



Business Plan

2018–19

Department of Fisheries and Aquaculture



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Budget 2018–19: Business Plan
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Minister's Message

Nova Scotia is once again Canada's leader in seafood exports – and, once again, fisheries products are Nova Scotia's number one export.

We want to build on the success of the seafood industry which reached more than \$2 billion in export sales in 2017. We hope to increase value with industry by building our reputation for premium quality, developing new products and growing our aquaculture industry. The hard work of our harvesters and processors is helping to set us apart globally. An effective brand – 45 North 63 West – is sending a clear message about our seafood's exceptional taste and premium quality.

The worldwide demand for Nova Scotia seafood was higher than ever in 2017. The top three markets for our seafood exports were the United States (50 per cent) Asia (37 per cent) and the European Union (10 per cent). China alone now accounts for half the demand in Asia, making it our second largest destination globally. On menus and tables worldwide, our seafood is putting Nova Scotia on the map. Lobster is the most valuable seafood export overall at \$947 million, followed by crab at \$314 million, scallops at \$144 million and shrimp at \$126 million.

The economic impact of our seafood industry includes more than 18,000 people working in Nova Scotia. Nova Scotian companies played a significant part in achieving the ONE Nova Scotia goal of doubling seafood exports by 2024 – we got there in 2017.

The \$400 million Atlantic Fisheries Fund began to accept applications in 2017-18. The province has committed almost \$38 million over its seven-year lifespan, including an additional investment of more than \$5 million in 2018-19. This funding supports innovation, research and market development.

The aquaculture industry is demonstrating strong and sustainable development. In 2017, an estimated over \$100 million in sales is a new high point for this industry and a demonstration of its importance in our efforts to obtain more value from our resources. In Nova Scotia, 16 aquaculture species are farmed, including finfish, shellfish and sea plants.

We will continue making improvements in the regulation of the aquaculture industry, streamlining processes for our many small- to medium-sized family businesses. The industry supports hundreds of jobs in rural and coastal communities. This is an exciting time to be working in the seafood and aquaculture industries in Nova Scotia. Growth has been strong and we are committed to continuing to work with industry to see sustainable development in this important sector.

Sincerely,

Original signed by

The Honourable Keith Colwell, E.C.N.S.
Minister of Fisheries and Aquaculture

Mandate

The Department of Fisheries and Aquaculture has a legislated mandate to promote, support and develop the fishing, aquaculture, seafood processing and sportfishing industries that contribute to the economic, environmental and social prosperity of Nova Scotia's coastal and rural communities.

The Minister is committed to developing and launching the Building Tomorrow Fund to help for the farming and fishing sectors as well as supporting the Atlantic Fish Fund that will spur innovation and long-term prosperity in the sector. The Minister will also work to expand the seafood export marketing program and continue to build on the success of the Aquaculture Growth Strategy.

Key initiatives and the core services of the Department of Fisheries and Aquaculture are driven by five strategic themes:

- Enabling responsible economic growth
- Supporting research and innovation
- Building public trust and market acceptance
- Increasing trade and market access
- Encouraging value added opportunities

Department Priorities

In support of its mandate, the Department will undertake the following priority initiatives in the 2018-2019 fiscal year:

- The *Atlantic Fisheries Fund* ("AFF") is a cost share partnership with Fisheries and Oceans Canada and the Atlantic provinces to develop a culture of innovation in the fish and seafood industries. The federal government is providing 70% of the total \$421M fund and 30% will come from participating provinces. The fund was announced in 2017 and will operate until March 2024, with \$8.3M allocated to the AFF in 2018-2019. The AFF aligns with the Nova Scotia government strategic direction of inclusive economic growth. The priority of the department within the AFF is to ensure a transformative innovation program to increase productivity, competitiveness, quality, and sustainability of seafood sectors.
- A secondary federal/provincial partnership of the AFF is the *Canadian Fish and Seafood Program* for marketing initiatives, valued at \$38.6 M nationally over seven years. Provinces participating in the Program are required to contribute 30% of project funding.

As Canada's seafood export leader, Nova Scotia plans to submit individual projects and seek collaborations for regional and national projects to increase recognition of both Nova Scotia's and Canada's fish and seafood sector.

- In the third year of its \$11.2M four-year commitment, \$2.8M in funding will be allocated in the 2018-2019 fiscal year budget to the *Aquaculture Growth Strategy*. The Department will continue further operationalization of the new regulatory framework and allocate funding to invest in the responsible development of the aquaculture industry through targeted research and development to address industry challenges and spur innovation. Aquaculture development is viewed as a strategic inclusive economic growth opportunity for coastal and rural communities. Preliminary figures from 2017 indicate aquaculture in Nova Scotia is on track to report a doubling of revenue.
- The *Building Tomorrow Fund*, a three-year \$9 million provincial investment into agriculture and fisheries, will be developed and delivered by the Department. The Building Tomorrow Fund will support farmers and fishers to create new products and enter new markets to further drive export growth. In 2018-19, half of the \$3 million annual budget will be allocated to fisheries and aquaculture, with a focus on value-adding and quality initiatives.
- The Department of Fisheries and Aquaculture has a mandate to expand the *Seafood Export Marketing Program*. In 2018 –2019, \$500 K will be used to maintain and build on the existing export success of the Nova Scotia industry, delivering premium quality seafood products around the world. Nova Scotia seafood exports were valued at \$2 B in 2017. Strategies will include utilization of the Nova Scotia seafood brand, international marketing promotional activities focused on retail, foodservice, individual consumer, and on-line opportunities. Priority markets include China, the US and investigating competitive advantages from tariff reductions in the European market under the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) which entered into force in 2017.
- Sportfishing in Nova Scotia generates more than \$58M each year and there were 67,000 licensed anglers in 2017, primarily from within the province. The Department is committed to the *Sportfishing Development Strategy* initiated in April 2017. A budget of \$50K is allocated in 2018-2019 to increase the number of nonresident anglers in the province. The development strategy also includes increasing sportfishing participation in underrepresented demographics, including younger anglers and females and furthering expansion opportunities in marine recreational fishing. Work is being explored with Tourism Nova Scotia as well as regional and municipal tourism agencies to highlight Nova Scotia as a sportfishing destination.

- The Department will work with Perennia to develop greater capacity in the fisheries, aquaculture and seafood sectors, with a focus on research, market access and product development to meet industry needs.
- Enhancement of handling and quality standards are key factors to increasing the market value of Nova Scotia seafood. Training initiatives such as the lobster handling course are being developed to ensure buyers and processors have a core understanding of the biology and optimal handling techniques of their products. As of January 1st, 2018, lobster buyers and processors must provide proof of such training by someone on their staff to apply for a new or renew their current licence.
- The Department is working with industry to undertake a review of the fish buyer and processor licensing framework to ensure the licensing regime is transparent, efficient and reflects a modern fishery beneficial to our rural and coastal communities.

Core Functions

There are a number of core services and programs the Department provides that support its overall mandate, strategic themes and government priorities. Highlights of these activities include:

- The Department is actively engaged in championing an industry perspective regarding domestic and international trade issues and market access opportunities. This is of particular importance as Canada has been actively negotiating new and existing trade agreements. The Department, through various mechanisms, is supporting efforts to ensure that Nova Scotia businesses the opportunities when exporting to external markets, that they are prepared for an increasingly competitive trading environment, and that Nova Scotia complies with obligations under trade agreements.
- A continued focus on growing a competitive seafood sector by encouraging strategic use of automation in processing and harvesting and by working with other government stakeholders in the development of a workforce strategy to address training and labour challenges. This coming year, the continuous improvement pilot program, launched to improve efficiencies in seafood processing facilities, will expand to include offerings to seafood manufacturers throughout Nova Scotia.
- The Inland Fisheries division operates three provincial fish hatcheries that provide trout and salmon enhancement to an increasing number of provincial rivers. Approximately 200 lakes are stocked each spring, and an additional 200 in the fall, as part of our urban stocking program.

- The Department administers provincial licenses and leases for fish buyers and processors, aquaculture and rockweed. This numbers approximately 800 annually and generates a revenue of close to \$600,000.
- Through Perennia, *the Centre for Marine Applied Research* will focus on strategic project development and leveraging partnerships to support the sustainable growth of the aquaculture industry in Nova Scotia while fostering collaboration with the COVE ocean technology cluster industries.
- The Aquaculture Division will encourage new applications, seek full utilization of existing sites, continue advanced planning for new sites, and operationalize the first hearings by the Aquaculture Review Board. The Division will also continue to manage and coordinate its environmental monitoring program, finalize the farm management plan system, and track fish transfers for health and disease surveillance.
- Veterinary services are carried out by Departmental staff to help maintain and monitor aquatic animal health at aquaculture sites. The Veterinary Health program includes supporting animal welfare, the prevention, diagnosis and treatment of aquatic animals, and on-site testing.
- The Marine Resources Division provides infield, regional assistance and extension services to seafood clients including strategic guidance and advice to industry stakeholders on management issues related to commercially significant fisheries. The Division also plans, coordinates and executes industry and Department initiatives that foster the sustainable development and growth of the fish and seafood sector to maximize its economic potential.
- Through collaboration across multiple levels of government and industry, the Coastal Unit provides the Department with strategic analysis on coastal and marine issues that impact or overlap the Department's seafood development mandate. The Unit provides outreach and education services and works with several sub-regional coastal planning initiatives. Staff also administer legislation and initiatives that support industry organizational development.
- The Inland Fisheries Division manages Nova Scotia's sportfishery through conservation, resource assessment, enhancement and promotion while providing sustainable and diverse angling opportunities. The Department will continue delivery of the *Learn to Fish*, *Becoming an Outdoors Woman*, free fishing weekends and other promotional programs to build awareness of sport fishing opportunities in Nova Scotia.
- With Service Nova Scotia, the Department will work to implement an electronic licensing system that supports client service for the sport fishing industry.

- The Fisheries and Aquaculture Loan Board supports the development of fisheries and aquaculture businesses in Nova Scotia through responsible lending, investing up to \$30 million throughout the Province. Updated regulations are anticipated during 2018-2019 that will enhance the Board's ability to meet industry requirements; improve service quality; address risk issues and allow for continued financing solutions into the future.
- The Department also works to eliminate barriers to growth for the fisheries and aquaculture sectors and collaborates with the Office of Regulatory Affairs and Service Effectiveness to reduce regulatory burden where possible.

Departmental Expenses Summary

(\$ thousands)			
<u>Programs and Services</u>	<u>2017-2018 Estimate</u>	<u>2017-2018 Forecast</u>	<u>2018-2019 Estimate</u>
Administration	696	666	649
Aquaculture	5,437	5,314	5,472
Inland Fisheries	2,452	2,637	2,470
Marine and Coastal	6,477	6,445	12,298
Total - Departmental Expenses	<u>15,062</u>	<u>15,062</u>	<u>20,889</u>
Ordinary Recoveries	500	500	500
<u>Funded Staff (# of FTEs)</u>			
Department Funded Staff	69.9	64.2	70.7

Note:
 For Ordinary Revenues, see Estimates and Supplementary Detail Book, Chapter 2
 For TCA Purchase Requirements, see Estimates and Supplementary Detail Book, Chapter 1