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## Lobster Council of Canada Meeting

Date: October 4, 2017  
Location: Crowne Plaza Hotel, Moncton  
Time: 9:00 am – 4:00 pm

### **Board of Directors Meeting 9:00 am – 12:00 pm**

1. Opening remarks, roundtable introductions, and approval of agenda
2. Approval of minutes from July 6, 2017 meeting
  - a. Geoff Irvine noted that he wrote a letter to the Minister requesting to be part of the consultation for the Atlantic Fish Fund.
  - b. Geoff also called the MFU representative and invited him to this meeting, but he could not attend. Ruth Innis was attending from the MFU for Roger LeBlanc.
3. Business arising
  - a. The LCC logo had been used in a video by Peter Swim and he did not have permission to use it. Geoff contacted him and he removed the logo.
  - b. On NAFTA, they are continuing the tax free arrangement during negotiations. The Americans are playing hard ball in the negotiations and taking it very seriously. They are talking a 4% tariff on goods going into the US, to be imposed Jan. 1, 2018. Softwood and supply management are being talked about a lot.
4. Financial update
  - a. Receivables are in good standing.
  - b. PEI is upset about emails that were written by a buyer regarding the lowering of shore prices.
    - i. Geoff said that the LCC focuses only on raising the price of lobster, and they cannot help what is said by industry reps out in public.
    - ii. PEI was concerned about the article on currency that the LCC put out, and the buyer commenting on how much money harvesters make.
    - iii. Comment that the buyer is constantly contacted for comments by the media, and he means well for the industry.



- iv. Eugene expressed that people make comments and they may get associated with the LCC, but the LCC never gets a chance to review or vet those comments. They have no control over that.
- v. Geoff said that the LCC does not comment on price in the media.
- vi. Ruth Innis thought that the LCC should have a communications person. This will require more income/dues for the LCC to hire someone else.
- vii. Laurence Cook, said the LCC needs to be clear to PEI that the LCC did not make the comments about price, it was the buyer. One statement by a buyer cannot change the price. We need education on what influences the price of lobster.
- viii. It was mentioned that people should be allowed to speak freely about prices/industry issues without the fear of losing supply.
- ix. Catharine (Clearwater) asked if PEI has not paid dues yet because people are saying things in the media and LCC is not responding/doing anything about it? PEI responded that that is part of the reason.
- x. The buyer will be at the afternoon session and people can talk to him then.
- xi. Geoff said that the buyer was shocked that people thought that his comments were hurting the LCC and the industry.
- xii. At an LCC workshop a few years ago, they could not decide how to deal with pricing issues, so they tabled it and decided not to deal with it through the LCC.
- xiii. It was suggested that the LCC have a process to come up with a position on price.
- xiv. Leonard said that the same issues are being brought up at the LCC year after year. Could the LCC have a meeting before the opening of each season? Not to set the price, but to discuss what might affect the price. Need a way to move forward with this and improve things.
- xv. Laurence was concerned that discussing price at the LCC could hurt them and put blame on them.
- xvi. PEI said that the LCC should only focus on the positive things within the industry, to help raise price. Geoff responded that he felt that they do only speak positively in the media about the industry. If something negative comes out then it is a mistake or there is something negative that has to be mentioned.
- xvii. The buyer was speaking about real issues in the industry. The industry is complicated and we have to accept that.
- xviii. We should discuss how to increase value of the product. You can influence the value, but it is hard to influence the price.



- xix. Need to focus on marketing. Maine markets their softshell lobster very well. We have a high quality product.
- xx. There is a problem because the price is the same for low and high quality lobster.
- xxi. Eugene suggested setting up a committee to deal with this.
- xxii. Leonard asked if the Atlantic Fish Fund might be used to address this issue.
- xxiii. Clearwater has a scanner that detects meat yield, and has been using it for years to determine quality.
- xxiv. We need to start investing in the industry to help solve problems.
- xxv. The handling course is showing that it is helping increase the quality of the product, even though there was reluctance to endorse it at the beginning.
- xxvi. Catharine said that they want to do separating on boats, but it is very hard to get industry buy in. There has been a lot of work already done on these issues, but haven't used it.
- xxvii. Moulting stage influences quality, and we cannot really change that, but we can focus on handling.
- xxviii. Food safe bands were mentioned as a way to increase value, because they would not have to be removed and buyers would pay more for that.
- xxix. Eugene said that the Executive will discuss this issue more and come up with some ideas.

#### 5. Market access update

- a. Invasive species (Norway and Sweden): The only way to import to Norway is to ship live and cook immediately upon entry to Norway. Sweden has removed lobster from invasive list. This issue is relatively quiet for now.
- b. Seafood import monitoring program: This does not affect lobster right now. The 12 m and under fleet is exempt from these rules, so they are trying to increase metre requirement to include the lobster fleet.
- c. Canada-EU trade agreement: they are working to adjust tariffs and prices.
- d. US Marine Mammal Protection Act: LCC is on top of this issue. Geoff noted that the GNSFPB is closely monitoring and researching this topic. It may also affect MSC.
- e. MSC: They are on target or ahead for most of the conditions. Some issues in SW Nova on harvest control rules and bycatch. DFO has been using MSC as an excuse to get industry to do more work. Ruth noted that DFO did not have enough science at the beginning of MSC certification, so they used it as an excuse to get more science done. Leonard said that at first DFO said that MSC was just a marketing tool



and they would not be involved, but now they talk about it all the time and get industry to do work for it. Geoff said that the LCC is not driving changes in industry related to MSC. MSC has been asked to comment on the whale issues.

6. Summer/fall lobster market review – this was skipped due to lack of time
7. Seafood value chain roundtable update
  - a. Geoff said they are working on retail education tools
  - b. The Gardner Pinfold report on maximizing value per kg of fish is complete and will be reviewed at the next meeting.
8. Canadian lobster day concept
  - a. Geoff said that the US has a national lobster day, and Canada should have one as well. Geoff will work on contacting MPs to champion this idea and get a national lobster day. It should be done when tourists are around.
9. New business – none was brought up
10. Atlantic Growth Strategy – ACOA
  - a. They have a pan-Atlantic food strategy.
  - b. Canada has a lot to offer the world in high quality protein.
  - c. ACOA is looking for innovative ideas to fund. They are looking at how DFO, Agri-Can, and ACOA can fund lobster initiatives.
  - d. Agri-Can has a national plan, within it seafood is barely mentioned.
  - e. Francis McGuire (ACOA president) from NB is presenting in Ottawa on what is needed.
  - f. They are looking for commonality across Atlantic Canada.
  - g. The findings so far:
    - i. Labour: availability of labour, temporary foreign workers
    - ii. Productivity and Competitiveness: looking for solutions to the labour issues, automation is key
    - iii. Other issues: trade barriers, logistics and transportation, scientific research and economic development, tax issues, foreign investment, lack of collaboration
    - iv. Research and development: capacity is lacking, not enough product development, lack of relevant science to industry
  - h. Lobster research and development – is there a need for it? What needs to be done? Who should do it?
    - i. Catharine commented that gear innovation regarding whale issues will become necessary. Although there have been no entanglements in lobster gear, they may still need to make changes. Another issue is biotoxins in lobster and food safety. The risk factors are changing with climate change. CFIA won't do testing on lobster, they leave it up to industry. Another issue is education on food initiatives by Health Canada, ACOA, Agri-



Can, etc... ACOA should help industry understand all of the programs that are out there.

- ii. Jerry Amiro said that projects have been identified, but collaboration is an issue. They do not have enough workers to process product. The focus should be on getting temporary foreign workers.
- iii. Leonard thanked ACOA for coming to the meeting. He said that harvesters are doing a lot of data collection, and timely data is important. Right now, DFO is behind up to 2 years on the data that is collected through paper logbooks. E-logs are a new initiative that could produce timely data. Do e-logs fit into ACOA's funding strategy? ACOA responded that they invest in a lot of technology companies, so industry should convince DFO to externalize the technology needs, and they could fund that. E-logging would definitely fit under the sustainability initiatives. E-logs cannot just be an electronic version of the log sheets used now, they can be used to collect other information too. DFO is outsourcing the technology requirements for e-logs. Leonard said that DFO is calling for applications from companies now for the technology. Quebec has done pilot projects with technology.
- iv. It was brought up that there are many issues facing fisheries: US traceability, MPAs, at-sea monitoring, whales, US marine mammal act, NAFTA, oceans protection plan, China, Fisheries Act revisions, etc.... most of which is not being funded by government. There is a need for renewal of infrastructure in the industry.
- v. Geoff noted that it would be great to bring back a lobster science centre. Also need market intelligence centre – maybe we could combine these two centres.
- vi. The industry is not well set up to come up with good projects for AFF, it would be difficult to work together to come up with something.
- vii. ACOA does not really work with front line, individual harvesters. ACOA wants ideas in by end of October.

## 11. Adjournment

### **Annual General Meeting 1:00 pm – 4:00 pm**

1. Welcome and introductions
2. Approval of agenda
3. Approval of minutes from 2016 AGM
4. Executive director's report



- a. Geoff gave a brief presentation on the activities of the LCC over the year (presentation to follow once we have received it).
  - b. Stewart Lamont spoke up that he thought that the LCC should take a stance on key issues for the lobster industry. He wants to make a proposal that the LCC be more engaging with regard to industry issues.
  - c. PEI said that we should stick to the mission statement to increase price and demand for lobster.
5. President's report
- a. Eugene gave his president's report. He thinks that the marketing tools developed by the LCC are great. He wants industry to work together on improving the industry, like what is being done with the LCC and not work against each other.
6. Finance report (see attachment)
7. Nominating report
8. Appointment of board members and officers for 2017-2018
- a. Two new directors, Monty Way and Peter Connors, were voted on to the board.
  - b. Leonard read the motion for the new officers and conducted the vote. Laurence Cook is the new president.
9. Appointment of accounting services for 2017-2018
- a. The same financial reviewer was appointed.
10. Karl Schamotta – “Claw Back: The Loonie and the Lobster Sector” (presentation to follow once we receive it)
- a. World economy is growing, fast.
  - b. China economy is still on a positive trend.
  - c. US dollar is fluctuating.
  - d. There are fluctuations with the price of lobster because of volatility in the currency.
  - e. Price moves up and down. It is natural for the cycle to do this.
  - f. There will be growing world demand for lobster, so the situation is good for long term demand.
  - g. He forecasts that the Canadian dollar will drop.
11. Rob MacDonald – Atlantic Fisheries Fund (presentation to follow once we receive it)
- a. \$325 million by the federal government allocated to the Fund.
  - b. It is a federal/provincial funding formula (70% federal, 30% provincial).
  - c. Provincial priorities will be a key consideration.
  - d. Who can apply: harvesters, processors, aquaculturists, indigenous groups, academics, industry groups. Academics must have industry involvement.
  - e. Innovation



- i. R&D on new products and technologies
  - ii. Pilot projects
  - iii. Results: sustainability, productivity, value added, marketability
- f. Infrastructure
  - i. Adopt new technologies
  - ii. Training associated with new technology
  - iii. Direct investment in the private sector
- g. Science partnerships
  - i. Research related to industry needs
- h. They will focus most funding on the first two pillars – innovation and infrastructure
- i. How to apply – the guides are on the website. Need to send a hard copy and USB copy to the secretariat in Dartmouth. Email: [RegionalAFF-FPARegional@dfo-mpo.gc.ca](mailto:RegionalAFF-FPARegional@dfo-mpo.gc.ca) Call: 1-844-995-9718
- j. It was asked who makes the decisions. The secretariat makes the decisions on what projects to fund, and the Minister has the final say.
- k. It was asked what is meant by “industry”. It will depend on the proposal, but it would be anyone representing the industry.
- l. It was asked if there have been any projects approved yet. There have not been any approved, but some applications are in.
- m. It was asked if they will be more generous to larger applications. Yes, larger more encompassing projects will be preferred.
- n. It was asked if industry needs are being considered. Yes, they had to start up the fund quickly, but have been doing consultation with industry to hear their needs.
- o. Leonard asked if the funding will be divided by province. No, they will try to be equitable, but they don't know where the demand will be from. Leonard then asked if each province paid equally. Yes, all provinces put in equal amounts but the amounts for each year may vary.
- p. It was asked how the spending will be spread over 7 years. There are measures in place to spread out the funding.
- q. It was asked if multiple provinces can work together. Yes, this is what they want to happen. They may even put out a targeted call for proposal that include that.

12. Adjournment 4:00 pm