association of
seafood producers

Suite 103, Baine Johnston Building
10 Fort William Place
St. John's, NL A1C 1K4
info@seafoodproducers.org
(709) 726-3730

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ASP Northern Cod (2J3KL) Position Paper

INTRODUCTION

As key stakeholders in the fishery at present and in the future, Member-Producers have developed this strategy paper to represent our shared views on Northern cod.

Member-Producers of the Association of Seafood Producers (ASP) have a strong interest in the recovery of northern cod, and groundfish generally. ASP serves on DFO's Cod Recovery Working Group and is a member of the Centre for Fisheries Ecosystem Research (CFER) Advisory Board. ASP serves as a co-chair on one of two industry Fisheries Improvements Projects (FIPs), designed to ensure a future northern cod fishery can meet the standards of eco-certifications such as MSC. ASP previously served on the Fisheries Resource Conservation Council (FRCC) at the time of the publication of the report "*Towards Recovered and Sustainable Groundfish Fisheries in Eastern Canada: A Report to the Minister of Fisheries and Oceans*," published in 2011. Additionally, ASP Member-Producers procure substantially all of the Northern cod in the province, and produce the majority share of it.

ASP's position is founded on the basis of science. Good science - rightly understood and interpreted – is key to effective fisheries management.

BACKGROUND

In recent years, as signs of increases Northern cod abundance were documented, ASP supported a go-slow approach to Northern cod. This was confirmed in writing to the federal Minister of Fisheries and Oceans in 2015, and again in ASP's June 2016 submission to DFO NL Region titled "Perspectives on Northern Cod."

The CSAS stock updates in 2014 and 2015 showed an increase in the three-year average Spawning Stock Biomass (SSB) index from 18 to 26% respectively. While showing growth, the stock was in the critical zone and remains at the level "below which serious harm is occurring" and where "the ability to produce good recruitment is seriously impacted." (**CSAS SAR 2016/26**, the full stock assessment for 2016).

DFO Science, in the **Canadian Science Advisory Secretariat (CSAS) Science Response 2015/018** said:

> The scientific advice from the most recent full assessment (DFO 2013) and subsequent stock update (DFO 2014) stated that removals should be kept low to promote stock growth.

The 2016 stock assessment showed the stock continued to grow, to 34% of Blim.

Growth in stock recovery moderated according to the 2017 update, but remained within the trigger indicators that would otherwise mandate a full assessment, but going forward DFO committed to full annual assessments of Northern cod that year.

- **ASP supports DFO's decision to conduct annual full assessments for Northern cod.**

The DFO March 2018 assessment for Northern cod did not provide the news that industry hoped for. Instead of continued growth, the stock has declined again. The DFO Technical Briefing of March 23, 2018 concluded the following:

- Stock showed growth from 2012 to 2017, but declined 30% for 2018;
- Stock remains in the critical zone of the PA framework;
- Natural mortality has increased from 0.39 (70% survival) in 2017 to 0.74 (48% survival in 2017;
- Fishing mortality has also increased, from 0.014 in 2015 to 0.025 in 2017;
- The trawl survey, model and sentinel index data all show the decline;
- Major food sources for cod are in decline; and
- A one-year projection shows a high probability of continued decline in 2019.

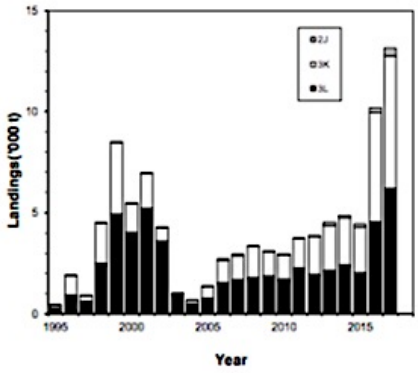
Given the above, erring on the side of caution, as per "A Harvest Strategy Compliant with the Precautionary Approach" (**DFO Can. Sci. Advis. Sec. Sci. Advis. Rep. 2006/023**), is the only appropriate strategy. DFO Science itself reiterated this position in the 2018 Technical Briefing.

- **The PA framework requires that fishery removals be kept to a minimum.**

It is acknowledged that the closure of directed fisheries can limit "the flow of information on stock status and fish biology from the fishery itself." (FRCC 2011) Similar rationale supported the sentinel fishery in mid-90s, followed by the stewardship fishery in 2006. Given the above,

- **the fishery must be consistent with the precautionary approach, and follow, not lead, science; and**
- **the level of harvest should be determined by an acceptable building plan framework that would include Harvest Control Rules that apply to all levels of SSB.**

Stock Distribution

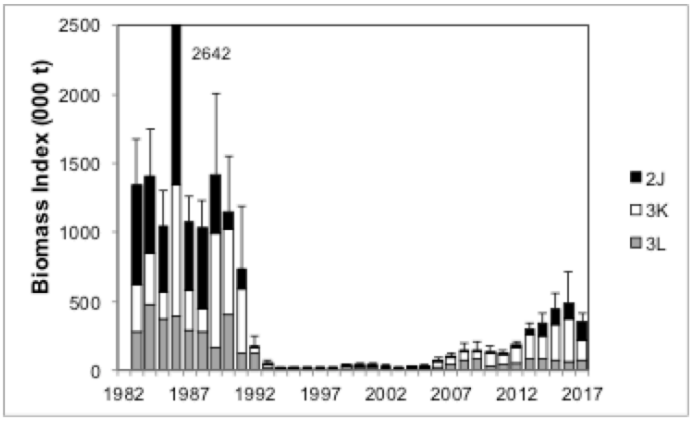


Northern cod inhabits a large geographical area 2J, 3K and 3L. The health and the recovery of the stock needs to account for a sustainable resource over the entire stock area. It is noted that the most recent scientific assessments points to little or no growth in biomass in area 3L over the recent period of the time series, yet fishing removals in 3L were higher in 2017 than in either 3K or 2J.

The lag in 3L is a concern as fishing mortality on this stock component appears disproportionately high. This presents risks to over-exploitation within the 3L zone. It should be noted that the 3L zone historically comprised a high proportion of the average SSB upon which the precautionary limit reference point is based.

It is interesting to note that during the mid-1990s when the stock was extremely low, the aggregations of cod in the inshore 3L area appeared to be the most productive component of the stock complex. More recently, the 3L component is much less productive. That requires consideration to ensure harvest levels do not impair stock recovery and growth.

- **Caution would be advised, to limit harvests on an area by area basis in response to differences in growth by area.**



Age Structure and Size at Age

A healthy, sustainable stock should have a wide distribution of age classes with good prospects for recruitment and at the same time the size at age should be at or above the mean values at a time when the stock was relatively healthy, i.e. mid to late 1980s. If population trends are growing then this is a good indicator of recruitment while size at age will indicate overall health of cod and availability of prey that enhance growth.

As noted the Northern cod stock remains in the critical zone and therefore growth monitoring should segregate key indicators of stock structure i.e. growth in population and growth in size at age. Good recruitment is critical to stock growth and recovery. The

enhancement of the age structure and size at age of the entire population will enhance stock rebuilding.

If either population or size at age is indicating unfavourable trends, or not increasing as desired for a stock being managed as Northern cod to enhance recovery, then appropriate management steps should be taken to restrict fishing activities and limit harvests.

Fishing mortality should not be increased unless significant growth and improving population numbers are demonstrated clearly from improving trends, with additional consideration on an area by area basis.

Environmental/Ecosystem Considerations

Environmental and eco-system key indicators are also important components of any recovery plan for Northern cod. The composition and availability of the principal prey species for Northern cod need to be monitored and considered, in addition to changes in water temperatures and other environmental factors known to influence cod distribution and growth.

In time, science and managers should be attempting to understand the various key stock indicators that explain why growth is occurring in some areas but not others. Again, such divergent indicators should dictate differing monitoring and management measures so as to enhance the prospects for stock recovery and ensure that various stock components are sustainably managed.

Any changes in removals should be consistent with positive (negative) stock trajectories and assessments of key stock indicators (included in the Northern Cod Assessment Model (NCAM)) such as: stock distribution, recruitment, age structure, size at age, as well as environmental and ecosystem considerations so that the slope of the trajectory and overall condition of the SSB is managed with stock recovery as a foremost objective.

MANAGEMENT - 2018 FISHERY

Harvest Level

Given the decline in SSB for northern cod in the 2018 assessment, ASP supports a reduction in fishing mortality in keeping with the Precautionary Approach.

As noted above and in the DFO Technical Briefing, fishery removals of late have been based on stock projections that did not materialize. In recognition of this and the stock decline that has occurred,

- **ASP supports a reduction in 2J3KL fishing mortality in keeping with the Precautionary Approach.**

Gear Types and Seasons

It is imperative for a stewardship fishery that we maximize value from the limited resource available to us. We are asking a lot of ‘mother nature,’ to fish in the critical zone; the onus

is on us to maximize the quality and market value at the very least. This can be addressed in using the appropriate gear types, best handling practices and fishing in appropriate seasons to ensure best quality.

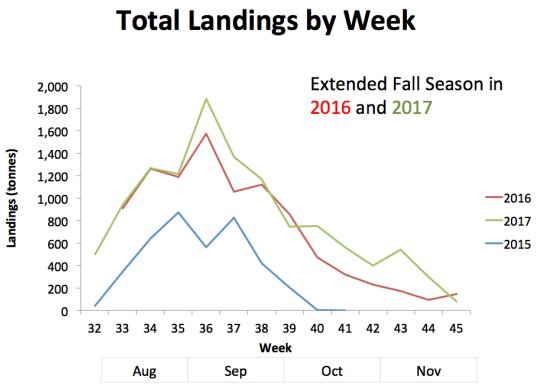
To date, the predominate gear type in the stewardship fishery is gill nets, with limited use of handlines and longlines. Some new investments are being made in autoline systems, but these are not yet widespread.

- **ASP supports appropriate incentives to move towards expanded use of appropriate line fisheries and trawls, and reduced use of gill nets.**

In recent years, there has been an effort to move away from summer fisheries, for reasons of quality and maximizing value in the fishery. Landings have been reduced in July and August, and effort has been in the fishery to move more landings into the fall.

The below figure from DFO shows extended fall fisheries from the stewardship fishery from October onwards in both 2016 and 2017 (versus 2015). Obtaining higher market value requires improvements in quality, with reduced summer landings and higher fall landings.

- **ASP supports efforts to move more of the fishery into the fall seasons, to improve quality and value of the fishery.**



Data collection

The collection and analysis of fisheries data is important to assist in understanding the resource. The reporting rate for tags was 45% in 2016, the lowest in the time series (1997-2016 average was 64%). DFO has reported that commercial harvesters returned more tags (79%) then recreational harvesters (21%, the lowest in the time series), indicating recreational landings are substantial relative to commercial landings and total removals are much higher than reported.

It is an additional privilege to fish in the critical zone: DFO requirements should be appropriately monitored and enforced.

Recreational Fishery

In 2016 the Government of Canada announced an extension to the recreational cod fishery, an extension that was balanced by a commitment to public consultations on a proposed new monitoring regime. Following on the consultations which included less than 300 participants, DFO rejected the idea of a tag system for this fishery in May 2017, but the fishery remained extended as had been done in 2016. There was talk of licensing in the fishery, and suggestions of consultations scheduled for 2018.

Given the substantial stock decline and prospects for continued decline in 2019, ASP is of the view that the stock cannot support a recreational fishery. ASP is compelled to speak on behalf of the industry generally – harvesters, plants, and others who make a livelihood from the fishery, and the communities they live in. We cannot support a recreational fishery in the context of a stock decline year over year, and certainly not in the absence of effective monitoring on removals.

- **ASP supports a closure of the recreational fishery.**

MARKET CONTEXT

The market has changed substantially from the days when a full commercial fishery for Northern cod was prosecuted. Competing supply from other wild-capture white fisheries and aquaculture harvests require a different approach in order that Northern cod might succeed. The new market realities must be accounted for in how the fishery is managed, to ensure best possible opportunity to land premium quality fish and obtain the best market returns. As noted before, we owe that to the resource and ourselves as we fish in the critical zone.

Premium market access for Northern cod is premised on the work of two industry Fisheries Improvement Programs (FIPs), to help prepare a future fishery for MSC or similar eco-certification. Given this is a stock under moratorium, market access can be deemed sensitive if not fragile. Additionally, premium cod products supplied to the European markets are invariably linked to the raw material prices paid for cod. Without those markets, prices would be lower. The European buyer and consumer is well-informed and invested in eco-certifications and sustainable fisheries. That cannot be placed in peril without ramifications for the industry in the province.

Now and even more so in the future, NL Northern cod will need to compete on the basis of our competitors, like Iceland. NL will need to produce optimal quality and consistency for niche markets to obtain premium pricing. That will be a challenge. But in reality, only a premium product can support the levels of investment required to rebuild the sector for a cod and/or groundfish industry. In the words of one industry participant, “we need to expand premium quality harvesting/production, upgrade the plants, invest in sustainability and food safety certifications, and educate consumers, [and] tell a story of quality…”. Northern cod will only survive in the market to the extent it is positioned as a high premium product.

CONCLUSION

A restrained approach is crucial to ensure this iconic resource and an expanded fishery are prepared to meet the appropriate scrutiny of fellow Canadians and the international marketplace, both of which are vigilant to ensure we do not repeat past mistakes.

Erring now on the side of caution is the only appropriate strategy. A general strategy of restraint grounds any and all increases in science, avoids past mistakes, accelerates stock recovery, and protects the substantial investments required for modernization and market development.

ASP

ASP is an industry trade association representing seafood producers in Newfoundland and Labrador. Members produce the majority of seafood in the province by value and volume, including snow crab, shrimp, and various pelagic and groundfish species. Member-companies include:

Barry Group Inc.
Beothic Fish Processors Ltd.
Golden Shell Fisheries (2014) Limited
Grand Bank Seafoods
Green Seafoods Ltd.
Happy Adventure Sea Products (1991) Ltd.
Independent Fish Harvesters Inc.
Labrador Fishermen's Union Shrimp Co Ltd
Notre Dame Seafoods Inc.
Ocean Choice International L.P.
Quinlan Brothers Ltd.
Quin-Sea Fisheries Ltd
St. Anthony Seafoods Limited Partnership
Woodman's Sea Products Ltd.

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