



NOVA SCOTIA
Fisheries and Aquaculture



BUSINESS PLAN 2006–2007

Nova Scotia Fisheries and Aquaculture

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MESSAGE FROM MINISTER AND DEPUTY MINISTER

It is with pleasure that we present the 2006-2007 Business Plan for Nova Scotia Fisheries and Aquaculture.

In fiscal 2005-2006, the Department of Agriculture and Fisheries restructured to form the Department of Agriculture and Nova Scotia Fisheries and Aquaculture. The two new entities maintain close operational linkages particularly in two core business areas - Industry Growth and Development, and Responsible Governance - as well as in the corporate service areas. This collaboration optimizes government expertise and maintains continuity in strategic service areas for the benefit of agricultural and fisheries clients involved in both primary and secondary food production. In this regard, Nova Scotia Fisheries and Aquaculture receives targeted business and product development, fisheries inspection and enforcement, policy and planning, and administrative services from the Department of Agriculture.

Nova Scotia's fishery and aquaculture sectors continue to drive the economies of our coastal regions. Seafood is Nova Scotia's leading export surpassing \$1 billion in 2004. However, the industry must address a number of modern challenges including international competition and bio-security related to food products. The 2006-2007 Business Plan sets out priorities to address these and other challenges, and to take advantage of opportunities aimed at strengthening the economic viability of the industry and coastal communities that rely on this natural resource.

We are committed to providing the necessary support to meet the priorities as set out in the 2006-07 Business Plan.

Honourable Ron Chisholm
Minister

Rosalind C. Penfound
Chief Executive Officer

Nova Scotia Fisheries and Aquaculture

LINK TO THE GOVERNMENT BUSINESS PLAN

Nova Scotia Fisheries and Aquaculture (NSFA) contributes to the following strategic priorities of the government: Health Promotion and Protection; Economic Development and Infrastructure; and Environment.

MISSION

To foster prosperous and sustainable fisheries, aquaculture and food industries through the delivery of quality public services for the betterment of coastal communities and of all Nova Scotians.

PLANNING CONTEXT

NS Fisheries and Aquaculture has a legislated mandate to promote, support, and develop the fishing, aquaculture and food industries, recognizing that these sectors are economic engines of Nova Scotia's coastal and rural communities.

NSFA provides marine advisory and coastal zone management services to the commercial fisheries and rockweed harvesting sector. Field staff in eight regional offices ensure one-window access to programs and services for fisheries and aquaculture clients. Coastal communities and industry sectors receive development and coastal infrastructure assistance through the Fisheries Innovations Program. Aquaculture staff offer a range of services from licensing and leasing of aquaculture sites to fish health and extension services. Inland fisheries focuses on management of Nova Scotia's recreational fishery resource and operates two fish hatcheries that supply fish for a province-wide stocking program. NSFA is also responsible for fish buying and processing licensing and industry investment through the Fisheries and Aquaculture Loan Board.

NSFA receives support services from the Legislation and Compliance Services Branch (LCS, Department of Agriculture) for the monitoring and enforcement of regulations related to fish processing. The Industry Development and Business Services Branch (IDBS, Department of Agriculture) provides marketing, product quality and development, and business development services related to the fishery and aquaculture sectors. NSFA also receives corporate support services from the Policy and Planning Division (P&P, Department of Agriculture) including policy research and development, business planning and annual performance reporting, administration of the *Freedom of Information and Protection of Privacy Act*, Occupational Health and Safety and administrative services.

CORE BUSINESSES, GOALS & PROGRAMS

Core Business 1: Sustainable Resource Management

Goal - Environmentally and socially responsible development of the fisheries, aquaculture and food industries.

Programs and Services:

- Aquaculture environmental resource management
- Inland fisheries resource management
- Marine resource management

Core Business 2: Industry Growth and Development

Goal - Competitive fisheries, aquaculture, and food businesses that create economic growth and employment in coastal communities.

Programs and Services:

- Aquaculture development and extension services
- Commercial fisheries development
- Inland fish stocking
- Coastal community economic development
- Lending services (NS Fisheries and Aquaculture Loan Board)
- Business development and economics, product quality and development, and marketing services (provided through IDBS, Department of Agriculture)

Core Business 3: Responsible Governance

Goal - Orderly development of the fisheries and food industries.

Programs and Services:

- Aquaculture licensing and leasing
- Fish health
- Licensing of fish buying and processing
- Fish plant inspections and enforcement (provided through LCS, Department of Agriculture)

Corporate Services

Goal - To ensure the effective delivery of a suite of corporate and administrative services for the benefit of the executive offices, operational units, and the Government of Nova Scotia.

Programs and Services:

- Administrative Services
- Business Planning and Accountability
- Legislative and Policy Services
- Communications
- Employee Safety, Wellness and Health

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- Executive Leadership
- Human Resources
- Information Management
- Information Technology

OPPORTUNITIES AND CHALLENGES

The fishery industry is a vital economic contributor in the province. Seafood products remain Nova Scotia's leading category of exports, and the industry overall had a total export value of \$1.1 billion in 2004. The shellfish sector is the strongest sector, with lobster leading the way. Lobster exports approached \$400 million in 2004. In total, that year, there were nearly 7,500 people employed in primary production in the fishery. Fisheries, together with agriculture, and the food manufacturing sector, make up Nova Scotia's food industry. Some 30,000 Nova Scotians are directly employed in the food industry, and another 44,000 are employed in food distribution and service industries.

The department will continue to address matters related to the environment, industry growth, food safety, and fish health. The following captures the opportunities and challenges that will be addressed in the 2006-2007 business plan.

Environment

NSFA continues to focus on environmental challenges related to sustainable resource development. Climate change impacts fish habitat, and government is dedicating resources to reduce greenhouse gas emissions as per Kyoto commitments. The introduction in 2005 of a freshwater habitat stamp is supporting conservation efforts to restore healthy fish habitats in Nova Scotia.

NSFA also provides leadership on integrated coastal zone management (ICM) issues through the Provincial Oceans Network, community-based coastal management initiatives and other ICM initiatives, such as the Gulf of Maine Council on the Marine Environment. Such initiatives work to maintain and enhance watershed quality and to ensure the sustainable utilization of coastal resources.

Legislative initiatives and policies, such as the federal *Species At Risk Act (SARA)* are part of a growing regulatory environment in which fish harvesters and aquaculturists must operate, and which may impact access to marine species and harvesting grounds. Staff monitor the impacts of these legislative/regulatory developments and work with stakeholders to develop strategies and bring forward industry concerns.

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Industry Growth and Development

The fisheries and aquaculture industries work in a dynamic business climate affected by regulations, tax regimes, consumer trends, trade issues and international marketing considerations. Nova Scotia's seafood businesses have had to respond to new market developments, including new regulatory regimes in existing markets. The challenge is to remain competitive in the face of these forces that tend to increase costs of production and impact profit margins. Nova Scotia will respond by building on its reputation for producing high quality, safe food, through its commitment to environmentally responsible resource development, and through its efforts to develop innovative, customer-driven products.

Nova Scotia's seafood sector faces international competition in products such as saltfish, frozen fish and farmed salmon. The food processing sector is also experiencing challenges due to aging plants and technology and labour cost competition from other areas of the world. The entry of products into the marketplace from countries like China and Chile, which have lower production costs, impacts Nova Scotia's ability to remain competitive. The challenge is to design effective, timely, and flexible programs within current fiscal restraints, while meeting industry and government expectations in areas of business development and risk management.

The Nova Scotia fish and seafood industry faces vulnerability and market risk due to the high volume of trade it conducts in the US market. Bio-terrorism regulations and the weakening of the US dollar relative to the Canadian dollar make Canadian exports more expensive in the US market. Nova Scotia is seeking to better diversify its markets. Internal trade issues related to the boat building and crab processing sectors also remain challenges, and NSFA continues to seek a level playing field for these sectors.

Aquaculture offers development opportunities for many coastal regions. Public concern with environmental impacts, fish and shellfish diseases, and limited development dollars represent further challenges for this sector. As well, applicants for aquaculture sites must go through a complex and lengthy approval process that requires significant investment in time and finances and which impedes the development of the sector. NSFA will continue to work with its regulatory partners and stakeholders to make this process more efficient and less costly. Industry and government have made significant investments in the development of new farmed species, such as cod and halibut, and Nova Scotia is a leader in this field. A new aquaculture development strategy is being developed that will address the challenges facing this sector, and support current efforts for a new federal/provincial aquaculture development funding agreement.

Increased market demands for safe food products offer product and consumer service opportunities. Tracking and tracing throughout the market chain, through programs such as Hazard Analysis Critical Control Point (HACCP)/(HACCP plus) and the Quality Management Program (QMP), provide opportunities to meet food certification standards in the European Union and Homeland Security measures in the US. NSFA will work with Nova Scotia

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businesses to demonstrate that our products are safe and secure beyond current international standards of practice.

The fisheries and aquaculture sectors struggle with the need to attract new entrants and new investment. NSFA continues to address this concern by promoting the sectors within government, encouraging government/industry collaboration, and improving communications and branding of the sectors.

NSFA is committed to assisting industries identify and develop new products, services, technologies and market opportunities. This includes playing a role in product differentiation, improved packaging, and efficient and effective distribution channels. Examples of diversification and value adding opportunities for the industry include the development of health products such as nutraceuticals and pharmaceuticals, organic seafood, and coastal tourism products.

Fish Health

The need to respond to fish disease outbreaks and emerging fish health and disease prevention issues also presents challenges. NSFA will continue to work with other levels of government and industry to deal with these issues and meet evolving compliance requirements, including the negotiation and implementation of the National Aquatic Animal Health Program.

CORE BUSINESSES, GOALS, STRATEGIES AND MEASURES

Nova Scotia Fisheries and Aquaculture has identified the following goals, priorities, strategies, and measures. Measures established for 2005-2006 are being continued for 2006-07.

Core Business One: Sustainable Resource Management

Goal - Environmentally and socially responsible development of the fisheries, aquaculture and food industries.

What it means

Long-term industry growth and sustainability arise from balancing industry development with environmental and social responsibility through applied research, technology transfer, generally accepted management principles and industry and public awareness. NSFA contributes to this goal by encouraging the fisheries and aquaculture industries to move closer to being economically viable, environmentally sound and socially acceptable.

Priority - Implement strategic initiatives to address environmental issues in the fisheries and aquaculture industries.

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Strategies & Actions

- Continue to deliver the Aquaculture Environmental Monitoring Program (EMP);
- Develop and implement strategies to address the federal *Species at Risk Act (SARA)* and its impact on Nova Scotia's fisheries industries;
- Continue to actively participate in the Gulf of Maine Council on the Marine Environment, and champion provincial priorities within the Council's Action Plan and in the development of the 2007-2012 Action Plan;
- Continue to support community and volunteer organizations to address freshwater fish habitat restoration;
- Ensure rockweed leases are managed to ensure sustainable development of the resource.

Measures	Last Actual (2005)	Target 2005-2006	Target 2006-2007	Target 2007-2008
Percentage of active aquaculture sites monitored under the Environmental Monitoring Program (EMP)	82	75	90	100
Number of fish habitat restoration projects completed	25	15	20	25

Core Business Two: Industry Growth and Development

Goal - Competitive fisheries, aquaculture and food businesses that create economic growth and employment in coastal communities.

What it means

NSFA facilitates growth in established and emerging sectors of the fisheries, aquaculture, and food industries. The Fisheries Innovation Program works with communities and industry on technology and infrastructure enhancement. The Fisheries and Aquaculture Loan Board provides financial/lending support to industry clients. Through Industry Development and Business Services (IDBS, Department of Agriculture) NSFA fosters the development of new seafood products, fishery related businesses and market opportunities.

Priority - Increase the growth and value of the province's fisheries, aquaculture, and food sectors through strategic planning, diversification of markets, products and technology, and the development of new fisheries.

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Strategies & Actions

- Implement marketing strategies for the fisheries and aquaculture industries, including recommendations from the Nova Scotia Saltfish Industry Study (provided through IDBS, Department of Agriculture);
- Implement the recommendations of the Council of Atlantic Premiers to address market access and supply chain needs of regional food producers and processors, including organizing the 2006 Atlantic Food Forum;
- Conduct a study of Nova Scotia's seafood processing sector in conjunction with government and industry partners (provided through IDBS, Department of Agriculture);
- Deliver business and technical services that support improved efficiency in seafood processing and production (provided through IDBS, Department of Agriculture);
- Prepare a new aquaculture development strategy and enter into negotiations for a new federal/provincial aquaculture framework agreement;
- Implement a new Aquaculture Industry Development Program designed to take advantage of new expansion opportunities and address fish health issues;
- Continue to implement the results of the Guysborough County aquaculture pilot project to increase aquaculture development;
- Develop commercial fisheries for new and traditional species, and provide new opportunities for recreational fishing;
- Increase the promotion of sport and recreational fishing opportunities in Nova Scotia and continue the stocking program;
- Increase support to address lobster quality issues.

***Priority** - Increase domestic and international competitiveness of the province's fisheries and aquaculture sectors through targeted sector marketing and development initiatives.*

Strategies & Actions

- Develop and implement the 2006-2007 priority market plan focused on the Northeast United States, the European Union, Japan and the Caribbean (provided through IDBS, Department of Agriculture);
- Facilitate and encourage the participation of the fisheries, aquaculture, and food industries in Brand Nova Scotia and Taste of Nova Scotia initiatives (provided through IDBS, Department of Agriculture);
- Implement the Culinary Tourism strategy and related product development initiatives (provided through IDBS, Department of Agriculture);
- Work with industry partners to develop new value-added seafood products and capture new market opportunities;
- Promote fishing gear and boat building exports;
- Continue to provide, in cooperation with government partners, counseling and training on the new nutritional labeling and claims regulations for Canada (provided through IDBS, Department of Agriculture);

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- Develop a trade plan focused on Nova Scotia’s seafood, agri-food, bio-products and related technologies, that aligns with the provincial trade strategy.

Priority - Expand and develop fisheries and food sector investment initiatives and partnerships.

Strategies & Actions

- Continue to implement the Investment Plan, focused on:
 - marketing Canada and Nova Scotia as an attractive investment destination through joint partnerships (provided through IDBS, Department of Agriculture);
 - developing a profile of the investment and immigration needs and opportunities that exist in the fisheries and food industries (provided through IDBS, Department of Agriculture);
- Continue to provide lending through the Fisheries and Aquaculture Loan Board to assist in the development of the fisheries and aquaculture industries.

Measures¹	Last Actual (2004)	Target 2005-2006	Target 2006-2007	Target 2007-2008
Value of sales resulting from market development projects and tactics (millions)	\$4.5	\$4	\$5	\$6
Number of new product and market opportunities pursued	1 new geographic area	1 new geographic area	1 new geographic area	1 new geographic area
	1 new product	1 new product	1 new product	1 new product
Number of market research and information products developed	9	12	12	12
Number of companies or organizations approved for new product and technology development projects	15	24	27	30
Ratio of Product and Quality	28%	29%	26%	25%

¹Sale values incorporate fisheries, aquaculture, and agriculture.

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**Development (PQD) program
funding invested to total R&D
invested through PQD projects²**

Number of businesses assisted to capture new business opportunities	48	50	55	60
Percentage increase in loan portfolios³	4.3	0.5	0.6	0.7
Value of new investment in the seafood and agri-food sectors (new measure)	n/a	n/a	Benchmark	To be based on benchmark

Core Business Three: Responsible Governance

Goal - Orderly development of the fisheries, aquaculture and food industries.

What it means

Maintaining consumer confidence relies on the orderly development of the fisheries, aquaculture, and food industries, and a reputation for excellence in food and consumer safety.

NSFA contributes to this goal by maintaining a regulatory environment that enables business development, and establishes a level playing field while not being unnecessarily burdensome for business operators. The Legislation and Compliance Branch (Department of Agriculture) delivers fisheries, aquaculture, and rockweed inspection and enforcement services on behalf of NSFA.

***Priority** - Provide professional, reliable and cost-effective services in the area of fish health/disease prevention.*

Strategies & Actions

- Continue to participate in the development of the National Aquatic Animal Health

²This measures the amount of funding leveraged from other sources by PQD program funding. The goal here is to leverage more R&D investment from other sources causing the relative share of investment by PQD to decrease. Includes investment in fisheries and agriculture.

³This measure refers to lending provided through the Fisheries and Aquaculture and Agriculture and Timber Loan Boards.

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Program (NAAHP).

Priority - Review and revise departmental statutes, regulations and policies to ensure effective, and efficient governance of the fisheries, aquaculture and food industries.

Strategies & Actions

- Review the Nova Scotia Fish Processors and Fish Buyers License Policy and related regulations;
- Continue to work with the aquaculture industry and government partners to harmonize the aquaculture site application process.

Measures	Last Actual	Target 2005-2006	Target 2006-2007	Target 2007-2008
Statutes and regulations reviewed by the department	9 Acts⁴ and 16 sets of regulations⁵ reviewed	Examples to be provided	Examples to be provided	Examples to be provided
Level of client satisfaction with the aquaculture lease and license application process (new measure)	n/a	n/a	Benchmark	To be based on benchmark

Corporate Services

Corporate services are composed of the offices of the Minister and Deputy Minister together with the Policy and Planning Division. Communications services are provided by Communications Nova Scotia. Human resources, information technology and financial services are provided through the Resources Corporate Services Unit.

⁴ Acts reviewed, in whole or in part, as of December 2005 included: *Agricultural Marshland Act, Bee Industry Act, Fisheries and Coastal Resources Act, Agricultural and Marketing Act, Natural Products Act, Animal Health and Protection Act, Farm Practices Act, Health Act (Food Safety), and Veterinary Medical Act.*

⁵ Regulations reviewed as of December 2005 included: Diseases and Pests Affecting Bees Regulations, Farm Registration, Fish Buyers' Licensing and Enforcement Regulations, Fish Inspection Regulations, Fisheries and Aquaculture Loan Regulations, Rockweed Harvesting Regulations, Food Safety Regulations, and Chicken Farmers of Nova Scotia Regulations.

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Priority – *Implement the French Language Services Plan, in accordance with the French Language Services Act, Bill 111.*

Strategies & Actions

- Implement the French Language Services Plan for NSFA, including encouraging employees to take French language training.

Priority - *Implement the Employee Survey Response Plan to address areas identified as needing improvement in the Government of Nova Scotia Employee Survey, "How's Work Going?".*

In February 2004, the Nova Scotia Public Service Commission conducted a survey of its employees. The purpose of the survey was to assess the effectiveness of the government's work environment and its ability to engage and motivate employees and support a client-focused culture. A plan was developed in 2005-2006 to address areas identified by its employees in the survey as needing improvement. Implementation of the plan will continue in 2006-2007.

Strategies & Actions

- Organize a staff conference to address staff priorities as identified in the Government of Nova Scotia Employee Survey.

Priority - *Continue to ensure equality of opportunity in hiring and access to employment opportunities for affirmative action candidates.*

The Public Service Commission administers the Government of Nova Scotia's Affirmative Action Program, which ensures equality of opportunity in hiring and access to employment opportunities within the civil service to affirmative action candidates. This is accomplished by applying corporate policies and providing programs to all government departments, agencies, boards and commissions. NSFA will strive to ensure its hiring practices reflect affirmative action goals.

Strategies & Actions

- Implement the Affirmative Action Plan for NSFA.

Priority - *Develop and implement communications strategies that support the activities and initiatives of Nova Scotia Fisheries and Aquaculture.*

The Communications team will continue to provide consistent, clear and timely information to internal and external clients, on issues including aquaculture, seafood marketing and the fish/crab industry. The communications team will continue to work with its federal and provincial colleagues to insure the consistent flow of information.

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Strategies & Actions

- Develop and implement communications strategies for NSFA activities and initiatives.

Measures	Last Actual	Target 2005-2006	Target 2006-2007	Target 2007-2008
Progress toward implementation of the French-language services plan	n/a	Examples to be provided	Examples to be provided	Examples to be provided
Progress toward addressing areas of concern as identified in the employee survey	n/a	Examples to be provided	Examples to be provided	Examples to be provided
Progress toward development and implementation of a diversity policy	n/a	Examples to be provided	Examples to be provided	Examples to be provided
Communications strategies implemented for department activities and initiatives.	n/a	Examples to be provided	Examples to be provided	Examples to be provided

LONG-TERM OUTCOME MEASURES

Measures	Last Actual	Target 2005-2006	Target 2006-2007	Target 2007-2008
Farm gate value of aquaculture output (millions)	\$45 estimate (2005)	\$45	\$50	\$55
Dollar value of sport fishing activities to the province (millions)⁶	\$85 (2005)	\$82	\$82.5	\$83
Domestic value of boat building (millions)	\$54 (2005)	\$52	\$55	\$55
Export value of boat building	\$29	\$28	\$35	\$35

⁶Figures for “Dollar value of sport fishing activities to the province” targets are estimates based on a survey conducted every five years. The next survey will be conducted in 2006 for the 2005 fishing year. Last actual figure is an estimate for the 2005 sport and recreational fishing season.

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(millions)	(2005)			
Export value of fish products (billions)	\$1.09 (2004)	\$1.3	\$1.4	\$1.5
Value of food manufacturing value- added (millions)	\$711.7 (2003)⁷	\$700	\$700	\$700
Ratio of food manufacturing value- added to the value of shipments of food manufacturers	31.9% (2003)	34%	35%	35%
Dollar value of total capital expenditures in fisheries and agriculture (millions)	\$116.3 (2004)	\$120	\$120	\$120

⁷“Value of food manufacturing value-added” and “Ratio of food manufacturing value-added to the value of shipments of food manufacturers” figures for 2004 and 2005 will be available at a later date.

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BUDGET CONTEXT

Fisheries and Aquaculture			
	2005-2006 Estimate	2005-2006 Forecast	2006-2007 Estimate
Program & Service Area	(\$thousands)	(\$thousands)	(\$thousands)
Ordinary Revenues			\$599
TCA Purchase Requirements			
Net Program Expenses			
Fisheries & Aquaculture			\$5,031
Provincially Funded Staff (FTEs)			65.1