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Chair

Mr. Rodney Weston

Standing Committee on Fisheries and Oceans

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•(1105)

[English]

The Chair (Mr. Rodney Weston (Saint John, CPC)): I'll call this meeting to order.

I'd like to thank our officials for being with us again. I appreciate your patience yet again. This is the third attempt. Mr. Stringer said "three times lucky", and let's hope he's right.

Mr. Stringer, I understand that you have a brief opening statement, after which we'll proceed to questions. I know you're quite familiar with the practices of our committee, so I'll turn the floor over to you at this time.

Mr. Kevin Stringer (Assistant Deputy Minister, Ecosystems and Oceans Science Sector, Department of Fisheries and Oceans): Thank you very much.

Thank you very much for inviting us. We're very pleased to be here to talk about the lobster fishery in Atlantic Canada and Quebec. It is our largest fishery by participation, as well as by exports and its economic contribution to Canada's fishery.

We understand that the committee wanted to ask some questions around lobsters, specifically around the health of the stocks, and generally about lobster and, potentially, other issues. We're pleased to answer any and all questions to the best of our ability.

I'm joined today by two of my colleagues from Fisheries and Oceans. On my left is Nadia Bouffard. Nadia is the director general for fisheries and aboriginal policy in the program policy sector. On my right is Adam Burns, the director of resource management in the Atlantic region in the ecosystems and fisheries management sector. I'm Kevin Stringer, the assistant deputy minister for ecosystems and oceans science. You have fisheries management, policy, and science here. So hopefully we can address the various questions.

I will, as I said, make a few brief remarks about lobster, about the health of the fishery, and about what we know about the fishery. I'll start with some very basic facts that can provide a bit of grounding.

There are many things that we do know about lobster and there are many things that we are studying still, which I'd be happy to talk about later on. But you do need to know a number of things.

American lobster is unique to the northwest Atlantic Ocean. It occurs from southern Labrador to North Carolina. Some of the things we do know that are really important to help us manage this fishery are that mature lobsters make seasonal movements to shallow waters in the springtime and summer to moult, to reproduce and hatch eggs, and return to deeper waters in the fall and winter. These movements

typically amount to a few kilometres. However, longer seasonal movements occur in the Gulf of Maine, the Bay of Fundy, and offshore regions in the Scotian Shelf amounting to tens or hundreds of kilometres. Fishing area 40 is considered to be a bit of an incubation ground. We have that closed and we believe that it actually helps populate some of the other fisheries. These movement patterns are affected by bottom topography, depth, water temperature, and other matters. They have two parts of their life cycle. Again, these are things that are crucial for us to help manage the fishery.

First is a planktonic phase, which follows the hatching of eggs. It happens late May through September depending on where in Atlantic Canada. The larvae go through a free swimming period for three to 10 weeks—which is important, because they're not on the bottom at the beginning—depending on the environmental conditions, mostly the water temperature. It ends when they settle on the bottom. What is important to note is that natural mortality is highest during these first few weeks of the lobster's life due to predation and currents. The currents may carry the larvae to unfavourable habitats. So, predation, storms, climate change, and other things have an impact, particularly in the early stages of the lobster's life.

Then there's the benthic phase. The newly settled lobster progresses through several stages before reaching adulthood of four to 10 years. It's usually eight years in most parts of Atlantic Canada. A lobster has to survive eight years to reach maturity and to the point where it is recruited into the fishery. That's a long period of time. Predation is highest when it's small. It mostly hides out and comes out more and more as it gets older and moults more. Natural mortality is high due to predation mostly when they first develop in the benthic phase and as they emerge as juveniles from their first shelters.

I have just a couple of other points around this, again related to how we manage the fisheries. There's information to support the management of fisheries. Lobsters grow through moulting. They moult their shells. They do it multiple times. They grow as much as 12, 15, 16 per cent with different moults. They are strongly influenced by temperature, which is why they want to be in warm water for moulting because it's more likely to happen and there's going to be more growth. There are other things that influence it as well.

•(1110)

Mating occurs just after females molt, between July and September in Atlantic Canada. The female lobster has an almost two-year gestation period. It extrudes eggs for approximately one year. The number of eggs produced by a female lobster increases with size, so we have some protection for larger females. That's why we have some maximum size limits, as well as minimum size limits. The eggs are carried in clutches on the underside of the female's abdomen, called a berried female, for the last 9 to 12 months. That's why we have protection for berried females as well.

Now, for a little bit about the state of the stocks, how are the stocks doing in Atlantic Canada and Quebec?

[*Translation*]

In Atlantic Canada and Quebec, lobster fishing is usually managed through the control of inputs—such as the number of permits, gear restrictions and seasons. I want to point out the following exception: Nova Scotia offshore lobster fishing—in lobster fishing area 41—is managed on the basis of total allowable catches.

In addition, landings currently constitute the primary parameter used to ensure the monitoring of the state of lobster resources and related trends. In lobster fishing areas of the Maritimes, Cape Breton and Fundy Bay regions, landings are increasing or stable—reaching record highs or nearly reaching them.

[*English*]

The landings are high in those areas and high in other areas as well.

I'll speak to the other areas. The southern Gulf of the St. Lawrence LFAs, lobster fishing areas, which include P.E.I., New Brunswick, as well as the southern part of Gaspé and the Magdalen Islands in Quebec, also show stable or increased landings. The areas around P. E.I. and New Brunswick, in particular, have high abundance or are at near historical levels. Landings in the northern gulf have generally been stable since 2008, at a low level on the north shore of Quebec, and high abundance at Anticosti Island. However, areas 13 and 14, located on the west coast of Newfoundland, have shown a decline since 2008, albeit they have in fact increased in the last year.

For the other lobster fishing areas around Newfoundland and Labrador, we've seen an increase in landings on the south coast since the late-nineties. However, the northeast coast landings, those in the Avalon, have been declining since the early-nineties, but the fishery has not been substantial in that area.

As I mentioned before, the offshore Nova Scotia lobster fishery is the only lobster fishery in Canada managed with the total allowable catch. The current total allowable catch is 720 tonnes. It's been in place since 1985 and we believe the stock has been stable since 1999.

Of note, as I mentioned already, is lobster fishing area 40, located off southwest Nova Scotia. It's closed to lobster fishing because it is known to be a spawning area, where large females congregate. The area was closed because of its potential conservation benefits. We believe it is in fact a bit of an incubation area for many of the fisheries, particularly in southwest Nova Scotia.

Overall, the stocks are in good shape, and some would say “remarkably good” shape. We acknowledge that has created significant challenges in other areas, which are being dealt with by fishers. There are different views about why the lobster fishery has done as well as it has since the 1990s. It really has grown exponentially in some areas.

The views generally come down to three or four different factors—three factors anyway. One is favourable environmental conditions, temperature in particular, but the second is lack of predation. We know that the predators of lobsters, particularly at a young age—cod, cusk, white hake, sculpin, and others—are not in great shape, so lack of predation we think is a factor. The other factor is the management controls that we've established. We've always had management controls, but they've actually increased significantly over the last number of years.

•(1115)

I'll just touch on those management controls. There are three basic controls. The first is the specific season, meaning that you can only fish at certain times of the year. The second is limited entry, with only certain people licensed to do it. And the third is trap limits, with only x number of traps being allowed.

In addition, we have rules for conservation in various fisheries. There is a minimum carapace size, which means you can't keep a lobster larger than a certain carapace size. There's a prohibition on landing egg-bearing females and v-notched females. We get the fishermen to put a v-notch on the tails of egg-bearing females so we can recognize them in the future.

Some of them, as I said, have a maximum size, so we're protecting the larger females. There are vents to allow for the escape of sublegal sizes in the traps. And there are biodegradable traps, which are a new development that ensures the traps that are cut aren't catching fish forever.

Those are things we've done that we think speak to why the stocks are in as good a shape as they are.

We remain concerned and vigilant. The exploitation rate in some of these fisheries is high, but they continue to do well. We're concerned about that, and we continue to do research to better understand lobster. If you look at our science website, you will see studies that we've done in recent years, and the assessments of all the LFAs. We do those assessments regularly. They've all been done in the last year and, as I said, they mostly point to a healthy stock.

We also do specific studies. We have specific peer-reviewed studies on predation, on bycatch, meaning other species caught in lobster traps; the impact of temperature; the potential impact of ocean acidification; utilization of habitat and preferred habitat; on stomach sampling to see the lobster prey; the impacts of pest and pathogen treatment on lobster; the impact of aquaculture facilities on lobster, and many, many other areas. We do much of this research with fishermen as partners, and we will continue to do that.

There are many challenges in the lobster fishery, and we'd be pleased to talk about those today. But, overall, the health of the stocks at the moment is quite good. There is some concern about the exploitation rates in some of the areas, but the stocks are holding up and we believe that they will continue to do so. If you read the assessments, the immediate future looks quite good for lobster in terms of the stocks.

I'll stop there. We would be happy to take questions.

• (1120)

The Chair: Thank you very much, Mr. Stringer.

We'll move into our seven-minute round at this point, and we'll start with Mr. Kamp.

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Thank you, Mr. Chair.

Thank you, lady and gentlemen, for being with us today. I know it has taken a while to get this meeting to happen, so I appreciate your patience.

Let me start with a two-part question and give you some time to answer. Then if I have time, I'll ask a couple more questions.

We had a meeting with Geoff Irvine of the Lobster Council of Canada. There was a sense among most members on the committee that there was something that could be called a "crisis" in the lobster industry, primarily related to pricing but perhaps other matters as well.

He said that the one thing the federal government could do would be to support the development of what he called a "levy system", to fund promotion and structural reform efforts. Those were his words. In his view, because the federal government collects licence fees and has that jurisdiction over harvesters, if there were a way to have a surcharge or a levy on the licence fee, that could go towards a fund. The Lobster Council could use that fund to engage in marketing activities primarily, and perhaps other activities as well. He felt that would be very significant to getting them into a better place in the future.

This is my two-part question. First, do you agree that there is an ongoing crisis, and if so, how would you characterize that crisis? Second, is this idea of a levy something that needs to be considered, or has the department considered it already? Are there some significant reasons that it's not possible? Would it require the User Fees Act and so on?

Let me begin with that, if I could.

Mr. Kevin Stringer: I'll ask Adam to speak to the issue of the first part of the question, which is whether there is a crisis and how we

would characterize it, and Nadia can speak to the issue of a potential levy.

Mr. Adam Burns (Director, Resource Management, Atlantic Region, Ecosystems and Fisheries Management Sector, Department of Fisheries and Oceans): Thanks, Mr. Kamp, and thanks to Kevin.

What I would say about what is going on in the lobster fishery right now from an economic perspective—a price perspective and so on—is that the department is focused on working with harvesters throughout Atlantic Canada and Quebec to put in place measures that will help increase the economic prosperity of the fisheries in their areas.

We're open to working with them in a number of ways, in a manner built upon industry's coming to the department with their ideas of how we should be moving forward. At the end of the day, it's their fishery and their enterprises that are impacted by the measures we put in place.

We've been doing this for a number of years. We can look back to the Atlantic lobster sustainability measures program, which was very successful in reducing effort in the fishery throughout Atlantic Canada and in promoting significant improvements in sustainability in the fishing areas that participated in the program. There are lots of things that the department can point to as measures we have undertaken and steps we have made in working in partnership with the industry.

There's no doubt that prices are low and there's no doubt that there are challenges, not just in this fishery but as a result of the global economy. We're very open to working with the industry to implement things that would benefit them and help them operate in the current global context.

Mr. Randy Kamp: Do you characterize this as a crisis in the industry at the moment?

Mr. Adam Burns: I don't think we have used the term "crisis" per se. I think that it's a challenging time with respect to price and market demand and market supply. Whether or not it's a crisis isn't as important, I guess I could say, as the fact that the department is working actively with the industry to address the challenges they are facing. We could put any sort of word that we wanted to what is going on. It's a challenging time, and we're focused on dealing with it.

Mr. Randy Kamp: If supply is the big part of the problem, then that gets us to the second part of the question. They would like to develop new markets and so on, and to do that they need more money, according to him. The levy would help them, in his view.

Is it possible or not?

• (1125)

Ms. Nadia Bouffard (Director General, Fisheries and Aboriginal Policy, Program Policy Sector, Department of Fisheries and Oceans): Before answering the specific question, I think it's important to note that the provinces and the federal government worked together to help establish the council. We provided some start-up funding to support the Lobster Council in the amount of \$90,000 since 2009.

We at Fisheries and Oceans Canada have been clear with the council that this was start-up funding, with a view to the council's working with its members—the lobster industry, on both the harvesting and the processing side—to come up with some mechanism for taxing their members and getting some funding for the organization.

The issue of the levy itself is not a concept we have thoroughly reviewed, so my comments today are really preliminary views.

The matter of collecting fees from members is really up to an organization and its members. Off the top of my head, there are a couple of ways you could secure that funding. You could either do it through contracts or agreements with your members or you could do it through legislation. The Lobster Council would need to seek some advice to determine the best way for it to proceed to get that membership due.

It would seem impractical to go the contract or agreement route, given that there are 10,000 fishing enterprises across Atlantic Canada and Quebec. As far as I know, there is no federal legislation that enables the collection of the levy from the Lobster Council members to be provided to the Lobster Council. There certainly aren't any provisions in the Fisheries Act, under Fisheries and Oceans Canada, that will allow that kind of levy or fee.

It's not immediately obvious either that this kind of levy would fit within the mandate and core role of the Department of Fisheries and Oceans, which is to manage and control fisheries. In fact, it may be more clearly linked to the provinces' roles with respect to marketing seafood across Canada and outside Canada.

Having the government adopt legislation to collect those fees sounds a bit like a tax. If we were to look into this, we would need to look at it in that context.

The Chair: Thank you very much.

Thank you, Mr. Kamp. Your time is up.

Mr. Chisholm.

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Thank you, Mr. Chairman.

We're pleased to have officials here to talk with us, finally—through no fault of yours—and to speak with us a bit about an issue that's very important to the members of the committee, and certainly to me as a member of Parliament from Nova Scotia, as it relates to the current status of the lobster fishery.

It's been another difficult spring, with a lot of things going on. It appears pretty obvious, and you've confirmed this, that the catch sizes not only continue to maintain but continue to grow. The problem appears to be related to price or supply and demand, whichever you want to put first. The bottom line is the price that the fishermen are getting. Undoubtedly the processors have similar complaints.

Some would suggest that one part of this puzzle is the whole question of carapace size as it relates to conservation and as it relates to supply. Some of the different LFAs and associations are trying to deal with that issue themselves.

As recently as about three weeks ago, I think it was LFA 26A or B that requested from the director general an immediate increase in order to get at some of that problem. That was turned down, for reasons that I guess made some sense, but it's an indication of how a majority of the fishermen believe a clear answer to the question of price is to get at the issue of supply and quality.

I want to ask for your comments on that, and also on another point. It's been suggested by some in the industry that the Department of Fisheries and Oceans has the authority to increase carapace size, taking into consideration a majority position within the industry. The question has been asked, would you consider increasing the carapace size by two millimetres in 2014?

• (1130)

Mr. Kevin Stringer: Let me start, and then I'll ask Adam to make further comment on the specifics.

I'll start by talking about carapace size and the department's concern, from a conservation perspective, in ensuring that there's sufficient lobster for the future.

We have a concept called “SOM50”, which stands for “size at the onset of maturity”. We do science work that determines at what size a female lobster is mature on average, and 50% of the females are mature at a certain size.

That's our primary issue regarding carapace size. We set a carapace-size estimate. It's different in different parts of the fishery, but it ranges from the low seventies in terms of centimetres to around 100. The advice we provide to fisheries management is that it would be wise to allow at least 50% of the females to get to a mature state so that we're providing eggs for future fisheries.

That's sort of a bottom line with respect to fisheries management. Then, if you want to go higher, it's largely a decision about markets and about industry: what the markets want, fishing to the market, etc.

So we start with a conservation piece, and then we deal with industry generally in terms of what the wants and needs are.

I'll ask Adam to speak to that.

Mr. Adam Burns: Thanks.

That's absolutely right. In terms of reaching an agreement amongst industry to increase the carapace size, the department's very open to the participants of the fishery in the various areas. If they come together with a desire to increase the minimum carapace size for those economic reasons, we're very open to that.

In the particular case of LFA 26B, I believe it was, there wasn't consent of all of the harvesters in that LFA. I believe that, combined with the fact that it was mid-season, did play a role in the decision in the region to not go forward with that carapace-size increase mid-season.

Mr. Robert Chisholm: So it has to be all of them?

Mr. Adam Burns: Certainly we're looking for strong consent. I wouldn't say it's written anywhere that it has to be all of them.

Mr. Robert Chisholm: It doesn't work that way here.

Mr. Adam Burns: I realize that, but in this particular case, all I can tell you is that those, I think, were the factors that were at play. We're very open, as a department, to harvesters coming together and presenting the department with a request to increase the minimum carapace size in their area. In the case of LFA 26B, the minimum carapace size is at or above SOM50 already.

Mr. Robert Chisholm: If I can just focus on that point a little bit, Mr. Burns—because it does get at how we're ever going to get some standardization in the 26B region—I believe that more than 90% of fishermen who voted, voted in favour of an increase in carapace size. Where I come from, that's huge. In this place and other democratic organizations, the majority rules.

● (1135)

Mr. Adam Burns: I think that the communication from the region to the harvesters in that area was that it was more appropriate for this discussion to occur at the start of the fishing season. Harvesters make their plans for how the fishery will unfold. They make their plans related to where they'll be selling their lobsters and so on and so forth. But certainly, I agree with you that 90% is a lot of people. That's certainly a discussion they'll be having in advance of the 2014 season, as you mentioned.

The Chair: Thank you very much, Mr. Chisholm.

Mr. Allen.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you, Chair.

Thank you to our witnesses for being here.

Ms. Bouffard, I just want to follow up on one of the questions. Mr. Kamp was talking about the levy. Would that require legislative change, such as changing the User Fees Act or anything, if the levy were actually introduced?

Ms. Nadia Bouffard: I was going to say that I'm not a lawyer. I am a lawyer, but I'm not a lawyer in the federal government.

Mr. Mike Allen: Neither am I.

Ms. Nadia Bouffard: More clearly, we've not done a full assessment of this, so I can't give you a straight answer as to whether it would require an amendment. Clearly, when you look at the Fisheries Act, currently there is no authority to enable that levy.

Mr. Mike Allen: Okay, thank you.

Mr. Burns, you talked about the Atlantic lobster sustainability measures being affected in terms of reducing effort, but at the same time the commentary in the presentation was that our landings are increasing to being stable. In spite of the licence buyback, we still seem to be looking at a supply situation that is going up. Is that because of the nature and the structure of the fishing industry? Is it because of better boats or bigger boats? What's driving the supply side of that?

Mr. Adam Burns: Certainly there is an increase in the size of vessels in some areas. The way that the lobster fishery is currently managed is by effort-based management, so the department limits the fishing season and the number of traps, as well as taking some measures around the specifics of the trap itself. It is still possible for a harvester—certainly in a situation of high abundance of lobster in the fishery especially—to have similar or even higher landings than

in previous years even if they're using fewer traps. In the current management approach I think that is in fact what is going on. The abundance of lobsters is resulting in a higher catch per unit of effort in the fishery and, therefore, the landings are staying the same or increasing as a result.

Mr. Kevin Stringer: Regarding that catch per unit of effort, there are two things we measure as a surrogate for abundance: one is landings and the other is catch per unit of effort. What we are seeing on average is more lobster in the same number of traps. So they're catching more lobster. But we're also seeing, as Adam said, more powerful boats, which are getting out there faster to the grounds. You take those things together and you are seeing a significant increase in effort in some areas.

Mr. Mike Allen: That leads me to my next question. Has the department looked at managing the fishery any differently? Could the supply and demand be managed by staggering landings? Could this be done so you wouldn't end up with gluts on the market, or what we had last year with Maine competing with New Brunswick?

Mr. Kevin Stringer: We have a number of management measures in place. Adam can speak a little bit about how we might manage it differently, or what we've looked at.

I will mention one thing, though, and it is the application of the precautionary approach. We have that as an objective for all of our fisheries. It's particularly tricky in lobster because there isn't a total allowable catch. But we have some surrogates. We've established some levels to see whether a fishery is in the healthy zone, the cautious zone, or the critical zone. We're determining it in most areas based on a median from the years 1985 to 2009, or maybe it's 1995 to 2009. Whatever the median is, we have an objective. The healthy zone is 80% of that or more, cautious is between 40% and 80%. As long as it's in the healthy zone, we're comfortable with the current management measures. Most of them are in the healthy zone. If you get into the cautious zone, that's when you start looking at some different approaches. So right now that's one that we're trying to apply in the lobster fisheries to give us a signal of when we have to move the dial on some of those things from a conservation perspective.

Adam.

● (1140)

Mr. Adam Burns: As to the notion of fishing to market, meeting market demand as opposed to exceeding it, there are a number of tools that I think industry could avail themselves of that the department could play a role in. There are also some tools that industry is in fact availing themselves of that don't really involve the department.

Mr. Mike Allen: Could you be more specific?

Mr. Adam Burns: In respect of departmental measures—and we've indicated an openness to looking at changes to these—the first is season dates. The fishery doesn't open at the same time across Atlantic Canada and Quebec. It is already staggered. Part of the reason for the staggering is to spread out the supply of lobster. Another big part of the reason is to match the fishery with an appropriate time related to the biology of the stocks in those areas. That's one measure that spreads out the catch across most of the year.

Other measures include looking at differences from the way we currently manage, which is a limit on the number of traps. We've indicated our openness to considering other approaches, which include boat quotas or assigning specific landings to individual harvesters. But those changes wouldn't be typical for the department to bring in without a specific request from the industry.

As to things the industry can do, this year we've seen a number of instances where buyers, processors, and the industry have worked together to set daily catch limits. These reflect how much lobster they'll buy per harvester in order to slow the flow of lobster out of the water, into the processing plants, and on to market. So there are some mechanisms available to industry that don't involve the department. Then there are others that would require some intervention by the department. We're open to any of those interventions.

Mr. Mike Allen: Have these people approached you about things like boat quotas?

Mr. Adam Burns: I'm not aware of any to date that have come with a consensus that they'd like to move in that direction, but it's something that I think more and more folks are starting to at least talk about.

The Chair: Thank you, Mr. Allen.

Mr. Easter.

Hon. Wayne Easter (Malpeque, Lib.): Thank you, folks.

It's nice to sit in at a fisheries committee for a meeting. I think it's fair to say that the conservation measures implemented as long ago as 15 years have been successful in the lobster fishery, if not almost too successful from a fisherman's point of view, in terms of pricing at the moment.

I'm probably the only one around this committee who remembers the escape mechanisms, nicknamed the Mifflin spawn scraper due to the opposition to Fisheries Minister Mifflin's putting in those escape mechanisms. Fishermen were strongly opposed at the time, but now they think they're one of the best things ever invented.

Adam, to your comments on whether there is a crisis, I would say there certainly is at the fishermen's level. I met with a fisherman on Saturday, an established fisherman who owes absolutely no money on his boat's gear. He said he was able to pay the fuel and pay his labour bill, but he doesn't expect to have money left over for his own labour—there's still a week left—or if he had debt, to pay it.

One of his colleagues is a young guy who paid \$340,000 for a fishing boat last year. I can tell you that when the banker comes calling, asking that young fisherman...there's a very big crisis. So I want to establish that there is a crisis, and a very serious one, on the water.

Isn't the real problem this year one of too many lobsters and not enough processing capacity, and a lack of market?

• (1145)

Ms. Nadia Bouffard: Let me try that.

My first comment is that this is not a unique crisis for this year. We've seen over many years the supply glut issues of the lobster fishery. You've heard from the Lobster Council, which is looking at diagnosing the issues and trying to find some solutions. I don't think there's a single answer to the problem, and so I don't think there's a magic solution to it either.

Hon. Wayne Easter: But, Nadia, the situation this year is this. When a crisis was evident from the beginning, we have seen the federal government, instead of decreasing costs to fishermen, downloading costs to them—including gear tag charges, lack of observers. There is an endless downloading of costs by the Department of Fisheries and Oceans, by the Government of Canada, through budget cuts and everything else. These are additional costs to fishermen when they can least afford them.

You heard me talk about this 15 years ago. Why is the federal government not trying to establish some safety nets in the fishery as we have for farmers, such as AgriStability and AgriInvest? In the good years, you set money aside in some programs that are shared with government to help you in a financial crisis.

You know that in the natural resource sector you're going to have boom and bust, supply and demand, so how come, after all this time, there is no safety net program to protect the income of fishermen and their families when you have a crisis such as this? Now we're against the wall, and some people are likely going to go broke.

The second area I think the federal government has a responsibility in is not just Canadian lobster, but it's also Maine. Are there any discussions taking place with the Americans on the cross-border issue of how we feed the market rather than dump into the market?

Is there anything happening in those areas?

Mr. Adam Burns: As to your first question, the government certainly has made some investments recently. I referenced the Atlantic lobster sustainability measures program, which has put \$50 million into the Atlantic Canadian lobster industry. It has reduced the number of licences in Atlantic Canada by almost 600 and taken 200,000 traps out of the water. That has played a significant role, and notwithstanding the crisis of the current state of the global economy and specific to the fishery, it certainly has improved the situation and was very successful in what it set out to do. It's really laid the groundwork for the industry to continue to move forward and continue to try to improve the economic situation.

Our officials in the regions have been working closely with harvesters, trying to identify the best and most appropriate way forward in their fishing areas to even out the supply, to better match supply to market demand and, therefore, to try to influence the price the markets are willing to pay for the available supply. It's an age-old supply-demand impact on price that is not unique to the fishery, let alone the lobster fishery.

Mr. Kevin Stringer: I would just add one point, and then I'll ask Nadia to speak to the U.S. issue.

In your assessment, isn't that really the issue? The one thing, if we look at what Geoff Irvine said to this committee, that has made an enormous difference is the Canadian dollar in this challenge, and so we don't have the levers to address these things.

We do think that the Lobster Council is doing enormously important work that will address some of these things around marketing and quality, which will help to move these things forward. We've been participating with them on those issues.

I agree with Nadia that there are no simple solutions—but we are working on a set of them.

Nadia, on the international issue....

• (1150)

Ms. Nadia Bouffard: This may not fully respond to your question, but I note that this industry, both on the processing and harvesting sides, is really a north-south fishery, a north-south industry, and that there is a lot of integration. There's a lot of dialogue taking place at the harvesting level, as well as the processing level, related to the issues, and the supply and demand particularly.

Yes, there is dialogue. There are regular dialogues as well at the government level, but it's mostly at the industry level.

Mr. Kevin Stringer: It's at the science level as well. When you look at some of the assessments that we've done and at the processes we've had, we invite Maine and the University of Maine scientists to participate with us. We have a lot in common, in terms of challenges.

The Chair: Thank you very much.

Mr. Chisholm. We'll move to the five-minute round.

Mr. Robert Chisholm: Thank you.

I want to get back to the role of DFO. I would agree that it's not this year's crisis, it's not a crisis just for this year, but a crisis that's been here for a bit of time.

But I do think DFO has a role to play, not just in management as it relates to conservation, but also in the whole role of marketing and management in the business model. I say that because DFO does make some important decisions that affect the business model.

My colleague just mentioned all the downloading that's happened over the last couple of years, in terms of picking up the costs of tags, licensing, observers, and increasingly science. These costs are downloaded onto the harvesters. The harvesters even came together as one and asked the minister to give them a year as a transition period, and the department wouldn't hear anything of that.

You're already making decisions that are affecting the business model. Why are you not more involved in the industry's attempt to find answers to the low prices? Whether it be carapace size, or assisting the Lobster Council trying to access a levy, just as the State of Maine collects a levy for its fishery and its lobster fishermen, it seems to me that there's more the Department of Fisheries and Oceans could be doing in a positive, constructive way, as it relates to the current problems of pricing, than it is.

Mr. Kevin Stringer: I'll start. Certainly in terms of the Department of Fisheries and Oceans' role with respect to the fisheries, as we've said in the past our primary focus, the bottom-line focus, needs to be on ensuring that the resource is there now and for the future.

That said, if you look at our prime objectives, they do speak to there being economically prosperous maritime sectors. We are concerned to ensure that the fishery is economically prosperous, and we do what we can.

Adam already spoke to the issue around working with industry and ensuring that we've got some consensus from industry at a timely point to be able to make adjustments—and we have made adjustments that speak to market.

The one thing I do want to touch on—and I'll ask Nadia to speak to it—is our role in marketing. I will say first of all that we are engaged with the council on all of these things. What's neat about the Lobster Council is that it brings together the harvesters, processors, distributors, buyers, and retailers. It also brings together the provincial governments and the federal government. We are all at the table talking about these challenges. It is a unique forum to be able to do that.

In terms of marketing, and I think—

Mr. Robert Chisholm: They don't have the resources, Kevin. Sorry to interrupt you, but they don't have the resources to carry out what it is they need to do.

Mr. Kevin Stringer: As Nadia pointed out, we have provided resources and we have talked to them about becoming self-funding, and they've gone a long way toward addressing the self-funding issues.

But we do also have another department that is responsible for the marketing side of things, the Department of Agriculture. I'll ask Nadia to speak a little bit to that responsibility. Plus they've done a lot of work with the council as well.

• (1155)

Ms. Nadia Bouffard: Yes, the issues at stake can involve the role and the responsibility of different people on the value chain. The governments are one, and DFO is one, as are the industry—both on the processing and the harvesting sides—and the distributors, and so on. Everybody can play a role. I said there was no magic bullet or magic solution to this since you really need to look at this in a comprehensive way and look at the roles and responsibilities across the value chain. As Adam pointed out, Fisheries and Oceans Canada has put in place measures that have influenced and helped in terms of the seasons, and closures to address the supply and glut issues.

Agriculture Canada has a role with respect to food, market access, and food marketing. Since the mid-1990s, that has included seafood. So they have a role and they also sit around the table with the lobster industry together with the Lobster Council. Everybody sitting across that seafood value chain can play a role—but within the scope of their responsibilities.

So we're not saying that we can't do anything as a department, but we do have a role and mandate, as Kevin pointed out.

The Chair: Thank you very much, Mr. Chisholm.

Ms. Davidson.

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Thanks very much, Mr. Chair.

Thanks for being here with us again today. It's nice to finally hear your presentation. I found it very interesting. I think what you've said has been fairly positive when talking about the state of the industry and the way it is today, with the stable or increased landings. I believe you said that the immediate future was looking quite good for the lobster stock.

You also talked about how the lobster grows through the moulting process and how that was highly influenced by temperature. We know there are changing patterns with water temperatures along the east coast. Do you see any impact on the health of the lobster stock because of that? If you do, what would that be? We have heard lots about infectious diseases and viruses in fish species. Is there a concern about those with lobster? Also, is there any concern about the various food resources that would be needed to maintain the lobster stock?

Mr. Kevin Stringer: In terms of temperature, I think the standard view is that one of the reasons lobster has done as well as it has is the current temperature regime in the Atlantic. That's actually had a positive impact. But things are changing more rapidly than they had before, and studies are ongoing on temperature and acidification. There are some very interesting studies on acidification. If it continues at the rate we think it might be happening, that will have an impact on how often they molt and how much they grow. We've done some tests in pools, simulated to see what the impact would be.

Those are things that we do want to watch very carefully.

On the issue of lobster disease, animal health is a big issue, but we have not seen evidence of significant lobster disease in Canada. It is an issue that we need to watch carefully, particularly in pounding operations where they congregate in small areas.

It's not known, but is not considered to be excessive. It is something that we saw in some parts of the U.S. So it's something we're keeping a watch on, but it's not currently a big issue for us.

Mrs. Patricia Davidson: When you talk about keeping an eye on the impact of acidification because it could make difference, is that a negative impact causing the molting process to be longer or...?

Mr. Kevin Stringer: As I've read, my recollection is that it would take a longer period between molts and that growth is less substantial. Now, that was in a very protected, small sample. We don't know exactly what would happen in ocean conditions. But I think the studies we've seen have asked about the potential projections for the ocean in 100 years, and therefore we'll have a sense of what it's going to be like at that time, and as we go forward. So there are challenges around acidification and the impacts around it.

• (1200)

Mrs. Patricia Davidson: Given the fact there are so many different jurisdictional responsibilities when it comes to the lobster industry, the federal government being one of them and, of course, provincial governments and the industry itself, what do you see as the single most important thing the federal government can do, if anything, to assist in this issue of market pricing?

Mr. Kevin Stringer: I'll ask Adam to speak to what we could do in terms of market pricing. What I would say is that the bottom line is to ensure that the stocks are there so that we can continue to have this discussion, as opposed to the alternative discussion, which wouldn't be quite as good.

But in terms of the specific question, Adam, can you speak to it?

Mr. Adam Burns: At the end of the day, the price the market is willing to pay is directly linked to the demand for the product and the available supply. So the main lever that DFO would have any sort of control over would relate to the supply, whether that's working with industry.... Again, these are all things that we would want to work collaboratively with industry on. These aren't things that we would want to be in a position of imposing.

Changes to seasons, in some instances, may be of some help to further spread out the supply of lobster. Changes in carapace size, and also looking at other ways that we manage the fishery, like boat quotas, would allow harvesters to better plan and align their catches with market demand than with the competitive approach we have now.

As I mentioned before, there are some other levers available to industry that DFO doesn't have to play a direct role in, wherein, as we've seen this spring, even buyers have limited the amount they will purchase from individual harvesters on any given day to reduce the amount of lobster coming out of the water and heading to market. As a result, there is a reduced supply, which has an impact on the price the market is willing to pay.

The Chair: Thank you very much.

Mr. Donnelly.

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Thank you, Mr. Chair.

We've had some interesting questions so far. I guess there are maybe two questions I would add to this discussion about markets. There's been a note by some European consumers about humanely treated lobster. I'm wondering if you could comment on that.

Where I'm going with this is the question of developing niche markets and whether there is any value-added role that either the DFO or, obviously, the provincial governments or industry itself could play in that through the council.

Ms. Nadia Bouffard: I'm not sure I heard the last part of your question, but I'll start answering the first and maybe we can go from there.

There is a small but growing issue, mostly in northern Europe, or concern with respect to how lobsters are handled and how they're killed in the process of processing. It has to do with the humane treatment of lobsters. This has resulted in some closures of certain markets, and I'm trying to remember the countries. I'm not an expert in terms of exports, nor is DFO, for that matter, but I believe it was north—

Mr. Fin Donnelly: Are we doing anything in response to that?

Ms. Nadia Bouffard: Yes, there have been a lot of activities, jointly with the industry, the processors, officials from Foreign Affairs and International Trade, as well as Agriculture Canada. They have met with the buyers and retailers, who are questioning the practices used in Canada with lobsters, trying to demonstrate and provide more information and clarity on how things are being handled. Technology is being developed by the industry and processors to address some of those issues.

The industry is best placed to give you the details on this but, for instance, they're coming up with processes to lodge individual lobsters in cages to avoid lobsters being stacked up all together, and having a water funnel through these cages, so they're continuously being fed with and living through oxygenated water.

I don't know the details of this technology, but I know these things are being developed by the industry, as they should be, to meet standards for good quality products and market demand.

• (1205)

Mr. Fin Donnelly: Is there any role that DFO can play in assisting with developing niche markets or adding value to certain products? We've already talked about supply and demand.

Ms. Nadia Bouffard: That role actually belongs to industry but also Agriculture Canada. I spoke about their role on market access and marketing and they do have programs to assist in that respect.

Mr. Fin Donnelly: If I have some time, my last question is for Kevin. You mentioned incubation areas. Could you talk a little bit more about the role of incubation areas, not just in the lobster fishery but overall? How successful is that?

Mr. Kevin Stringer: It's area 40. There are lobster areas across Atlantic Canada. There are a grand total of 41. We probably should have brought a map that shows the areas, but just off southwest Nova Scotia, there's an area—it's not huge—called area 40. Of all 41 lobster fishing areas, I believe it's the only one that is not actually

open to fishing. That's because we have found there are a large number of large egg-bearing females in that area.

When I said they mostly go from warm water to cold water and back, it's a matter of a couple of kilometres. This is the area where it's a matter of tens or hundreds of kilometres. It's an area where we believe eggs are hatched and there's drifting in-shore. So it's actually feeding area 34, area 35, and potentially area 33, etc.

It has become what we call, in the vernacular, an incubation area. We believe it's having an effect, so we have kept that as a closed area.

The Chair: Mr. Sopuck.

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Was there ever a time when lobster stocks collapsed, and if so, what was done to rebuild the stocks?

Mr. Kevin Stringer: I don't know the answer to that. I know that we've definitely had significant ups and downs. If you look back at history, I don't remember exactly when, but about 100 years ago it fell off. What we don't know is whether the people stopped fishing it or whatever. We could get you more detail on that.

And we are concerned. When you see this kind of an exponential growth, there is a concern about a precipitous decline. We are concerned about that. We're concerned about level of effort. We're concerned about the exploitation rate. The exploitation rate is such that of the legally available lobster in this instance, in some areas we're taking 60% and in others as high as 80% of the legally available lobster. Therefore, there's a small number that's able to populate for the future.

Hence, the application of the precautionary approach in ensuring that we stay in the healthy zone and our taking more action when we get into the healthy zone. But you're right about looking at history. Recent history doesn't help us. Going further back, even further than Adam can go back, is something that we probably should be looking at doping and seeing what actually worked. They didn't have the management measures in place in those times that we now have.

Mr. Robert Sopuck: I think that's a remarkable record, because fish stocks can collapse and rebound. We had that incredible resurgence of sockeye salmon in 2010 in the Fraser after a decade of low fish numbers, so I find it remarkable that the department really doesn't have a record of any time when the stocks collapsed.

Mr. Kevin Stringer: I wouldn't say that. We'll check to see if that's the case. We've certainly had ups and downs.

• (1210)

Mr. Robert Sopuck: Right.

Mr. Kevin Stringer: You talked about a precipitous decrease.

Mr. Robert Sopuck: What kind of monitoring of the wild stocks does the department do?

Mr. Adam Burns: In terms of monitoring the stocks, one of the key indicators from a fisheries management perspective would relate to the catch per unit of effort and landing. We have that reporting coming from the wharf as the fishing season unfolds. In fairly real time we're getting that information, looking at the landings and comparing those to previous years. As Kevin referenced, in recent years certainly, the indications have typically been very positive in terms of the landings, such that it in fact contributes to some of the other concerns the committee has expressed today. In terms of a longer-term science program, I think Kevin would speak to that.

Mr. Kevin Stringer: We have a number of things that we use. We go with landing slips, and then there are mandatory log books and we ask people to record what they're catching.

I'll highlight one other thing, which we do with the FSRS, the Fishermen Scientist Research Society. We provide a number of fish—I think it's 180 or something like that across Atlantic Canada—with two to five extra traps each, and we make those different types of traps so they capture everything. We can actually look to see how many smaller lobster there are. We do all kinds of tests on them: we tag them and check the eggs, the gender, the length, the number of V-notches, etc. That has actually been enormously useful, because the challenge with only working with the commercial fishermen is that you only get the legal sized lobsters. That tells you what that subset is, but now we have this other piece that gives us a broader sense.

Also, we do vessel-based surveys in a number of areas that catch lobster as bycatch, and we use that information as well. So we do have information coming from a number of sources as well as some of the pure research.

Mr. Robert Sopuck: This strikes me as a remarkably easy species to manage compared to open-ocean pelagic fish. I think that's one of the reasons that they're doing so well.

Could you expand more on what affects year-class strength in lobsters? They do fluctuate, you pointed out, but what's the guessing as to what causes those fluctuations?

Mr. Kevin Stringer: That's a good question. What we're seeing right now is, year after year, year-class strengths. We're actually seeing good recruitment every single year and, in fact, the fishery depends on it. If you're actually taking out 60% or 70% of the legally available fish and the fish that can actually reproduce themselves, you need to have good recruitment.

As I said, we believe that the main impacts are predation, which is low, the environmental conditions—water temperature, etc. A storm may have an impact. There's that three to ten-week period when their larvae are drifting. If there's a storm and they drift somewhere, that will have an impact eight years down the road when these recruit into the fishery. Changing currents could take them in a different direction and land them in a different spot. Those types of things could have an impact eight years later on what the actual fishery would then be. So it's predation, environmental conditions, etc.

The Chair: Thank you very much.

Mr. Easter.

Hon. Wayne Easter: I want to come back to the situation in oversupply and how it relates to or involves Maine as well. Are there

any cross-border discussions happening to look at how to manage supply?

I'm a little worried by some of the things you have said. They kind of lead me to believe that you may be leaning towards a quota system.

I think in your own words, Kevin, you indicated that there hasn't been a precipitous decline in lobsters that you know of, and that has been with the effort fishery. I know there's a tendency towards DFO management by DFO management, because it would make it easier for them if there was a quota system, but the effort fishery has worked well in lobsters. It's one of the most healthy fish stocks out there. So the effort fishery has worked out.

Our problem isn't conservation at the moment. Our problem is oversupply. To go to a quota system is not necessarily going to solve that problem.

Have any discussions taken place on the cross-border issues—because we can't do it alone in Canada, I'll admit that—to look at somehow managing supply to feed the market?

• (1215)

Mr. Kevin Stringer: I'll start with what you raised as part of this, the issue of a quota system.

We've seen—you know this—from time to time recommendations. The last FRCC report actually recommended, I think it was in 2007, that we move to a quota system.

There's not a lot of love for that in the inshore fishing industry.

Hon. Wayne Easter: That's for sure.

Mr. Kevin Stringer: You've seen ministers say, look, we're going to work with fishermen, and as you've heard Adam say here, we're interested in working with fishermen in terms of what they want to do.

Currently the fisheries are in a healthy status, as we've said, so you know, hopefully...and I think we haven't heard much about going to quota systems, I would say, recently.

I don't know if my colleagues know anything about discussions with Maine.

Mr. Adam Burns: The Maritimes region of DFO has regular interactions with officials in the state of Maine. I think one of the issues with lobster is that it is fairly sedentary. The typical interactions with Maine would relate more to discussions around conservation, but as you say, conservation isn't the main issue in this case. I'm not aware of whether there have been any discussions related to dealing with supply, but that doesn't mean they haven't happened.

To reinforce what Kevin said about boat quotas or other mechanisms—changes to season, changes to carapace size or any of the others—because of the health of the stock there isn't a strong conservation argument to be made to implement any of those types of management measures.

It may seem somewhat frustrating, but that's why the department's approach is very much one of working with industry to come to a consensus on a way forward. It's because the interventions that would occur would primarily be focused on the economics side. But it's their industry, and it really needs to be something that they come to us with.

Hon. Wayne Easter: I know it's likely well known around this table, Mr. Chair, that carapace size increase is a little bit of a sensitive issue for fishermen where I come from. New Brunswick and Nova Scotia are a little bit more prone to increasing carapace size than we are, because we do have a canner market, which is the smaller lobsters.

From a federal government perspective, have any discussions been held or is anything taking place in terms of looking at further processing capacity, further marketing, into Asia or Japan?

I'm on the trade committee, and I know we've been looking at some of those issues. There's certainly an opportunity in China. There have been trade delegations go to China to promote sales of seafood, but the market certainly hasn't opened up to the extent of taking the surpluses yet.

What's happening there from Fisheries and Oceans Canada's perspective?

Ms. Nadia Bouffard: The role of market access and marketing is really with Agriculture Canada, so the information that I would give you would be very general. They would be best placed to give it to you.

I know that Agriculture—

Hon. Wayne Easter: I don't want to interrupt you, Nadia, but then you can tell them, based on this meeting, that we think they should get off their butt and do a little more marketing, and get it done.

The Chair: Thank you very much, Mr. Easter.

Ms. Nadia Bouffard: I understand that Agriculture Canada has provided funding in the past to the lobster industry—through the Fisheries Council of Canada, prior to the creation of the Lobster Council of Canada—to do promotional work, in China in particular and some of the new markets. Through some of my travels, I certainly have seen an increase in Canadian lobster in those markets. But I think they would be best placed to give you the details of that funding and that information.

The Chair: Thank you very much.

Mr. Chisholm.

• (1220)

Mr. Robert Chisholm: On that last point, I think what we heard in a very polite way from the Lobster Council was that Agriculture Canada has done absolutely nothing. It has been non-existent; it has not done the job.

I'll ask this question and then continue with my second one.

When the Lobster Council of Canada appeared before us, they suggested a levy—a tax and licensing fee—for lobsters. They talked about having submitted a request for it to DFO.

Is this possible? When you were asked originally about the Lobster Council's being able to initiate a levy, you seemed to say that you hadn't really thought about the possibilities. I'm a bit concerned, because certainly this is something the Lobster Council said they have been pursuing for some time.

Let me leave that question with you, and let me make this point. On the whole question of dealing with the industry, dealing with harvesters and so on, Mr. Burns, you said on a couple of occasions that you are always willing to listen to the industry, whether it be on carapace size or on other measures that can be taken to improve the business model.

I have to say a couple of things. One is that the department wasn't particularly responsive last year. It was an historic fact that the industry as a whole came together and all asked for the same thing: a year for transition in the move to download the cost for tagging and for licensing. They got the cold shoulder. That's point number one.

Number two, they continued to plead their case for an increase in carapace size, which not only is a conservation measure but also a question of improving their market size. As recently as a few weeks ago, with an Area 26B vote of more than 90%, you turned them down.

When you say that you are open to their coming forward, I'm concerned that you be serious about it. What is it going to take, on the economic side and in terms of the downloading of costs? It was a unified position; in terms of one LFA there was a huge majority that supported a particular position. What is it going to take to get an increase in carapace size or to get any of these measures that the industry is saying they want you to bring forward? They want some help.

This is a problem that exists in the Atlantic provinces and in eastern Quebec. DFO needs to be a player in this. The industry would like to see you be more involved, not just on the conservation side but in actually working with the industry to find some solutions to these problems. Your silence is deafening, when it comes to the current situation surrounding price.

So there are two issues. One is on the levy, with the Lobster Council of Canada, and on the fact that Agriculture Canada is nowhere on this; the second is about how serious you are about coming up with some solutions, hand in hand with the industry.

Mr. Adam Burns: I'll start with your second question and then Nadia will answer the first one related to the Lobster Council.

We're very willing to work with industry, and I can point to a couple of examples this year where carapace prices have increased. For example, in LFA 23—albeit I realize it's not the LFA that you were asking about—there was an issue that we worked through for a number of years with the industry stakeholders who participate in the fishery. In LFA 23 there are four subcomponents and each one is linked to the other. The net result of the work we've undertaken over the past while has been an increase in the carapace size there this year and going forward.

In LFA 26, we're certainly aware of the request in 26B. It's something the region will be working closely on with the folks in that area. They'll be looking at implementing something for next year if there's an appropriate consensus. I don't think that we need to debate what level that needs to be. I think that's something the region will work closely with them on.

We have some evidence of our working closely with industry. Those are examples where our officials in the regions reach out to industry participants to look at ways to meet their needs by improving the management approach in their area, whether it's changing the season to match markets, increasing carapace size, or other measures they may be interested in.

• (1225)

The Chair: Thank you very much. I'm sorry, we're out of time on that one.

Mr. Woodworth.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Thank you very much, Mr. Chair, and my thanks to the witnesses for being with us here today.

I have found this to be a very comprehensive review. We've touched on everything from the health of the stocks, to the size of the carapace, to the responsibility for marketing. It was a very comprehensive review. I'm going to touch on a few things to make sure that I've understood them correctly. I want to try to put it all in context.

I'll begin by asking if you can tell me how to weigh the value of the lobster industry against the economy of the Atlantic provinces generally? Could I say that this lobster industry is a certain percentage of the gross domestic product of the Atlantic region? How can I quantify the economic impact of this industry in the Atlantic region?

Mr. Kevin Stringer: We'll have to get back to you on that. I've seen the numbers, but I don't want to quote them as a percentage of the economy. What we can say is that it's a billion-dollar industry. It's the most significant fishery economically in Canada, not just in Atlantic Canada. There are approximately 10,000 participants in that fishery. As far as fisheries are concerned, it is the most significant one from an economic and participation perspective. As a percentage of Atlantic Canada's economy, I know we have those numbers, but I'm not sure what they are now.

Ms. Nadia Bouffard: There are 10,000 fishing enterprises. That involves 25,000 to 30,000 people across Atlantic Canada and Quebec. That's just in the harvesting sector. There are also hundreds of processors involved across the provinces. When you look at the peripheral impact of all of that, there's a lot of employment. I believe close to 80,000 people are employed in the lobster fishing industry across Atlantic Canada and Quebec. We can confirm those numbers for you, but I don't know the percentage or amount.

Mr. Stephen Woodworth: It would be helpful to me to have that confirmed. If possible, we'd like to have some context in respect of the Atlantic and Quebec economy. I don't know how to put that in perspective, but for now I'm going to operate on the assumption that it's a pretty significant piece of the picture. I'll wait to get those figures.

The other thing I wanted to ask about was the Atlantic lobster sustainability measures, which provided \$50 million for the development and implementation of plans to aid the fishery in making needed changes. What was the major thrust of that assistance? What was the money used for in the main?

Mr. Adam Burns: The money was used for a variety of investments, the main focus of which was related to trap and licence retirements. Just under 600 licences were retired, and when you add the traps that were removed, a total of 200,000 traps were taken out of the water.

Mr. Stephen Woodworth: All right, that's what I thought. Please correct me because I may not have it right, but my understanding is that the reason we would want to retire 600 licences and take.... How many traps were taken out, did you say?

• (1230)

Mr. Adam Burns: A total of 200,000 were taken out.

Mr. Stephen Woodworth: So 200,000 traps are out, because the large landings have been depressing the price. Am I on the right track there or not?

Mr. Adam Burns: I think by removing 600 licences, what it's done at minimum is that the total landings have been divided among fewer participants in the fishery who are dependent on that fishery.

Mr. Stephen Woodworth: Right. Got it.

Mr. Adam Burns: I think the evidence is that the landings themselves haven't gone down a lot, for a variety of reasons that we've talked about. Nevertheless, I think the program is successful in the sense that the number of harvesters dependent on the fishery has been reduced, and therefore the profits accordingly are—

Mr. Stephen Woodworth: That's what I was trying to get at, so thank you for saying it correctly. This suggests to me that people in the lobster industry at least know that perhaps there are too many licences out there to be profitable. Is that correct?

Mr. Adam Burns: I wouldn't want to speak for the industry, I suppose, but I think the approach that the ALSM program took in reducing licences was supported by industry. So I guess the logical conclusion from that would be that they supported a licence retirement program.

The Chair: Thank you—

Mr. Kevin Stringer: I would add that this is certainly the view at a time when prices are low. The challenge is that when prices are high, there may be a different view.

The Chair: Thank you very much.

Ms. Nadia Bouffard: The situation is not equal in all lobster areas. The number of participants in one area will be 2,000, and in another area 20, so it varies.

The Chair: Thank you very much.

Mr. Kamp.

Mr. Randy Kamp: Thank you, Mr. Chair.

I've had my turn, so I'll be brief.

First, I'd like to welcome Mr. Richards to our committee. He's from Alberta, and better known for Prairie oysters than Prairie lobsters, I think—

Some hon. members: Oh, oh!

Mr. Randy Kamp: Earlier, in answer to Mr. Easter's question, we were nibbling around the edges of this individual quota fishery for something like Atlantic lobster. I understand that there isn't a lot of enthusiasm, although I did see in an article not too long ago that Ian MacPherson from the PEI Fishermen's Association said that now is probably the time we should at least start talking about it. I hope we would all agree with that.

If the primary thing is that it's a supply issue, and the fishermen don't want to talk about a mechanism that could well adjust supply and address the problem.... And over many years it's been a somewhat lucrative fishery, so I'm having difficulty accepting the fact that fishermen then expect the federal government to launch a new program or bail them out in some way, when up until now they haven't been very open to considering some things that might address the problem. I don't know if you have a comment on that. It's more a comment from me, I know, than a question.

Mr. Kevin Stringer: Good question. My colleagues are looking at the table, so I think they're expecting me....

Voices: Oh, oh!

Mr. Kevin Stringer: Thanks for the comment.

It's very instructive to take a look at the FRCC report, the Fisheries Resource Conservation Council, of 2007. It actually said that we should be looking at quotas or IQs, and then said that we should look at other mechanisms such as TURFs, which basically would determine that each group has a different area where they have exclusive use.

As Adam has said—and I think I said it, as well—it is a challenging time. There isn't, as far as we can tell, a willingness to go down those roads. What our big concern is at the moment.... I said at the beginning that these stocks are in good shape. And they are in

good shape: we're getting good returns. It's remarkable, the types of returns.

There is concern about the exploitation rate, and there is concern about what happens if this starts to decrease, because we don't know what's going to happen five years down the road. There are dials that we have: increasing egg production, and dealing with carapace size. You've talked about or identified a couple of them.

As long as it's in the healthy zone, we need to be working closely with industry about what it wants to take on and what it decides it wants to do. But we need to be watching carefully and talking to industry. They are open to discussions about a broad range of things. We need to be careful about what we raise, because we really need to bring industry along with us on this; it's not something that's easily imposed by the department.

But I think there is an understanding that we can't keep going through this for the next number of years. We need to look at what dials we need to address.

Adam.

• (1235)

Mr. Adam Burns: I think you've covered it.

Mr. Kevin Stringer: Thank you.

The Chair: Thank you very much.

At this time I would like to thank the officials for being here today. Once again I thank you for your patience in coming before this committee. You're right that the third time was lucky.

So thank you very much, Kevin. Thanks for being here and answering our questions.

Members, we're going to go in camera now for some committee business. We'll suspend for a moment while we move in camera.

Thank you very much.

[Proceedings continue in camera]

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