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Chair: Patrick Weiler



Standing Committee on Fisheries and Oceans

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• (1535)

[English]

The Chair (Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.)): I call this meeting to order.

[Translation]

Welcome to meeting number seven of the Standing Committee on Fisheries and Oceans.

[English]

I want to start by acknowledging that we are gathered on the ancestral and unceded territory of the Algonquin Anishinabe people and by expressing gratitude that we're able to do the important work of this committee on lands that they have stewarded since time immemorial.

Pursuant to Standing Order 108(2), the committee is meeting to continue its study on the attribution of redfish quotas and exploratory lobster fishing licences. This is the last meeting that we have scheduled for this study.

[Translation]

Today's meeting is being held in a hybrid format in accordance with the Standing Orders. Members may participate in person or over Zoom.

[English]

I think we have everybody here in person.

Before we continue, I would like to ask all in-person participants to consult the guidelines written on the cards on the table. These measures are in place to help prevent audio and feedback incidents and to protect the health and safety of all participants, particularly our interpreters. You will also notice a QR code on the card, which links to a short awareness video.

Pursuant to our routine motions, I would like to advise committee members that all witnesses appearing virtually today have conducted the required technical testing.

I would like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. Those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you're not speaking.

[Translation]

For interpretation for those on Zoom, you have the choice, at the bottom of your screen, of floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

[English]

I will remind you that all comments should be addressed through the chair.

[Translation]

For members in the room, if you wish to speak, please raise your hand. The clerk and I will manage the speaking order as best we can. We appreciate your patience.

[English]

With that, I would like to welcome our witnesses.

[Translation]

We're joined here by Camille Gagné, captain, owner and operator. Jean Lanteigne, general director of the Fédération régionale acadienne des pêcheurs professionnels, is joining us by video conference.

[English]

In person, we have Carey Bonnell, vice-president, sustainability and engagement, Ocean Choice International.

[Translation]

We'll begin with the opening remarks from the witnesses.

Ms. Gagné, you have the floor.

Camille Gagné (Captain-Owner-Operator, As an Individual): Good afternoon, committee members.

Let me introduce myself. My name is Camille Gagné. I'm a former captain and owner of a commercial fishing operation in Quebec. I say "former" because I haven't had anything to fish for in a number of years. I'm in debt and I can no longer make a living from my occupation.

I'm speaking today as an individual to shed light on the mistakes made in order to prevent them from happening again and to ensure the well-being of future generations. It's important to look back at past events to avoid repeating the same mistakes, hence my decision to share my story.

I've worked in the fishing industry my entire life. In spring 2020, I acquired my own core licence for herring and mackerel. In fall 2020, I acquired a crab licence, with quotas and a vessel.

By winter 2021, the crab quota had dropped to 30%. However, the landing price was good and I continued fishing for mackerel. Despite this decline, I managed to end the year with a slightly positive balance sheet.

A few weeks before the 2022 fishing season, I learned that my crab quota had dropped to 19%. Moreover, two days before the season opened, the herring and mackerel fisheries were officially closed without notice or consultation. The Department of Fisheries and Oceans, or DFO, told us that this wasn't a moratorium, but that the fisheries were closed for an indefinite period. Since debts and payments must be honoured, I had no choice but to go crab fishing. That year, we counted as many lobsters as crabs in my traps. In some places, there were only lobsters. We informed the associations and told DFO that the situation wasn't normal. Lobsters scare crabs away, and these two species aren't supposed to end up at the same depths. We asked to keep this bycatch in order to protect our crabs and to help us financially, but this request was categorically denied. The annual balance sheet was negative. I ultimately used the entire surplus from the previous year to make my payments.

In winter 2023, my crab quota remained at 19%. I took on every small contract possible to find a way to make ends meet. For one of these contracts, I got involved in the reconciliation process. I ran a school boat for a first nation in my area. I wanted to provide a positive introduction to the snow crab fishing industry for young people from a first nation who had struggled in school. We sounded the alarm again about the presence of lobsters and asked once more to keep the bycatch. However, once again, DFO flatly refused. Profitability dropped to zero.

In winter 2024, my quota was set at 17%. It should be noted that 17% of 50,000 pounds isn't profitable. However, I had no choice. I had to voluntarily get myself into even greater financial trouble in order to receive assistance from the Quebec department of agriculture, fisheries and food, or MAPAQ. Given that my year-end balance sheet showed a deficit, MAPAQ came to my aid. My creditors, who had also heard rumours about the distribution of lobster licences, did the same. They hoped that our struggling fleet in crab zone 12A would receive support. We were five fish harvesters in the zone facing the same situation.

In December 2024, the rumours were confirmed and we had high hopes. Yet when DFO began to release the information and criteria, which were open to interpretation and debatable, I was disqualified from obtaining a mackerel licence owing to my crab fishing licence and my place of residence. I was also disqualified from the Anticosti zone because my fishing zone isn't considered administratively connected, even though it's geographically connected.

My fleet was concerned. Only 43% of us would receive a licence, while almost 100% of the members of other fleets would receive a licence. We were disillusioned. On the day of the allocation, DFO's Quebec office refused to recognize my 2023 fishing year on the grounds that I operated my boat as a captain under an indigenous flag. This disqualified me for the fourth time from the direct

allocation. I tried a draw. When the draw ended, I called the account manager to tell her that things weren't going well.

The allocation of lobster licences in 2025 helped people in need. However, it also made millionaires even richer and gave retirees the opportunity to return to fishing. It left young people like me floundering, struggling to get by and racking up debt. We have nothing left to fish for and may go bankrupt. Above all, we have lost confidence in the department's management.

• (1540)

The Chair: Thank you, Ms. Gagné.

Mr. Lanteigne, you have the floor for six minutes or less.

Jean Lanteigne (General Director, Fédération régionale acadienne des pêcheurs professionnels): Good afternoon.

My name is Jean Lanteigne. I'm the general director of the Fédération régionale acadienne des pêcheurs professionnels. Our offices are in Shippagan, New Brunswick. I've been doing this job here for 18 years.

Thank you for inviting me today to discuss the allocation of redfish quotas announced by the former minister, Diane Lebouthillier, on January 26, 2024.

The official announcement of the reopening of the redfish fishery in the Gulf of St. Lawrence stated that the first two-year transitional phase would allow for data collection, give fish harvesters time to prepare, further develop markets and strengthen the sector's capacity to transform. A second phase of long-term development would involve establishing a fishery with a modernized allocation key. In view of the scientific data, this phase would be one of expansion.

At the same time, the former minister Lebouthillier announced a reduction of nearly 80% in shrimp quotas in the same zones. Shrimpers in New Brunswick, Quebec and Newfoundland and Labrador would receive only 10% of the allocated redfish quotas. This was a real blow for our fish harvesters, especially after previous contradictory announcements. In 2018, the fisheries minister at the time, Dominic Leblanc, said that he would prioritize shrimpers for redfish allocations.

For New Brunswick, this amounts to 1,050 metric tonnes. It's also possible to access an additional quota allocated to the category of mid-shore vessels between 65 feet and 100 feet. This quota is divided between New Brunswick and Quebec fish harvesters. This could amount to a total of about two trips to sea. However, with these quantities, fish harvesters can't afford to buy trawls and modify their boats to practise this type of fishing.

Since 2016, during DFO consultations, we've been voicing our concerns about the impact of redfish on shrimp stocks. Our comments have been ignored. We requested two measures. We wanted priority access for shrimpers in the three provinces, since they would be the first affected, and sufficient allocations to ensure the survival of these fleets, since shrimp is the only resource for most shrimpers.

Last year, as a result of costly fishing conditions combined with insufficient quotas, only 3,000 metric tonnes of the allocated 60,000 metric tonnes were caught. This year, through a project funded by the Atlantic fisheries fund, we're testing six different trawls in co-operation with nine shrimpers for a total of 36 trips to sea. If we combine all this with the other regions, we estimate that 10,000 to 15,000 metric tonnes will be caught out of the 60,000 metric tonnes allocated.

The verdict is clear. The distribution of allocations isn't working. The issue isn't the availability of the resource, but rather the allocation of quotas to fish harvesters. Our members, along with fish harvesters in Quebec and Newfoundland, don't have enough quotas to develop a business plan. It's impossible to invest for just a few fishing trips. Processing plants can't plan production lines because the total allocations in their region aren't enough to justify the investments. As the minister said, after two years, the plan must be reviewed and modified.

Here are our proposals for your consideration today.

First, fleet allocations must be redistributed, taking into account the profitability and viability of shrimp fishing companies.

Second, each fish harvester must receive a sufficient allocation so that they can develop a business plan.

Third, the Atlantic fisheries fund must be renewed with a component for vessel modifications and equipment. The same applies to the processing plants affected.

Fourth, targeted support is needed for marketing in order to develop new markets and increase the value of redfish.

Lastly, an Atlantic forum should be held, bringing together all stakeholders in order to avoid duplication and identify best practices.

Thank you for listening.

• (1545)

The Chair: Thank you, Mr. Lanteigne.

[English]

With that, we'll move on to our final opening remarks from Mr. Bonnell.

The floor is yours for five minutes.

Carey Bonnell (Vice-President, Sustainability and Engagement, Ocean Choice International): Good afternoon, Mr. Chair and committee members. Thank you for the opportunity to appear before the Standing Committee on Fisheries and Oceans.

I'm here today representing Ocean Choice International. Ocean Choice is a family-owned Newfoundland and Labrador seafood

company founded 25 years ago by brothers Martin and Blaine Sullivan. Today we are a vertically integrated global leader operating five processing plants in rural communities and a fleet of offshore factory freezer vessels, managing our own quota access for key species, and partnering with approximately 2,000 independent fish harvesters. Headquartered in St. John's with sales offices around the world, we deliver premium Canadian seafood to over 30 countries. Our operations support 1,400 employees across 300 communities throughout the province of Newfoundland and Labrador, reflecting our deep commitment to people and communities.

Sustainability is at the core of our business. Over 93% of the seafood we harvest, by value, is certified sustainable by the Marine Stewardship Council or managed through a robust fishery improvement project. Ocean Choice's success, and the strength of Canada's fishing industry as a whole, depends on responsible science-based management and stable access to the resource. This stability allows companies like ours to make long-term investments, create year-round jobs and build sustainable futures in coastal communities.

This brings me to why we are here today—namely, to discuss the allocation of unit 1 redfish and the importance of management grounded in historical and stable access to the resource. Before discussing allocations, it is important to note that the unit 1 redfish fishery dates back to the 1950s, when it was developed by the offshore sector, which historically held about 78.7% of the quota. Even after the commercial fishery was closed in the early 1990s, a 2,000-metric-ton index fishery continued under DFO-defined proportionate quota shares aligned with historical allocations.

Regarding the minister's decision in February 2024, while some have portrayed the offshore sector as winners, Ocean Choice and other offshore redfish participants actually lost 20% of their historical share. There are some unfortunate economic and biological realities when it comes to unit 1 redfish that must be recognized. The size of the redfish in unit 1 has actually stalled at around 24 to 25 centimetres since 2021, and scientists do not expect further growth. By comparison, most global redfish exceed 40 centimetres in length, putting Canadian producers at a market disadvantage. The overall biomass has also declined sharply from a peak of over four million tonnes in 2019 to about 1.7 million tonnes in 2024. Without new recruitment, the science suggests the biomass could fall to roughly 10% of the original level within the next eight years, even with limited fishing activity.

These factors, combined with overly precautionary management measures, have led to very limited activity in this fishery over the past two years. Despite these challenges, Ocean Choice and our partners in the offshore sector have invested millions of dollars to develop and expand markets for smaller-sized fish. These investments include innovations in harvesting and processing, market diversification and long-term strategies to position Canadian redfish competitively on the world stage.

Stable access to fisheries like unit 1 redfish, through secure quota shares, is essential for building a strong and sustainable industry. It enables companies to invest in market diversification, equipment, infrastructure and workforce development. Stability supports resilient coastal communities, aligns harvesting capacity with available resources and improves the quality and value of seafood products. Economically, it fosters self-reliant enterprises, supports skilled year-round employment and creates meaningful career opportunities for young people in the industry.

Long-standing quota-sharing arrangements are the foundation of responsible and transparent fisheries management in Canada and are reflected in current fisheries policy. For example, when closed fisheries are reopened, the minister generally respects historic fleet shares, recognizing past participation and dependency as the basis for allocations.

Ocean Choice has invested heavily in the fishery, paying fair market value for every pound of quota, including unit 1 redfish. Beyond securing access, we built global markets for Canadian seafood and invested in advanced technology, including our green class vessel, the *MV Calvert*. Our significant investment in the *Calvert* was made possible because of stable access to such species as unit 1 redfish and other groundfish stocks. These kinds of long-term, multi-million dollar investments are not possible without confidence in secure quota access.

In summary, these examples—from long-term investments in market diversification to the *Calvert*—illustrate how stability of access underpins not only the sustainability of the resource but also meaningful employment, economic growth and the long-term viability of Canada's fishing sector. Looking ahead, future allocation decisions, including for unit 1 redfish, must respect historical access so that participants can continue to invest and contribute to strong, sustainable fisheries.

Thank you for the opportunity to make a statement. I welcome the committee's questions and comments.

• (1550)

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

With that, we will go into our six-minute round of questioning, starting with Mr. Small from the Conservative Party.

The floor is yours.

Clifford Small (Central Newfoundland, CPC): Thank you, Mr. Chair.

I have a question here that I'm going to put to all witnesses.

Mr. Bonnell, I'll start with you. Can you shed some light on the influence of foreign, Liberal-funded ENGOs on fisheries manage-

ment after 10 years of this Liberal government and seven ministers of fisheries? Has there been an impact on the unit 1 redfish quota because of the stakeholder status of some of these ENGOs, do you think?

Carey Bonnell: I've been in the private sector now for about eight years. I've been engaging with the ENGOs. I've attempted many times over to build a relationship with the ENGO community, maybe having an idealistic or a naive view that we could build a positive relationship with the ENGO community. It has been tremendously challenging. Certainly groups like Oceana Canada have taken a strong position on Unit 1 redfish, and the reopening, and suggested quotas that are much smaller than those that were set. I find them challenging at times around the advisory table, for sure. They're taking positions that are much more extreme than I would have seen ENGOs take in the past. They have been challenging to deal with.

I've always said to them, and it may be my last comment on this, that with the ENGO community you have the option of the carrot versus the stick. There's much more progress that can be made in engaging with the industry and working more collaboratively to find some common ground, but much of their positioning has been, really, towards closed fisheries, MPAs, restricted fishing access, different things that are far more preservationist probably than sustainable fishing or conservation measures.

Those are some general concerns, I would say, I would have related to the ENGO community.

Clifford Small: Thank you, Mr. Bonnell.

Madam Gagné, I heard you mention the closure of the herring and mackerel fisheries in your region. Do you think in part that is due to the growing influence of foreign-funded ENGOs, like Oceana and Oceans North?

Camille Gagné: Can you just repeat the question, sorry?

Clifford Small: I heard you mention in your opening remarks the devastation you've endured because of the closure of the mackerel and herring fisheries in your region. Do you think that ENGOs like Oceana and Oceans North contributed to the demise of the mackerel fishery?

[Translation]

Camille Gagné: Public studies, particularly in the United States, have shown that mackerel is a highly migratory fish. It can travel long distances in a short time.

These large vessels may indeed have adversely affected this fishery. However, on the east coast of the Atlantic, there's currently a double standard. We go fishing with a maximum of 200 hooks, yet we're considered to have the same quotas as seiners.

I would say yes, but I couldn't tell you how much they have affected small-scale coastal hook-and-line fish harvesters like us. That remains to be seen.

[English]

Clifford Small: Thank you.

Monsieur Lanteigne, can you shed some light on the growing impact of foreign-funded ENGOs on our stock advisories?

Jean Lanteigne: I will answer to this, Mr. Small, that when the redfish did appear in 2011, the answer from DFO was to close the zone to the shrimp fishery. We ended up having to protect the redfish, and at the same time those redfish were eating shrimp like crazy, to the point where we lost 80% of the stock.

When you ask how Oceana and those ENGOs played the game there, they were putting pressure, enormous pressure, on DFO to make sure we would protect a resurgence of that redfish fishery. We lost the shrimp fishery in the gulf and we don't actually have a redfish fishery, so what did we accomplish with the pressure of the ENGOs? To answer the question basically is to provide a sad answer, because what they ended up doing was ruining one fishery and not having a profitable one. If they had listened to what the fishery industry was telling DFO, it was to keep on this shrimp fishery and at the same time reopen as soon as possible this redfish fishery to diminish the impact that it finally did have on the shrimp fishery before it ended up the mess that it actually is.

I would answer to you that, yes, for the strong impact that Oceana and company had on DFO at those dates, really, we are paying the bill today for that.

● (1555)

The Chair: Thank you very much.

[Translation]

Mr. Cormier, you have the floor for six minutes.

Serge Cormier (Acadie—Bathurst, Lib.): Thank you.

Good afternoon, Mr. Lanteigne. I assume that you're coming to us live from Shippagan. Thank you for joining us.

You just said that we waited too long to open the redfish fishery. You and I have always agreed on this. It took too long, which affected the shrimp stocks. Of course, you and I, and likely everyone here, know that this wasn't the only factor that affected the shrimp. There were other factors as well. However, this factor had a major impact on the resource.

You and I disagree somewhat on one issue. This issue is the 10% share of the total allowable catch of redfish allocated to shrimpers. We've already had a chance to talk about this. You know my position on the topic. My view is that at least we started somewhere. You received a 10% share that you didn't have before. However, the fact remains that it isn't enough to make your fleet profitable again, as you and I both know.

That said, you also spoke about your new project, which is backed by the Atlantic fisheries fund and which was announced a few months ago to help your industry.

With regard to the 10% quota, I asked department officials for explanations during a number of committee meetings. They responded that this quota made it mathematically impossible for shrimpers to cover their costs. Since the department already knew

this, why do you think that it failed to allocate a larger share of redfish to shrimpers over the past two years? You and I know that the minister has complete control over the allocation of these resources.

I would also like to hear your comments on your new project, in partnership with the Atlantic fisheries fund, to go out to sea and harvest redfish.

Jean Lanteigne: As I said earlier, the issue right now isn't the total allowable catch. In 2024, about 3,000 tonnes of redfish were caught out of the 60,000 tonnes of allowable catch. This amounts to only 5% of the total allowable catch. The allowable quantity was more than enough. The same will be true this year. The catches will likely amount to 15% or 20% of the total allowable catch.

The issue is the distribution of quotas. The 10% quota currently allocated to shrimpers would give them enough for one trip out to sea, or possibly two. As a result, they can't come up with a satisfactory business plan for financial institutions that would help them fund the necessary modifications for their boats to harvest redfish. In other words, the distribution of redfish quotas prevents fishing companies in Quebec, New Brunswick and Newfoundland and Labrador from developing a business plan that would enable them to make use of these quotas. The same is true for processors. They don't receive enough redfish to submit a satisfactory business plan to their financial institution.

We heard some comments earlier that I don't want to debate. However, some people received too much redfish and others didn't receive enough.

● (1600)

Serge Cormier: Of the total allowable catch of 60,000 tonnes, around 10,000 tonnes have been caught. Is that right?

Jean Lanteigne: That's about right, according to my estimate, based on what I see.

Serge Cormier: If a percentage of the total allowable catch currently going unharvested were redirected to fleets such as yours, or others in greater difficulty, would a market emerge for selling this redfish? Would this provide financial assistance to struggling fish harvesters? The unharvested resource is available.

Some companies are here today. I'll be asking them questions. Other companies have appeared before the committee in the past. They have redfish quotas but they don't harvest redfish for various reasons. If their redfish quotas were transferred to you, could you harvest and sell redfish for processing in a profitable manner?

Jean Lanteigne: Excellent question. The profitability isn't there.

As part of the Atlantic fisheries fund project discussed, we currently receive 20¢ per pound from the processor. A typical trip brings in about 100,000 pounds. We come back with \$20,000 worth of fish. However, a trip out to sea costs from \$50,000 to \$60,000. Even with the money from the fund, fish harvesters are unable to go out and fish and make a profit. This explains why these quotas of fish aren't being harvested. It isn't worth it. We can't make a fishery profitable with such a low price. Right now, it's impossible to make a trip out to sea profitable. It will take a real marketing effort to bring the price up so that, in the medium term, we can make this redfish fishery profitable.

Serge Cormier: Thank you.

The Chair: Thank you, Mr. Cormier.

Mr. Deschênes, you have the floor for six minutes.

Alexis Deschênes (Gaspésie—Les Îles-de-la-Madeleine—Lis-tuguj, BQ): Thank you, Mr. Chair.

Ms. Gagné, you wrapped up your remarks by saying that the allocation of exploratory lobster fishing licences had made millionaires even richer. What do you mean by that?

Camille Gagné: What I wanted to say in my presentation is that the Department of Fisheries and Oceans has always said that its mandate is to manage the resource. However, when it came to issuing licences, it went further. It separated the fleets by establishing that, among other criteria, a fleet had to be struggling to be eligible. That was not a problem, but when issuing licences, the department again separated the fleets by granting so many licences to some and so many licences to others, which created an imbalance.

Furthermore, the department has data that it did not consider. It manages our fishing licences, so it can easily see the transactions that have taken place in recent years. It can find out whether a fisher bought her licence two years ago or fifteen years ago. The same applies to vessels, because they are registered. If it had used this data, it could have identified the fishers who were really struggling. A fisher can be part of a fleet that is struggling without being in difficulty themselves.

• (1605)

Alexis Deschênes: How can this situation arise?

Camille Gagné: It can happen in different ways, for example in the case of inheritance, where a parent simply transfers their business to their child and takes on the debt. There is support available.

It can also happen, in the case of a struggling fleet, that a fisher has been part of it for 25 years. Normally, they have no debts, since their licence and vessel are paid for. Shrimp fishing licences are still quite valuable, and a lobster fishing licence has just been added to their assets. In addition, it has been announced that, even though this is an exploratory fishery, this licence could become permanent. This makes people who have no debts even richer. That is what I meant when I said that millionaires were being made even richer.

Alexis Deschênes: I see.

Here, we are talking about the liabilities or debts of fishermen, but what about their income? One of the objectives, according to the Department of Fisheries and Oceans, was to help struggling fleets. To your knowledge, did the department check the fishers' in-

come? A fisher may have different licences and be part of a struggling fleet, while having another licence that allows him to continue fishing and earn an income.

Camille Gagné: To my knowledge, this verification was not done, because there were inconsistencies that otherwise would have been avoided.

Alexis Deschênes: Without naming names, can you give me some examples of inconsistencies that you have noticed?

Camille Gagné: One need only think of retired people who still have licences and are returning to fishing, or people who have been in the fishing industry for decades and no longer have any debts, but who are still receiving licences. These are the two biggest inconsistencies.

There are also financial injustices. The criteria do not indicate that any checks were made to see who had just acquired a fishing business, who had owned one for a long time, who was highly likely to default on payments and go bankrupt, who was unable to keep their business afloat, or who was not already financially secure. None of this was taken into account when issuing licences.

Alexis Deschênes: If I understand you correctly, Ms. Gagné, you are saying that beyond the criterion of struggling fleets, it would have been more appropriate to talk about struggling fishers, and therefore to analyze the financial statements of each individual fisher.

Camille Gagné: I wouldn't go that far. The reason is simple: As fishers, we are constantly being told that Fisheries and Oceans Canada is only there to manage the resource. Once the department identified the struggling fleets, that should have been the end of it.

The rest is about knowing which fishers are struggling and which are no longer in difficulty. Fisheries and Oceans Canada had this information, but it did not use it. It did not sound the alarm to say that it had additional data that could help people in difficulty in a fairer and more equitable manner. It did not do this work.

Alexis Deschênes: Okay.

In your opinion, DFO should have taken into account the level of debt of individual fishers in its process. Am I understanding you correctly?

Camille Gagné: The figures are not necessarily disclosed, but there is a record of licence and vessel transactions that exists at Fisheries and Oceans Canada and could have been used.

Alexis Deschênes: So, you're saying that the fishers' debt or the value of their licences should have been taken into account, even though there was no more fishing and even though shrimp fishing had declined, for example.

Camille Gagné: An owner who has paid for their licence and has no debts incurs virtually no expenses if they do not go fishing, even if they do not generate any income. They have fixed costs, and that's about it. On the other hand, if you've just bought a licence but don't go fishing, you have payments to make and the debt just keeps growing because you have to defer payments. I don't know if that explains it better.

Alexis Deschênes: I understand. That was your situation, wasn't it?

Camille Gagné: Yes, that's right. I had just bought my licence and was heavily in debt. At that time, three out of three fisheries were closed. There was no consideration for my purchase date or the resulting debt. There was no solution either. I was passed over.

• (1610)

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

[English]

We're finished the first round of questioning.

With that, I'll turn the floor over to Mr. Arnold for five minutes.

Mel Arnold (Kamloops—Shuswap—Central Rockies, CPC): Thank you, Mr. Chair.

My first question is for Monsieur Lanteigne.

These licences were in the province and in the area of the minister's home. Basically, they were very close to her riding and her area.

Should the minister have had a full awareness of the implications of the decisions about who had the licences and the quotas? Should that have been a part of what she should have known? Do you feel she had that information?

Jean Lanteigne: Are you talking about the lobster licences or about the redfish licences?

Mel Arnold: Well, the lobster licences were probably closer to her home, but even the redfish licences are basically in the Gulf of St. Lawrence.

Jean Lanteigne: Yes.

I won't speak about the lobster licences because I am based in New Brunswick and what you are referring to is her location in Rivière-au-Renard, in the Gaspésie area.

I definitely can relate to the redfish licence. Basically we do recognize the fact—and DFO does recognize this as well—that the redfish fishery is a trawling fishery, and who is trawling the gulf? The only remaining fleet that does that is the shrimper fleet.

Mrs. Lebouthillier, if I am right, had around 32 or 36 shrimpers based right in her riding. Now, I'll go back to 2018 when Dominic LeBlanc knew the situation of the shrimper fleet at that time. He said publicly to the press that the shrimper fleet in the gulf would be prioritized the moment the access was opened for the redfish fishery.

In 2024, six years after, Mrs. Lebouthillier switched her mind or DFO switched its mind and totally went the way of redistributing the redfish allocation to all kinds of people, which is totally different than what had been said before.

Mel Arnold: It was a promise made and a promise broken, from the sounds of it.

Jean Lanteigne: Exactly.

Mel Arnold: Okay, thank you.

Mr. Bonnell, you mentioned that the redfish aren't growing to size in the area. Has there been any science to indicate why this is?

Is this a local or regional phenomenon, or is this happening in other areas of the world or in the North Atlantic?

Carey Bonnell: In the case of redfish, the latest science assessment that we have, which was presented to us this year, basically indicated that the redfish there have been stalled for the last five years at 23 to 24 centimetres, which is your market challenge.

Your challenge is not resource limitations; in fact, only about 3,200 tonnes of the 60,000-tonne quota was caught last year. The whole suggestion by Jean that somehow this is an inshore issue of a lack of access.... Only a fraction of that quota was taken last year.

Mel Arnold: Why aren't the fish growing? That's the key piece that I'm trying—

Carey Bonnell: The fish aren't growing for a couple of reasons.

What we understand from science is fish aren't growing. Environmental factors are driving that—warming water temperatures and a lack of food, basically, because the area is dominated by redfish. We had 4.2 million tonnes at its peak, so food availability has been an issue there. That's been the primary challenge and why the fish haven't grown and are not expected to grow any larger, which is your major market implication and challenge with respect to redfish.

Mel Arnold: Were there larger fish present five years ago, before the population grew to the size it is?

Carey Bonnell: The biomass five years ago was about 4.2 million tonnes, but what you need to understand is this stock is driven by three year classes; I think it was 2011, 2012 and 2013. Everybody was excited about this resource and this stock at the time because we expected the fish to grow about a centimetre and a half to two centimetres a year at the time.

It happened in the early years, but then it stalled. There was a great expectation, for good reason, for unit 1 redfish, but we now have a fishery whose size has stalled and will not grow, and we have a fishery whose biomass is declining with or without fishing. It will go back to about 10% of its original biomass in the next eight years. That's the reality of unit 1 redfish that people maybe are not following or don't want to talk about, but that is the reality, unfortunately, of this resource and this stock.

It's not a resource allocation issue. I respect Jean so much, but he's just way off base with that observation.

• (1615)

Mel Arnold: It's a food-source issue for the redfish. There's not enough food for them to grow.

Carey Bonnell: That is one of the major factors that science has highlighted, along with other environmental conditions, like warming water temperatures, that are driving that circumstance, as well.

The Chair: Thank you very much.

Next, we're going to go to Mr. Connors for five minutes.

Paul Connors (Avalon, Lib.): Thank you.

Welcome, Mr. Bonnell. I'm going to have a few questions for you. I'm glad to see you here representing Newfoundland and Labrador and OCI, which is very important to our fishery in Newfoundland. The fishery is very important to the economy in Newfoundland, so I wanted to welcome you here.

You're the people who are on the water. What does your data show about the redfish? Is that comparable to exactly what science is saying?

Carey Bonnell: Based on communication from fishing activity, certainly what's been seen and what's come out of unit 1 and unit 2—we're very active participants in unit 2 redfish fisheries as well; we caught about three million pounds from that fishery last year—is that, in fact, there's actually what we believe to be a movement of some of the unit 1 redfish into unit 2, and the size of unit 2 has actually become a lot smaller over the past couple of years. There is a region in the gulf and off the south coast of Newfoundland of redfish that are very small in size compared to redfish in other jurisdictions like Iceland and Norway, where, as I mentioned in my opening comments, the average size is about 40 centimetres.

People ask about the market for redfish. There is a very significant market globally for good-sized redfish. The challenge we face—and it's a huge challenge—is how to deal with the smaller sizes that we're encountering here. It's a reality whether you're in the inshore or the offshore, whether you're indigenous or otherwise. These are some natural challenging realities that we have to deal with.

Paul Connors: Size is the challenge. The processing of those would be the challenge. Is that correct?

Carey Bonnell: Size is a major challenge.

When we fillet redfish in our processing operation in Fortune, off the south coast on the Burin Peninsula, we start filleting at about 270 grams; that's usually the size that we start filleting. That's a small two- to four-ounce fillet, probably.

A large portion of the fish in unit 1 is under 200 grams. Redfish are very bony fish, so it's really difficult to produce a fillet from that product when it's so small. That's an inherent challenge.

There are markets for whole round redfish. There are markets for headed and gutted redfish. We're exploring those. We're doing everything we can with our sales and marketing capacity. Other companies in the Atlantic region are doing the same, but there are some very inherent challenges around that.

Paul Connors: You fish shrimp, as well. What is the relationship between redfish and the shrimp? What's happening with the shrimp as a result of redfish or vice versa?

Carey Bonnell: It's not an easy question to answer, to be very honest. There's no doubt of a predator-prey relationship between redfish and shrimp. We see it in the gulf. We see it off the south coast. We fish redfish off the northeast coast as well. We see it there, where there are interactions.

As for the scale of it, we just really don't know.... We don't have the data. I don't think DFO has the data to really quantitatively identify the impact the biomass of redfish has had on shrimp. That being said, in 2019, 2020 or 2021, when we had 4.2 million tonnes, it was the predominant biomass in the gulf region. It had an impact on everything, no doubt, including shrimp, the scale of which we just don't know.

Paul Connors: Are there any other challenges that I'm missing or that you're having in the industry with redfish that you'd like to bring up here? Is there anything else we haven't mentioned or anything you'd like to elaborate on?

Carey Bonnell: The reason we only harvested as a complete industry 3,200 tonnes of a 60,000-tonne quota last year and about 2,700 or 2,800 tonnes so far this year is the size of the fish that we're dealing with. It's not an allocation issue. I can't stress that enough. It's not a resource allocation issue. I resent the notion that somehow the expropriation of quota from one sector to the other sector is going to solve this problem. It's a market challenge.

Unfortunately, in the gulf, it doesn't look like this fish is going to grow to a size that's going to be globally competitive, so you have to make do with what you have. Our energy and all of our resources are going into trying...and other companies. You had Alain d'Entremont here a couple weeks ago talking about their efforts.

We're exploring markets for whole round redfish in China. We're working on the bait market to try to expand it for redfish in Atlantic Canada. We've done some really good work as a sector on that. A significant portion of the lobster sector now is using redfish. We're hoping that's going to expand. Bait is an important area.

We're looking at food-grade opportunities in Asia and in Europe, although it's more challenging in Europe, which is a high-end market for larger redfish. We've looked at North African markets. We're exploring a whole host of options and scenarios for fillet production, for whole round production, for headed and gutted production because the solution is going to be a cumulative of the inshore, the offshore, harvesters and processors working together to try to get more value from this resource, to get more of it out of the water as well and to try to generate some additional value for the region.

● (1620)

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

[*Translation*]

Mr. Deschênes, you have the floor for two and a half minutes.

Alexis Deschênes: Thank you very much, Mr. Chair.

Ms. Gagné, I want to make sure we understand what happened to you. As you explained in your presentation, you started out as a pelagic herring and mackerel fisher. Later, you added crab, but crab quotas have been decreasing every year. At the same time, there was a moratorium on herring and mackerel fishing. Finally, you explained this briefly, but I want to come back to it: When you participated in the process, you were disqualified in every possible way.

Please explain a little why you were unable to obtain an exploratory licence.

Camille Gagné: I encountered numerous reasons for disqualification. I did not have access to the pelagic fishing group's licences because, firstly, the department decided to base its assessment on the years prior to 2020. It was therefore really basing its assessment on past years.

Alexis Deschênes: You also mentioned the residency criterion.

Camille Gagné: Yes, secondly, the residency requirement also disqualified me. For turbot fishing licences, it's easy, I don't have one. I don't have one for shrimp either. So I could be in the zone 12A fishing group.

Alexis Deschênes: You were there as a crab fisher, weren't you?

Camille Gagné: Indeed.

Thirdly, I was disqualified from zone 17, namely Anticosti, because I did not have the relevant licence. They were reserved partly for the Côte-Nord, partly for New Brunswick and partly for the administrative zone of Gaspésie.

Alexis Deschênes: However, you fish in zone 12A, which is connected to the Anticosti zone.

Camille Gagné: It is not administratively, but it is physically. I also fish in another area connected to Anticosti, namely area 16, which is my mackerel area. I was allowed to go mackerel fishing in Anticosti if I wanted to, but that was not considered. So, from the outset, I did not have access to the new fishing zone 17 in Anticosti.

In addition, I was disqualified for a fourth reason. When issuing the criteria, the department always referred to fishers, not to historical licences. In my case, in 2023, I was on board my vessel in my fishing zone, but I was flying an indigenous flag. As a result, my landings were automatically counted towards the indigenous quota because, according to the law, making a change is a longer process. So we started by filling the indigenous quota before filling mine. However, we didn't get that far, and I was downgraded for my 2023 year.

Alexis Deschênes: Was it because you were flying under an indigenous flag that year?

Camille Gagné: Exactly, and they considered that I hadn't fished. Automatically, I no longer qualified for the 15 points required.

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

[*English*]

That finishes our first panel.

I would like to thank our witnesses for taking the time to meet with us. Your testimony will be very helpful for the report we're

working on, including the recommendations that will flow from that as well.

With that, we're going to briefly suspend while we welcome our next panel.

• (1620)

(Pause)

• (1625)

The Chair: With that, I call this meeting back to order. We're moving to the second panel for today.

I just want to make a few comments on behalf of our new witnesses, who are appearing here today in person and also by video conference. Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you're not speaking.

[*Translation*]

Regarding interpretation, for those using Zoom, you can choose between the floor, English, or French at the bottom of your screen. For those in the room, you can use the headset and select the desired channel.

[*English*]

I remind you that all comments should be addressed through the chair.

I would like to welcome our witnesses for the second panel. We have Guy Gallant, fish harvester. We have Claudio Bernatchez, director general, Coopérative des capitaines propriétaires de la Gaspésie.

[*Translation*]

We also welcome Jean-René Boucher, Executive Director of the Regroupement des pêcheurs professionnels du Nord de la Gaspésie.

[*English*]

We start with the witnesses' opening statements for five minutes each, with Mr. Gallant.

• (1630)

Guy Gallant (Fish Harvester, As an Individual): Good afternoon.

My name is Guy Gallant. I'm a fish harvester within the 4R gulf region. I'm from Benoit's Cove, a town situated in the Bay of Islands on Newfoundland's west coast immediately adjacent to the 4R zone.

I'd like to begin by thanking those involved for the privilege of being included in these hearings today. I will be speaking today not only on my behalf but on behalf of my father, Guy Gallant, Sr., and a few other harvesters who were prevented from participating and thus absent from any discussions held prior to the opening of the redfish fishery in 4R.

My father has been fishing in the Gulf of St. Lawrence since 1968 and has operated his own enterprise since 1974. He was one of the very last to be redfishing. He is still an active fisher today, and for many years he made his living, along with myself, my brother and the rest of our crew, solely from redfish in the Gulf of St. Lawrence and unit 2 until succumbing to the reality of poor stock management in the late 2000s.

The direct omission of his experiences and his knowledge was nothing short of discrimination and political ambition perpetrated by the FFAW and others involved in the preliminary stages of re-opening this stock. They obtained information only from what would be the island's west coast shrimp fleet, which, in my view, has no direct correlation to any assignment of the redfish TAC, the end result of which leaves us with a quota that makes it impossible to sustain an enterprise today.

I'll deviate from my notes a little here. Our plight in this situation we're in started in the early to mid-1990s, when we tried to obtain access to shrimp in the gulf. We were denied by the department, and we have been left with only redfish since the collapse of the cod fishery. We started lobbying government for access to northern shrimp back in the mid-1990s, when the boom in shrimp started off the northeast coast of the province.

A committee was formed on the island here. They called it north of 50-30 and rejected any applicant trying to obtain direct access to the shrimp who lived below the 50-30 latitude line. This left us with absolutely nothing left to catch but redfish on the otter trawl side of our enterprise.

We're hearing discussions here about the shrimp fleet, but there was also a redfish fleet here. We were one of probably five who sustained ourselves solely through redfish until the mid-2000s, when it became impossible to make a further contribution to an enterprise from redfish.

We then, at much expense, redid our boat to be able to make it available for our purse seine licence, so we were able to sustain ourselves for a few years after that in the mackerel fishery. Of course, we know that has been under moratorium for the last few years, so again we had to rebuild our vessel, *The Gallant Lady*, to put her back in the otter trawl sector of the fishery. It took quite a sum of money, well over a million dollars, all in anticipation of this redfish quota that was to be allocated. Unfortunately, through misappropriation, I feel, of the allocation, we were left with mere scraps to try to make an enterprise viable.

● (1635)

We had 74 tonnes... We'd have to decide which part of the fish hold we'd put that in aboard our vessel to keep her in good trim, because it wouldn't be enough to load her. One trip.... This is what we'd have to sustain ourselves with. It's impossible.

The Chair: Mr. Gallant, I'm afraid I'm going to have to ask you to wrap up, because we're just past five minutes here.

Guy Gallant: Sure. Thank you very much.

To conclude, I thank you very much for the opportunity to even be speaking here today, because we went unheard for so many years.

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

[*Translation*]

Mr. Bernatchez, you now have the floor for a maximum of five minutes.

Claudio Bernatchez (Director General, Coopérative des Capitaines Propriétaires de la Gaspésie): Good afternoon Mr. Chair and members of the committee.

The St. Lawrence River and the people who depend on it have been undergoing significant upheaval in recent years. To give you an idea, here are the species that have been heavily impacted in recent years. In 2020, there was a moratorium on snow crab in zone 12B. In 2021, there was a moratorium on mackerel and spring herring. In 2022, there was a moratorium on red plaice, yellowtail flounder and northern cod. In 2023, there was a collapse in Greenland halibut and northern shrimp stocks.

We can therefore say that, during this period, several fleets were heavily impacted in all regions of Quebec. The years 2023 and 2024 were difficult for coastal communities in northern Gaspésie, which depend on fishing. The level of activity on the docks reached a low rarely seen before. In the Côte-de-Gaspé RCM, several assistance measures were put in place to provide minimal support to affected fishers.

Fortunately, in 2025, we saw a slight upturn in activity, benefiting some fishers and several businesses related to the industry. Although the challenge remains for some fleets, in general, the economy is doing better than in the previous two years.

With regard to the subject of this study, namely the method of allocating new quotas or new licences to fishers or fishers' associations, it might be desirable for the industry and the Department of Fisheries and Oceans to agree on the main principles guiding the processes to be followed. These principles could include fairness, assistance to struggling fleets and maximum benefits for coastal communities. In addition, finding a way to make these assistance measures flexible could provide the necessary flexibility to respond to changing conditions in the ecosystem and the industry that depends on it.

I hope that the study conducted by this committee, which is primarily aimed at evaluating the method of allocating exploratory lobster fishing licences in zones 17, 18 and 19, will result in a shared commitment by all stakeholders to ensure the sustainability of the capture industry in response to the challenges that will arise.

I ask you to be catalysts in courageously initiating discussions that are sometimes difficult but necessary in this regard.

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

Mr. Boucher, you have the floor for a maximum of five minutes.

Jean-René Boucher (General Manager, Regroupement des pêcheurs professionnels du Nord de la Gaspésie): Mr. Chair and members of the committee, this study aims to shed light on the process of allocating exploratory lobster fishing licences in order to improve things for the future. Although some aspects need to be reviewed, we believe it is important to provide some context and highlight what has been done well in this process, specifically for zone 19.

Turbot fishers have witnessed the collapse of their stocks in recent years. The total allowable catch, which remained stable at 4,500 tonnes for several years, is now set at 290 tonnes for the 2025-26 season for zones 4RST in the Gulf of St. Lawrence. The value of turbot landings in the Gaspésie fell from nearly \$10 million in 2017-18 to \$3.7 million in 2021-22, before collapsing completely to \$18,721 in 2024-25. With the collapse of the turbot fishery, these exploratory lobster licences are a timely lifeline for this fleet. The increase in lobster abundance since 2018, thanks to an experimental project that became exploratory between the Tartigou River and Rivière-à-Claude, has been confirmed with the exploitation of new licences in 2025. Indeed, landing data show a more than interesting abundance of the resource.

To determine the eligibility of fishers for these licences, the Department of Fisheries and Oceans, or DFO, used various criteria, including residency as well as the fishing efforts of fishers in so-called struggling fleets in previous years.

Residency is one of the oldest criteria used by DFO to determine fishers' eligibility for fishing licences, both when new licences are issued and when licences are reassigned. For example, fishers brought to my attention that when lobster licences were issued in southern Gaspésie in the 1990s, fishers from northern Gaspésie were not eligible because they did not reside in that territory.

The criterion related to fishing effort is not perfect. It might have been appropriate to establish a minimum landing threshold for eligibility, to ensure that fishers were not only active in appearance. Furthermore, although the Minister of Fisheries and Oceans at the time mentioned wanting to help the next generation with these licences, DFO could have made an additional effort in this regard without excluding experienced fishers from the process.

Although the process was carried out quickly, it must be acknowledged that departmental managers and the minister's office listened to our comments and suggestions. For example, the idea of issuing 100-pot licences rather than 250-pot licences to non-indigenous fishers in zone 19 came from the industry. This is ultimately what was done, even though initially several people at the department did not view this proposal favourably. The rollout of these licences in three phases rather than two, as originally planned, was a suggestion from other industry players that the department listened to and implemented. It would also be wrong to claim that unrecognized associations were completely ignored, as suggestions made by individual fishers were taken on board by DFO in the implementation of this project.

With the challenges facing the fishing industry continuing to mount, it is important that these licences continue to support the future of struggling fleet fishers and new entrants to the industry. It is

therefore important to consider the transferability of these licences, whether they are exploratory or commercial.

In conclusion, I would like to raise the following question: Should the fact that certain groups or individuals were unable to obtain exploratory lobster licences completely discredit the process, as well as the criteria used to grant these fishing licences?

Thank you for your attention, and I will be happy to answer any questions you may have.

• (1640)

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

[English]

With that, we are going to move right into our first round of questioning, starting with Mr. Small for six minutes.

Clifford Small: Thank you, Mr. Chair.

Mr. Gallant, how do you compare the reality of the unit 1 redfish fishery with the hype that was created by then minister Dominic LeBlanc in 2018?

Guy Gallant: It's very difficult to put the two of them together. A lot of what we've been preparing for for the last six or seven years, revamping our vessel to go back to the redfish fishing.... The hype that was associated with it was to the point where you had to stop everything else and get ready for this.

To end up, at the end of the day, with 74 tons—about 140,000 pounds—of redfish valued at 25¢ to 27¢ per pound.... That means that you're looking at about \$38,000 to \$40,000 worth of fish to catch. That's what you have to sustain yourself with for the year and then hope something comes down the pipe so that you can add a few more pounds to that. To say it's unviable is an understatement.

Clifford Small: We had first nations allocations. I believe you are a member of a first nations band yourself. Is that correct?

Guy Gallant: Yes, that is correct, Mr. Small.

Clifford Small: What's your opinion on how that allocation was distributed—not the size of the allocation but who's actually going to be catching it? Would you think that you yourself would be a major benefactor of that, being in the Qalipu First Nation?

Guy Gallant: I would hope so, Mr. Small. I would think that's the government's projection to have it allocated to members of the first nations and distributed to them so that their own members can avail themselves of it.

However, with what we have on our own enterprise to start fishing with—such a minuscule amount of quota—to start a business plan for this upcoming year, and just going out on a wing...to say that we'll do better when we get the allocation that the first nations have been allotted.... You can't run an enterprise by hoping somebody else is going to take you into consideration because you're a member, without it being legally stated.

• (1645)

Clifford Small: Mr. Gallant, basically you invested a million dollars on the strength of the future of the redfish fishery, going forward from 2018. Is that correct?

Guy Gallant: We spent well over a million dollars.

Clifford Small: I have another question for you as well, here. My opinion, obviously, is well known on the impact of ENGOs on fisheries management. You mentioned the demise of the mackerel fishery, and we've been fighting so hard to get that back. What's your opinion of the increasing influence of ENGOs as stakeholders?

Guy Gallant: Mr. Small, all my life—and I've been fishing now for 36 years—all we've based fisheries on was science, and not influence—especially influence from parties that have nothing invested in this industry. All we've based all of our fisheries on, good or bad, was science. Now, all of a sudden, we have a large entity of ENGOs that is having way too much influence on what this country is doing.

Clifford Small: Thank you.

Monsieur Bernatchez, what's your opinion of the increasing influence of ENGOs at stock advisories? What do you think the impact was on the unit 1 quota? Science has said that this quota could have been set at a sustainable level of 300,000 tonnes for now. If it's going to die, you might as well catch it. It's going to die one way or the other.

Do you think the ENGOs had an impact on having that quota set at such a low level as 60,000 tonnes, and what was that impact on investment in your harvest or your fleet?

Claudio Bernatchez: I hope they had no impact on any decision that's been made. You have the industry and you have DFO, the scientists who care about the resource. If a resource goes down enough that you have to declare a moratorium, as a scientist, I guess you won't feel good. As a fisherman, if your resource declines and you lose your way of life and your income, you cannot feel good.

Do we really need a third entity to come and try to tell us—and by “us” I mean all the stakeholders—what to do? I don't know how and why they ended up being part of discussions.

The Chair: Thank you very much.

[*Translation*]

Mr. Cormier, you have the floor for six minutes.

Serge Cormier: Thank you.

Mr. Bernatchez, it could be said that the two topics under discussion today, lobster and redfish fishing licences, concern you, since you represent all these fishers and all these groups.

I want to talk about the decision made by the minister at the time regarding the allocation of lobster fishing licences. Do you think the minister made the right decision, considering what she had before her at the time, with regard to the exploratory licences that were granted to the various fishers and fleets?

Claudio Bernatchez: There will always be people who disagree with decisions. Obviously, those on the right side of the permits, that is, those who have received them, will agree. Those who are not will be unhappy, and rightly so.

Could the process have been better? Perhaps. How? I couldn't tell you. As for whether it has a beneficial effect on our communities, from an economic standpoint, I won't go into that—

Serge Cormier: Beyond the effects on communities, I would like you to give me examples for the members you represent. Has this had a beneficial effect on them?

Claudio Bernatchez: Several of our members have received licences, and this has been extremely beneficial for them. It has enabled some to save their fishing businesses, and others to put the bank on hold, which was about to cut them off. So it has been beneficial for several fishing businesses.

Serge Cormier: Were the catches good?

Claudio Bernatchez: Catches have reached an all-time high. The last three years have seen an increase in quantities, and we are very happy for everyone, both those who already had licences and those who have just received them. Will this last? We don't know, but for the moment, the signs are positive in terms of resources.

Serge Cormier: Just to clarify, we are talking about zone 19, which is closer to Anticosti Island, in that region, correct?

• (1650)

Claudio Bernatchez: Since 2024, three areas have been primarily targeted. The first, in 2024, was zone 18, on the Côte-Nord. This year, in 2025, it was an area off the coast of Anticosti Island, which is zone 17, and along the northern coast of the Gaspésie, which is zone 19.

Serge Cormier: During the committee's most recent meetings, we heard from many herring and mackerel fishers who were unhappy with the decision because they did not receive licences. At previous meetings, I spoke about lobster fishers on the Paspébiac side and along the entire coast, where herring and mackerel fishers are located. Lobster catches are good on that side. As you know, these fishers have also had snow crab allocations since the 2000s.

Do you think that a solution for these herring and mackerel fishers would be to have a small percentage of this allocation, given that lobster fishing is doing considerably better in these regions?

Claudio Bernatchez: This is a delicate question to answer. I am not familiar with the dynamics between the Regroupement des pêcheurs professionnels du Sud de la Gaspésie, or RPPSG, and the Regroupement des pêcheurs pélagiques professionnels du Sud de la Gaspésie, or RPPPSG. As I said in my opening remarks, if we can find ways at some point to redistribute aid measures previously granted to others who are doing better to struggling fishers or fleets, fortunately, we may have part of the solution to help avoid certain types of crises.

Serge Cormier: Perfect. Earlier, you heard some comments about the new allocation, which allocates 10% of the redfish quotas. We agree that 10% is a start, but it is not enough to be profitable, as even government officials have said. What would be the magic number that shrimp fishers would need to make their trips out to sea profitable? Isn't it cheaper now to go out to sea to fish for redfish rather than shrimp?

Claudio Bernatchez: Yes, normally. I'm not saying it will stay that way, but for at least the past two years, when fishers go out to sea to fish for redfish, depending on the time of year and the constraints associated with fishing, they can return to port in less than 24, 36 or 48 hours with a hold that is practically full. Under these conditions, it is already profitable to do so.

On the other hand, I know another fisher who had to "exile" himself to what is known as unit 1 and unit 2 during the winter because unit 1 is not open. In such a case, with the distance to be travelled and the constraints involved, it becomes extremely difficult to make a trip profitable.

Serge Cormier: Okay, perfect.

Mr. Boucher, you said earlier that, in your opinion, the decision to share the new lobster licences was essentially correct. Why do you think some people seem to be saying that there is injustice, a conspiracy, or something else involved in the allocation of these new licences? Do you think the minister's decision was the right one under the circumstances?

Jean-René Boucher: Under the circumstances, it was virtually impossible to make a perfect decision. Taking into account all the factors that had to be analyzed, the realities of the various fleets, the fishers in difficulty and everything else, the decision made was appropriate. It could have been better in some respects, as I mentioned, but overall, adequate work was done on that front.

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

Mr. Deschênes, you have the floor for six minutes.

Alexis Deschênes: Thank you, Mr. Chair.

Mr. Boucher, the fact that fleets are in difficulty is a criterion that often comes up when discussing the allocation of licences. Everyone seems to agree on this criterion. However, how was it determined that some fleets are in greater difficulty than others?

As you so eloquently stated, turbot fishers are facing a collapse in stocks; that is indisputable. Among the members of your group who had licences, were some better off because they had other fishing allocations, such as halibut?

• (1655)

Jean-René Boucher: Absolutely. The fact remains that turbot fishing, which has collapsed, was the main source of income for these fishers. It was really the core of their business, to which allowances for other species had been added over time.

Alexis Deschênes: About 16 members of your group had exploratory fishing licences for turbot. What percentage of them also had exploratory fishing licences for halibut?

Jean-René Boucher: A groundfish licence gives them access to halibut through the allocation of a competitive quota, now individual quotas. Otherwise, they have access to it through the allocation of individual quotas that have been added over time, as we see with turbot fishing.

Alexis Deschênes: When turbot fishing collapsed, were those in difficulty able to obtain significant quotas for halibut fishing?

Jean-René Boucher: They had access to significant quantities of halibut. However, the business was not necessarily profitable, since profitability was based on all species landed, such as turbot, snow crab in some cases, or halibut. By eliminating the largest portion of a company's revenue, the company may still be able to survive, but it is no longer profitable. The purpose of doing business is not only to be able to make payments, but also to have money left over after making them. That is why companies were affected.

Alexis Deschênes: For example, did some of your fishers catch up to 100,000 pounds of halibut?

Jean-René Boucher: No, we are not talking about halibut quotas of that magnitude.

Alexis Deschênes: Okay.

You mentioned the consultations you participated in. To your knowledge, was the Department of Fisheries and Oceans interested in the financial situation of each fisher?

Jean-René Boucher: This issue was not addressed during these consultations.

The previous witnesses discussed this earlier. From a fisheries management perspective, the financial aspect is not necessarily taken into account. It is part of the suggestions and proposals we presented, knowing, however, that they would probably not be accepted. Although each company has a different financial situation, we were still able to get an overall picture of the situation using the various fisheries and the portfolios of licences held by the fishers involved. Even though we did not know everyone's financial statements, we still had a good idea of what might happen for everyone.

Alexis Deschênes: Were licences granted to people who managed to pocket hundreds of thousands of pounds, for example by fishing for halibut, despite the collapse of the turbot fishery?

Jean-René Boucher: I don't believe so.

Alexis Deschênes: Okay.

In your presentation, I think you were referring to pelagic fishers. You said that they were consulted individually. What did you mean by that?

Jean-René Boucher: Actually, I wasn't referring to pelagic fishers in that passage. I was talking about fishers who were not initially included in the department's criteria. They live in the Rimouski area and fish mainly for snow crab. Following individual discussions with DFO, they came up with the idea of creating a new group to obtain exploratory lobster fishing licences.

What I was trying to say was that people in the field were listening, regardless of their status. People could participate in the process even if they were part of an association, whether recognized or not, or even if they were eligible fishers or not. We noticed this too. We made suggestions to DFO that we believed would improve the process, and they were accepted. People in the field were listening. I am thinking in particular of those in the Gaspé area office, who were in listening mode, regardless of whether they were a recognized association or not, or a targeted fisher or not. They tried to get as much information as possible to do things better.

Alexis Deschênes: I understand your point.

I don't have much time left to speak, and I also want to ask Mr. Bernatchez a question.

Before that, however, I would like to give you 30 seconds to explain further the idea you suggested, or at least mentioned, in relation to the transferability of exploratory licences. I believe you also mentioned commercial licences.

Jean-René Boucher: If all goes well, if the resource is there and if the data continues to be good, these licences will not remain exploratory forever. The goal is to eventually have a commercial fishery.

I raised a question about licences, and I think Mr. Bernatchez raised it as well. Could the Department of Fisheries and Oceans prevent the transferability of exploratory or commercial licences and retain them when a fisher retires, then redistribute them to fishers in struggling fleets, fishers in difficulty or new fishers? Wouldn't this be a way to counter the surge in fishing licence prices?

We see this as a good opportunity for the department to do things differently with regard to these licences.

• (1700)

Alexis Deschênes: The idea would be to make the licence commercial, but not transferable. It would therefore have no attached value. DFO would reallocate the licence to someone else.

Jean-René Boucher: That could indeed be an option.

Alexis Deschênes: Mr. Bernatchez, what do you think of this suggestion?

Claudio Bernatchez: If I understand the Fisheries Act correctly, any licence issued to a fisher remains the property of DFO and should be returned to DFO when the fisher ceases operations. Over time, a slight variation in the rules governing licences has emerged, allowing a fisher to transfer his licence to another fisher, subject to DFO approval.

In this case, regardless of how the licence is defined, whether it is exploratory, permanent or otherwise, the important thing is to at least ask the following question: If this licence is linked to a resource that is supposed to belong to all Canadians, as the act states, is it being managed in the best possible way?

I understand that there is a kind of acquired right for those who already have licences. However, in the future, we should be able to ensure that assistance measures can be transferred from one struggling fleet to another. You never know when a fleet that is doing well will start to struggle. We are very concerned about snow crab stocks in area 12. Sometimes we are told that things are not going well, and then we are told that things are going well. We don't know what might happen.

When a crisis occurs, it will have repercussions on several communities around the gulf. If we had already begun discussions on the implementation of a mechanism, it might help us better overcome the crises we will face in the future, because there will be others.

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

[English]

That completes our first round of questioning.

Moving next to the five-minute round, we have Mr. Arnold.

Mel Arnold: Thank you, Mr. Chair.

Thank you to all of our witnesses.

I'm going to carry further on with Mr. Small's line of questioning around the influence of the ENGOs and the decision-making process at DFO.

I'll start with Mr. Gallant.

Are you aware of influencing in your area? Has this always been the case, and if so, when did you feel it started?

Guy Gallant: It was never at eyesight during the majority of my career. Really, here in the gulf, since the red fishery, it's gotten to the level it is today where it has garnered interest from these ENGOs. I guess it's just a part of their mandate to be seen and heard.

Mel Arnold: Mr. Bernatchez, has this influence been there for a length of time?

Claudio Bernatchez: I've been in the industry for four or five years, so I don't have a lot of experience with NGOs or ENGOs.

I'll repeat what I said before. There's enough intelligent people around the table. We have the advisory committee, or other meetings with DFO, to be able to make the best possible decisions for the resource as well as for the coastal communities.

Mel Arnold: Thank you.

Mr. Boucher.

[Translation]

Jean-René Boucher: It is clear that we have seen their presence in various advisory committees for several years now. At this point, it is difficult to say how much influence these organizations actually have on the decisions that are made. I agree with Mr. Bernatchez that the people sitting around the table in these committees should be able to make their decisions without outside influence.

[English]

Mel Arnold: How long have you been involved, and have you seen a change in the influence over time?

[Translation]

Jean-René Boucher: This autumn, it will be 10 years since I entered the fishing industry. From memory, I would say that they have been around for about five years. It is difficult to say how much influence these organizations really have, but we do see them on various committees.

[English]

Mel Arnold: Thank you.

I'll start with Mr. Bernatchez, but I'm not sure who might be able to answer.

Are there other factors that are impacting the food availability for redfish? Are there other predators competing for the same redfish food? For example, our pinnipeds prey on shrimp, reducing the shrimp numbers. Are other stocks doing the same thing?

• (1705)

Claudio Bernatchez: You'll often find three species in the same place. Let's say you have redfish, Greenland halibut and Nordic shrimp, so these are integrated together. The two species of fish will prey on the Nordic shrimp. I can't talk about the relation between Greenland halibut and redfish; I don't know what it is.

However, I'll say one thing: There's a plate with sandwiches, behind here, for about 10 people. We're 30 in the room. If we all had to eat from the same plate, there wouldn't be enough for everybody. It's the same thing in the water. There is probably not enough food for all the redfish that are there because it's the most important biomass in the St. Lawrence for now. A witness before was talking about the effect on the otter... In 2021, DFO data was saying that, the year before, redfish had eaten 213,000 tonnes of shrimp that season, when the quota was, roughly, 15,000 tonnes of shrimp.

Mel Arnold: From what you've heard from your members, were the decisions about licence and quota allocations based on science and data, or were they politically based?

Claudio Bernatchez: Are you talking about the redfish?

Mel Arnold: The redfish, if that's all your response is, but also the lobster exploratory licences....

Claudio Bernatchez: Well, when we had the advisory committee about the redfish, it was presented to us that the quota could be, for the next year, anywhere between 88,000 and 318,000 tonnes. The end result was 60,000 tonnes.

At the same time, we're saying—all the witnesses—that the most that was caught last year was roughly 3,200 tonnes. There are more

fish and quota than can be fished, not because we cannot fish but because there is no one to buy it.

The Chair: Thank you.

Next we go to Mr. Connors for five minutes.

Paul Connors: Thank you.

Mr. Gallant, I'm glad to see another Newfoundland perspective here from the inshore fishery. I'm glad you're here at committee to give your input on this study that we're doing. We had someone from the offshore, so I'm glad to hear the inshore perspective.

I want to talk about the quota. We've heard testimony that it was only around 3,200 tonnes of the 60,000-tonne TAC that was caught last year, and probably around 3,400 tonnes this year. Is there any reason that you wouldn't say that the quota, the full amount of TAC, is not being caught?

Guy Gallant: I think it really comes down to the viability of an enterprise and the profit margins. Right now, the way that the market is portrayed, you're catching a 25¢ or 27¢ fish, and with the expenses that are incurred at an enterprise today, you would need three million or four million pounds just to keep a 65-foot vessel and its crew occupied for the season. Between the market and the amount of quota that's being issued to each individual enterprise, it's unsustainable and very unviable. Profit is far too distant.

Paul Connors: Going back to your previous statements, I agree with you about the hype from a few years ago about the redfish. One problem that happened—I'm not sure who can control it—is that the fish are not growing to the size to be marketable. That's probably why there are only 25¢ or 30¢ fish. Do you see any reason that they're not growing to a size that would be marketable and, probably, get a better price?

• (1710)

Guy Gallant: While not knowing all of the parameters that are making up the environmental aspects in the gulf region, I would think that any time you have a species of any animal—predator or prey—there's only so much the ecosystem can withstand before nature starts looking after its surroundings. In this case, I guess the redfish are that abundant that they are not only eating other species of fish, they are eating themselves. I was speaking to a processor here last week. The puddicks of the redfish contained herring, capelin and juvenile redfish.

It's to a point that the biomass got to such a level that it has to eat. It doesn't matter what's in front of it. I don't imagine any fish species has a particular palate when it comes to the entrée for tonight. If it's going to consume more calories than it expels catching the prey that's in front of it, then it's going to try to eat it. I guess this is to the point where the stock got to where it was and getting to today, and it's holding back the size that it's able to grow.

Paul Connors: Using your analysis there of why they're not growing, we're sort of in a catch-22. They're not big enough for the market so we need to diversify the markets or something. Do you see anywhere where markets could be diversified so quotas can be properly increased to make it profitable for businesses like yourself?

Guy Gallant: Right now, in particular, any pot fishery, lobsters and crab in particular.... Here in Atlantic Canada we have a vast number of harvesters who partake in lobster fisheries and crab fisheries. The size that this redfish is now makes for perfect bait. You couldn't ask for any better. It stands up well. It's attractive to the lobsters and the crab. That alone is a massive market, and that's only here in Atlantic Canada. There are pot fishers globally. I would imagine it would be quite attractive as a lower-cost bait for those fisheries.

Paul Connors: Do you feel that you would get better than 25¢ to 30¢ a pound for fish if it was sold as bait?

Guy Gallant: Sir, I fish lobsters in the spring of the year. I'm paying, right now, 90¢ a pound for that very same redfish.

The Chair: Thank you very much.

[Translation]

We will conclude with Mr. Deschênes for two and a half minutes.

Alexis Deschênes: Thank you very much, Mr. Chair.

Mr. Bernatchez, I would like to continue the discussion on the issue of transfers. You said in your presentation that support measures should not be set in stone.

I would like you to clarify your thoughts in response to the question asked by my colleague. Do you think that the crab allocation for lobster fishers in southern Gaspésie should be shared? You said that it is a delicate issue, and I agree.

You also said that potential transfers should be examined. Were you thinking of exploratory licences? Do you think that crab allocations are one of the tools that the Department of Fisheries and Oceans should use to compensate for certain difficulties?

Claudio Bernatchez: I am speaking in general terms: It could be crab quotas for associations or exploratory licences for lobster. We could also talk about quotas for other species for other associations around the Gulf of St. Lawrence.

In the past, assistance measures have been provided to various associations to help them overcome a crisis or to help their fishers overcome it. I suggest that we reflect on this, thinking about what already exists and what could be done.

We should also ask ourselves whether this resource, associated with a dollar value, is being used in the best possible way. The idea is not to take anything away from anyone, but we should at least ask ourselves whether we can do things differently with the available allocations.

● (1715)

Alexis Deschênes: You include everything.

Claudio Bernatchez: Absolutely. You can't deal with a specific topic; you really have to take the time to look at the work as a whole.

Alexis Deschênes: Let me take the example of exploratory fishing licences that have been issued: If shrimp stocks recover over the next few years, do you think DFO should check whether shrimp boats are regaining ground and, if so, consider transferring their licences to other fleets?

Claudio Bernatchez: This could be part of the overall discussion. We cannot take a specific example and try to resolve each case individually. We really need to take a much broader view. When we go into too much detail, we risk getting results that aren't very convincing.

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

That concludes the testimony from the second group.

[English]

I want to thank our witnesses for joining us today in person and by video conference. Thank you for your testimony. This is going to be very helpful as we finalize our report and put together recommendations for the government to act upon.

With that, we are going to briefly suspend before we move in camera to take care of some business.

[Proceedings continue in camera]

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