rate in SFA 4 to 11.8%.
- The Nunatsiavut Government holds 1,260MT in SFA 5, out of a TAC of 23,300MT, for a participation rate of 5.4%.
- The Nunatsiavut Government holds a total of 1,560MT in combined Areas 4 and 5, for a total participation rate of 4.3%. An allocation of 1,465MT in SFA 4 would bring the Nunatsiavut Government's total participation in combined Areas 4 and 5 to 7.9%.
- In the event that there is a 6000MT increase, allocating 75% to the Nunatsiavut Government would bring their participation rate in SFA 4 to 25.2%, and their participation rate in combined areas 4 and 5 to 14.3%. Conversely, a TAC increase of 6000MT in SFA 4 without an allocation to the Nunatsiavut Government would

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<sup>1</sup> The 15% exploitation rate is based on an average of the 2010 and 2011 biomass estimates, and does not include the 2012 biomass estimate.

drop their participation rate in SFA 4 to 1.6%, and their participation rate in combined areas 4 and 5 to 3.7%.

### **3.2 Allocation History, Principles, and Criteria**

- In 2010 and 2011 the TJFB detailed what we interpret as inconsistencies between the Labrador Inuit Land Claims Agreement, Departmental allocation principles and criteria, and allocations in SFA 4 since 1996. Allocating 75% of the recommended increase to the Nunatsiavut Government would partially compensate for the past. However, the intention here is to recommend allocations that are consistent with the letter and spirit of the Labrador Inuit Land Claims Agreement and Sharing Principles specified in Annex F of the Integrated Fisheries Management Plan.
- Annex F of the 2007 Northern Shrimp Management Plan references a process undertaken in 1996/97 to develop sharing principles. The principles include conservation, the continued viability of existing enterprises, a threshold of 37,600MT, *priority access for adjacent users, increased Aboriginal participation in established commercial fisheries*, priority access to inshore fleets (and midshore and offshore fleets in more northerly areas), and increased employment in harvesting and processing.
- In 2003 recommendations of the Independent Panel on Access Criteria were incorporated into the plan, resulting in three principles: 1) Conservation; 2) Recognition of Aboriginal and Treaty Rights, and; 3) Procedural and Substantive Equity. These in turn are to be considered against the three traditional criteria: 1) Adjacency; 2) Historic Dependence, and; 3) Economic Viability. These are discussed briefly below.

#### **3.2.1 Allocation Principles:**

##### *Conservation*

- There is no conservation concern. The Precautionary Approach Framework, if applied, will safeguard against conservation concerns.

##### *Aboriginal and Treaty Rights*

The Board argued in 2010 and 2011 that the Department does have an obligation stemming from Part 13.12.7 of the LILCA. The Agreement was ratified in 2005 and negotiations were coincident with the rapid growth of the northern shrimp fishery. It is reasonable to conclude that Labrador Inuit understood the LILCA to be an



avenue towards an increased share of Northern Shrimp resources in and adjacent to Nunatsiavut.

- Notwithstanding the LICLA, it is clear that the Department has recognized increased Aboriginal participation in commercial fisheries as a fundamental goal of fisheries management. This goal has been incorporated into numerous Departmental policies, programs, strategies, and processes, including the Commercial Fisheries Policy for Eastern Canada, the Aboriginal Fisheries Strategy, the Allocation Transfer Program, the ongoing Fisheries Modernization process, and the Integrated Aboriginal Policy Framework (2007: 3), which states as a goal: “to contribute to the broader Government of Canada objective of greater economic development for First Nations by assisting with greater access to economic opportunities, such as commercial fishing”.

#### *Procedural and Substantive Equity*

- In 2012 the Board argued that the 1000MT increase in SFA 4 in 2008 was inconsistent with the principal of procedural and substantive equity. Allocating catch in SFA 4 per the Northern Shrimp Research Foundation (NSRF) proposal (discussed below in Part 4.0) will be inconsistent with the principals of procedural and substantive equity, as the Board has not had an opportunity to analyze a detailed proposal (procedural), and the costs of a regional survey would be born solely by SFA 4 (substantive).

#### *3.2.2 Allocation Criteria:*

##### *Adjacency*

- Nunatsiavut is the only stakeholder adjacent to SFA 4, and in fact a portion of SFA 4 lies within the Zone established by the Agreement.

##### *Historic Dependence*

- The Inuit of Nunatsiavut have relied on marine resources for thousands of years – this reliance has manifested itself in the Northern Shrimp fishery since 1997.

##### *Economic Viability*

- The commercial fishing industry in Nunatsiavut is precarious. It is almost entirely dependent on just three species (Northern Shrimp, Snow Crab, and Turbot). Snow Crab is near the northern extent of its range and resource fluctuations are



pronounced; competitive disadvantages severely limit participation in the Turbot fishery. Northern Shrimp are the keystone of the Nunatsiavut fishery.

#### **4.0 Northern Shrimp Research Survey**

- The NSRF is proposing that 1700MT in SFA 4 be allocated to offset the costs of the annual research survey in the Eastern Assessment Zone (SFA 2 and parts of SFAs 3 and 4). Recent amendments to the Fisheries Act permit such arrangements, and we understand that the Department is moving generally in this direction, where it is feasible to do so. The Board does not support a 1700MT 'off-the-top' allocation in SFA 4 to fund the survey. In the event science has to be funded with the resource itself, it is only equitable that the resource contribution be shared proportionally by all licence holders in all SFAs.

#### **5.0 Legislative and Policy Considerations:**

- The Labrador Inuit Land Claims Agreement, the Fisheries Act, and the Northern Shrimp IFMP provide the legal, constitutional and policy context to the supplied recommendations.

#### **6.0 Consultations and Meetings on Northern Shrimp**

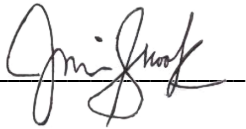
- Since 2008 the Torngat Joint Fisheries Board has invested considerable time and resources to gain a comprehensive understanding of the various issues and positions surrounding Northern Shrimp.
- The Board held consultations during the week of November 3-7, 2008, in the Nunatsiavut communities of Nain, Hopedale, Postville, Makkovik and Rigolet.
- In 2009 the Board finalized a report on the history of the Nunatsiavut and Canadian Northern Shrimp fishery.
- The TJFB has participated in NSAC zonal assessment processes and advisory committee meetings annually since 2009. The Board is also actively engaged on the Marine Stewardship Council (MSC) and the Precautionary Approach Framework working groups of the NSAC. However, it is the clear position of the Board that our participation in these processes is secondary to our responsibility to provide conservation and management advice to the Minister in accordance with Chapter 13 of the LILCA.

Prepared by: Torngat Wildlife, Plants and Fisheries Secretariat

Approved by: \_\_\_\_\_ Chairperson





Approved by:  Executive Director