Opportunities for Sustainable Livelihoods in the Southwest Coast Lobster Fishery

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1.0 Executive Summary

Fish harvesters on the southwest coast of Newfoundland depend heavily on lobster to earn a living. In recent years, decreasing prices and other challenges have threatened the viability of the industry and the future employment of many harvesters' families and others dependent on the small boat fishery.

In the past few years southwest coast fishermen have had high average lobster catch rates per harvester and the number of active licenses in the region has been stable. Most of the lobster is sold to two local buyers and then exported, primarily to the United States. The Department of Fisheries and Oceans is the main regulator for harvesting, while the Department of Fisheries and Aquaculture regulates the industry post-harvest. Currently the environmental sustainability of the fishery is in question because although there are a number of conservation methods in place, exploitation rates are very high. Low prices contribute to the pressure on harvesters to fish intensively.

Photo credit: Nicole Purchase

If we cannot improve the economic viability of the lobster fishery, many harvesters in the region will be forced out of the industry jeopardizing local jobs in harvesting, buying, processing and in the transport of lobster and other fishery resources. This would also affect access to lobster and other fish as a source of healthy, locally-produced food and for use in the tourism sector.

Relatively little has been done to diversify markets, solidify access to markets and to look for ways to improve prices for lobster. There are a variety of alternative marketing

options that should be considered that might enhance the prices harvesters receive for at least some of their lobsters and fish. Some of these would not require a change in the regulatory framework; others would require some minor regulatory changes.

Increased direct marketing and enhanced local sales might provide new markets and better prices to harvesters for at least a portion of the lobster and fish harvested on the southwest coast. Fishers in New England and recently in Nova Scotia are experimenting with Community Supported Fisheries, where subscribers pay upfront for a weekly share of seafood. Buyers clubs and local seafood events are other ways to sell and promote seafood locally. Such sales may lead to more secure and higher incomes, but not without some investment and such schemes would probably require regulatory changes.

Ecolabelling is becoming much more common in the seafood industry. Recent indications are that Marine Stewardship Council (MSC) certification may be a possibility for the Newfoundland lobster industry in the coming years. Although ecolabelling can have conservation and some economic benefits and is becoming increasingly important for maintaining market access, it entails costs and often does not result in a price premium to primary producers like fish harvesters.

Fair trade labeling is another option. It is more common in the agricultural sector, particularly for food produced in developing countries, but may have potential for seafood. Some Canadian groups are trying to develop a fair trade system for Canadian food products. The objective will be to generate more secure livelihoods for producers. Other important components of a fair trade system include environmental and labour standards. Domestic fair trade is a relatively new idea and the approach has not yet been applied to the seafood industry. However, the advantage of a fair trade system (compared to ecolabelling) is that its core criterion is sustainable livelihoods. Once established, a fair trade labeling system is similar to eco-labelling in that it success depends on consumer demand.

The southwest coast small boat fishery appears to be at a cross-roads. Its future depends on improved prices to the harvesters – on sustainable livelihoods and, related

to this, recruiting a new generation of harvesters. Small producers elsewhere have developed or are developing alternative approaches to marketing that have the potential to add to the tools we can draw on to develop sustainable fisheries with the capacity to produce sustainable livelihoods. These options are the main focus of this Report. The potential benefits of these alternative approaches need to be weighed against required costs but, if change is desired in the industry, these options may provide some opportunities to try something new.

Those who read this report and are interested in this work and in getting involved or learning more, are encouraged to contact Professor Barbara Neis at bneis@mun.ca or by phone at 709-864-7244 or Mandy Ryan (FFAW) at mandy.ryan@nf.sympatico.ca or by phone 709-660-3265 for more information. More information about the CURRA can be found at www.curra.ca or by contacting Anita Best at the Bonne Bay Marine Station at abest@mun.ca.

2.0 Introduction

This report is one in a series of reports on west coast fisheries and fishing communities produced with support from the Community University Research for Recovery Alliance (CURRA) – www.curra.ca. The CURRA's purpose is to conduct research related to finding strategies for the rebuilding of fish stocks, fisheries and fishing communities on Newfoundland's west coast. This research is done in collaboration with a variety of community partners and often incorporates results from workshops and other kinds of activities. One component of this larger endeavour is research and forums on ways to achieve sustainable livelihoods among lobster fishermen on the southwest coast and elsewhere. The report provides an overview of the industry on the southwest coast and explores a variety of marketing options that could potentially be implemented in the area and that might enhance livelihoods and resource sustainability. By investigating the advantages and disadvantages of these options, our goal is to provide information that might be used by harvesters, buyers, policy makers and other members of fishing communities to strengthen the industry.

3.0 Background and Purpose

The lobster fishery is an important industry for communities along the southwest coast of Newfoundland. It has become a mainstay for many fish harvesters who now depend on lobster for the main part of their income. However, recent low prices have created some challenges for harvesters for whom costs can outweigh earnings from this fishery. Although lobster catches are currently high, this has not historically been the case and the reasons for the increase in lobster landings are not well understood. There is concern that they could suddenly decrease once again with devastating results that would be exacerbated by current low prices. If local fish harvesters cannot make a living from the fishery, they will gradually disappear leading to loss of employment in processing, reduced access to fresh fish and other seafood among southwest coast residents and for the tourism industry and the potential disappearance of local processors and buyers from the Southwest coast economy. Even if those presently in the industry survive, the lack of young harvesters coming into the fishery suggests that within a decade or so, there could be little left in the way of a local fishery in the region. Prolonged periods of low prices and increasing costs have the potential to contribute to economic decline in the region.

Because of these concerns, stakeholders in the lobster industry have recently been looking for ways to increase its viability. In Newfoundland and Labrador, one such initiative is a partnership between the Community-University Research for Recovery Alliance (CURRA), based at Memorial University, the Conservation Corps and the Fish, Food and Allied Workers Union (FFAW). This partnership funded a CURRA Conservation Corps intern to work with a steering committee that included fish harvesters, union and economic development stakeholders from the southwest coast in the summer and fall of 2010.

The main objective of this work is to promote discussion about ways to contribute to improved harvester incomes and to the long-term sustainability of this fishery. To achieve this objective, we developed a draft version of this report based on web-related and academic research and conversations with CURRA researchers. Conversations were also held with members of the Fish, Food and Allied Workers Union (FFAW),

representatives from the Department of Fisheries and Oceans (DFO) and the Department of Fisheries and Aquaculture, NL (DFA), as well as with fish harvesters and fish buyers on the southwest coast of the island of Newfoundland and with representatives of a number of organizations involved with creating and implementing alternative seafood marketing models that are of interest to this project. These organizations include the Association of Seafood Producers in Newfoundland & Labrador, the Fundy North Fishermen's Association in New Brunswick, the *Off the Hook* Community Supported Fishery in Nova Scotia, the Fair Trade group at the Cooper Institute in Prince Edward Island, the Farmer Direct Cooperative in Saskatchewan, *Cape Ann Fresh Catch* in Massachussetts and *Southern Rocklobster* in Australia. The Steering Committee met several times during the project to provide input into the draft report, on appropriate timing for the Port aux Basques workshop and on the workshop agenda.

A one-day workshop was held in Port aux Basques on November 5th 2010 (see attached workshop agenda, Appendix A). Workshop participants listened to presentations by representatives from the Department of Fisheries and Oceans and the provincial Department of Fisheries and Aquaculture regarding the status of the southwest coast lobster fishery and related initiatives. Don Ball with DFO discussed trends in lobster landings over the past century, important milestones in resource management, as well as current statistics related to landings and numbers of fishers and buyers.

Wilson Goosney from DFA provided an overview of the role of the department in the lobster industry. Their role includes issuing licenses to processors and buyers; enforcing the Fish Inspection Act & Regulations and Quality Assurance; and fisheries development. Participants also met virtually with Dr. David Schneider, principal investigator of a 3-year NSERC-funded project assessing the effectiveness of lobster conservation initiatives in

the region. They also listened to and discussed a presentation summarizing the results of the background research that was done on alternative marketing options by Katie Temple, the CURRA Conservation Corps intern, and met virtually with representatives of groups in Nova Scotia, Prince Edward Island and New Brunswick who were experimenting with these different marketing options. Those unable to attend the workshop were encouraged to send written comments on the draft report to Barb Neis, the CURRA Principal Investigator at bneis@mun.ca.

At the November workshop there were 26 people in attendance, including organizers, presenters and participants. Half of the participants completed evaluation forms and there was a general consensus that the most useful aspect of the workshop was the afternoon presentations from individuals in other Atlantic provinces who were implementing a variety of marketing models for seafood. Participants also appreciated the opportunity to learn about the results of the lobster conservation research from Dr. Schneider and the opportunity to bring together such a diversity of voices in the lobster industry to hear and discuss different perspectives. It was noted by multiple participants during the workshop, however, that it would have been useful to have the buyers represented as well. Some buyers were invited but unfortunately were not able to attend. Generally the evaluations showed that participants thought the workshop was interesting with much food for thought in the presentations.

The remainder of this report draws on background research and the presentations at the workshop. It presents an overview of the southwest coast lobster fishery and discusses a number of marketing models and options that have the potential to have a positive impact on harvesters' incomes through increased sales, access to new markets and, potentially, improved prices for their product. The options explored include local sales and direct marketing, including community-supported fisheries, and eco- or fair trade labeling options. Many of these options have been tried with varying success in other jurisdictions, as strategies to produce sustainable livelihoods for small producers in agriculture and to a lesser extent in fisheries. The report discusses some potential advantages and disadvantages associated with each option, as well as their potential

feasibility and some possible relevant opportunities and challenges associated with their implementation in the southwest coast lobster fishery.

4.0. Context

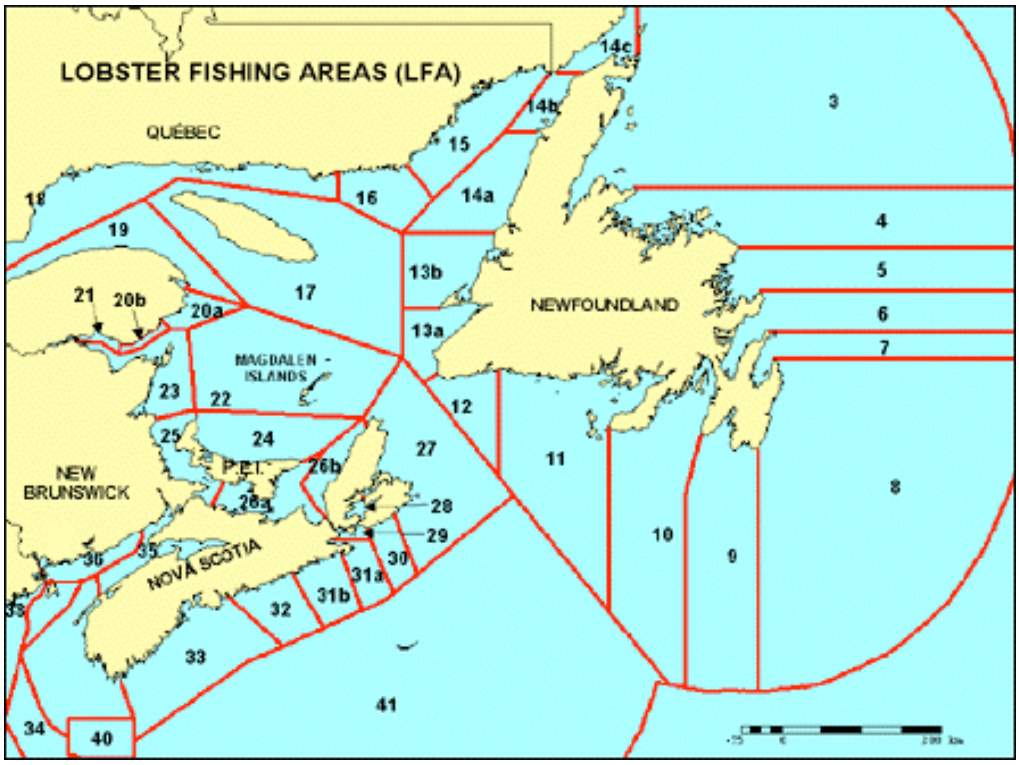
The steering committee decided that the geographical focus for this project would be the southwest coast of the island of Newfoundland, more specifically, the area between South Branch and Grand Bruit. This small area was chosen for two reasons. Firstly, it has common regional characteristics in terms of lobster harvesting methods and landings. Secondly, a small area was chosen in order to focus the project and to provide an opportunity for in-depth discussions, with the intention to use this initiative as a starting point for further projects on the west coast. Other regions can potentially learn from the findings in this report.

Due to limitations in the availability of data, however, the information in this report is mainly based on NAFO fishing areas and Lobster Fishing Areas (LFAs), whose borders do not directly line up with our geographical area of focus. Most statistics are for LFA 12 (NAFO Area 3Pn), an area slightly smaller than our working region (see map below). Some statistics may also include LFA 13a, and are labeled as such.

5.0 Overview of Southwest Coast Lobster Fishery

The southwest coast lobster fishery in Newfoundland and Labrador is characterized by a small number of geographically dispersed fishers with relatively high average lobster catches per harvester. All lobster are harvested in small, inshore enterprises. Two buyers operate in the area, King's Fisheries in Burnt Islands and Codroy Seafoods in Codroy. King's Fisheries buys directly from many harvesters by sending a boat along the coast to pick up lobster in isolated communities.

Figure 1: Lobster Fishing Areas as designated by the Department of Fisheries and Oceans (Source: DFO 2010)



Virtually all lobster is sold live and shipped off the island, often destined for the Boston Seafood Market. A small but unknown percentage is retained and sold in the province. The entire lobster industry in Canada, including in Newfoundland and Labrador is highly dependent on the American market as 80% of the supply is exported to the United States. Some of these exports are then sent to other countries (pers.comm. K Sullivan).

Annual national landings range from 45,000–50,000 tonnes, with Newfoundland and Labrador contributing between 2-3000 tonnes. The landings of the southwest coast (Area 3PN) have historically been only a small fraction of the province's total. This continues to be the case, despite recent increased landings, as catches for LFA 12 were only 5% of Newfoundland's total in 2009 at 127 tonnes (DFO 2009a).

In this region, landings have increased considerably over the last decade while the number of harvesters has remained stable. Although the total landings for the area are relatively small, the current average landings per harvester in this area are well above the provincial average. In 2009, the mean catch was a little over 3 tonnes/harvester, substantially higher than the average 1.4 tonnes/harvester for the province as a whole. . In contrast, the average catch per harvester in 2003 was approximately half a tonne, much lower than the provincial mean at the time of 1 tonne/harvester.

The number of active fish harvesters in NAFO Area 3Pn has remained constant at approximately 40 over the last decade, while landings have increased from 22 tonnes in 2003 to 127 tonnes in 2009. In 2010, landings were 136 tonnes (DFO 2010), which continues the recent trend of increased landings. The increase in regional landings can be partially attributed to increased fishing efficiency and intensity, however, large and unexplained increases in the lobster biomass have also been reported by fish harvesters (pers. comm. M. Way).

5.1 Governance

The federal Department of Fisheries and Oceans (DFO) is the main regulator of harvesting, setting controls, determining conservation measures, conducting research and designating Lobster Fishing Areas (LFAs), of which there are 41 in Atlantic Canada

and 16 in Newfoundland. LFAs were developed based on geography, rather than lobster distribution, meaning that many LFAs correspond to bays (Ball 2010). For example LFA 10 includes Placentia Bay and, on the west coast, LFA 13a is St. George's Bay.

Each Lobster Fishing Area (LFA) has an advisory committee that provides input into specific management practices for their respective LFA, including fishing season beginning and end dates as well as decisions on which voluntary conservation measures to implement. Advisory committees include harvesters, DFO officials and industry representatives.

Provincially, the Department of Fisheries and Aquaculture (DFA) sets regulations once the lobster are landed, thereby regulating how it must be handled, processed and sold. DFA licenses buyers and processors, allowing them to control and limit how many companies may purchase and process seafood in the province. Licenses are re-issued annually if certain conditions are met and any applications for new licenses must be made to the Fish Processing Licensing Board. In 2010, 20 buyers' and 54 processors' licenses were issued, as well as 15 In-Province Retail licenses (Goosney 2010). The DFA also sets minimum processing requirements, which means that certain fish are not allowed to be sold whole or fresh. There are no processing requirements for lobster in that they can be sold live and whole. Most NL lobsters are marketed this way, although there is a small secondary processing plant for lobster in Codroy which produces some frozen whole, tails, meats and claws. This plant recently received some support from DFA's Fisheries Technology and New Opportunities Program, which provided $2 million to initiatives in the province (Goosney 2010).

Provincial inspectors do quality inspections of seafood and the facilities used to store, process or move product. They not only do quality assurance but also ensure there are no v-notched lobsters, egg-bearing females or dead lobsters being sold. When lobster are to be shipped off the island, inspectors are also required to ensure the shipper is a licensed buyer or processor and is complying with the Act, including proper labeling and proper storage (Goosney 2010).

In NL, fish harvesters are not currently supposed to sell their products directly to retailers or consumers. This right is limited to licensed fish buyers and processors. A licensed buyer may purchase seafood directly from a harvester. Unlike all other seafood in Newfoundland, live lobster does not have to be marketed through a processor; licensed buyers are also permitted to market it. As with other species, licensed processors may purchase directly from harvesters (DFA 2008).

According to the DFA, the rationale for the regulation preventing direct sales by harvesters is both economic and health-related (Dana Peckham, personal communication, September 2010). When buyers and processors are brought into the system, it provides employment opportunities that would not exist if the middlemen were simply cut out. If harvesters were allowed to sell to customers, it would take business from licensed buyers. Furthermore, these buyers and processors have the equipment, facilities and technology to properly store, handle and process the seafood according to food safety regulations.

According to a presentation by Wilson Goosney at the workshop, DFA recently hired a consultant, Eric Dunne, to review the regulations pertaining to the ability of harvesters to sell their catch through direct marketing methods. It remains to be seen whether any recommendations and any associated regulatory changes will be made. However the consultant's report is expected to be available before the next fishing season (W. Goosney, personal communication, December 1, 2010)

Because of concerns about overcapacity in seafood processing, DFA introduced some policy changes in 2008 including a freeze on new buyers' licenses in the province. Furthermore, no new in-province retail processing licenses are to be issued – these are licenses for establishments that sell locally, rather than for export (DFA 2008). The industry as a whole is currently waiting for the release of a report coming out of a memorandum of understanding related to restructuring the fishery. This is expected to be released in January and its recommendations may influence future options and alternatives for local and direct sales by harvesters within the province's fisheries. (http://www.releases.gov.nl.ca/releases/2009/fishaq/0714n06.htm)

5.2 Ecological sustainability

Despite some very positive features to the fishery, the ecological sustainability of the lobster fishery in Atlantic Canada remains in question. On the positive side, there are multiple characteristics of this fishery that contribute to responsible management and conservation. For example, Canada's large inshore lobster industry (including that in Newfoundland and Labrador) is one of the few fisheries that still uses traditional, stationary baited traps that minimally disrupt the ocean floor.

The fishery is currently managed using both input controls and escapement measures. Input controls include limits on the number of licenses, traps per license, vessel size, trap size as well as the number of allowable fishing days (Fisheries Resource Conservation Council 1995). Escapement measures include: minimum and maximum size limits, mandatory release of females bearing eggs, voluntary v-notching of egg-bearing females and a ban on sales of v-notched lobsters, and escape mechanisms in traps for small lobsters (FRCC 2007).

One of the main issues in Newfoundland and Labrador, and indeed in all of Atlantic Canada, however, is that there is relatively little known about the numbers of lobster in the ocean, as there are no estimates of lobster stock size in Canada (FRCC 2007). Rather than biomass estimates, landings are used as an indicator of stock size. However, this method is problematic as many factors including increased efficiency can influence landings.

In 1995 the Fisheries Resource Conservation Council reviewed the status of the Atlantic lobster fishery. Its report recommended a number of changes to enhance resource sustainability including the continuation of v-notching, reductions in the number of traps, mandatory trap tagging, closed areas, a reduction in fishing days, establishment of a Marine Protected Area in Eastport, an increase in minimum size to 82.5mm and a maximum size (127mm). A decade later a second review was commissioned to assess whether changes had been made in the industry since the first set of recommendations.

In his workshop presentation, Ball indicated that the following changes have been introduced since the first review. In 1998, the minimum size was increased as recommended and some LFAs have reduced trap limits. An MPA was established in Eastport in 2005. The number of licenses has also decreased considerably in western Newfoundland, however, this is mainly due to license buyback programs related to the cod moratorium. The number of fishing days has also been reduced. On the southwest coast (LFA 12 and 13), minimum size was increased (from 81 mm to 82.5 mm), voluntary v-notching is encouraged, and trap limits in LFA 12 were set at 150 and in LFA 13 at 200 in 1993 (Mandy Ryan, Personal Communication, September 2010). The number of fishing days for LFA 12 was set for 69 and LFA 13A at 71 (Ball 2010).

Despite these changes, the Fisheries Resource Conservation Council (FRCC) expressed concern in their 2007 report about the sustainability of the lobster industry. The FRCC's consultations throughout Atlantic Canada and Quebec in preparation for their 2007 lobster industry review showed that there had been an increase in overall fishing effort and efficiency in the region. For example, the FRCC found that there have been large

increases in *total trap area* in Atlantic Canada over the last few decades. Total trap area is the potential area of seafloor covered by the maximum number of traps that are permitted in the area. Based on current trap size regulations, the total trap area may have increased by 86% from 1993 levels, resulting in a total trap area of over 1.1 million m^2 (FRCC, p. 38, 2007). The FRCC also concluded that there is a very high exploitation rate in most Newfoundland LFAs (approximately 90%) and that exploitation may be at levels that are not sustainable in the long term (2007). If effort and efficiency are increasing, stock assessments that use landings as their basis will overestimate the size of the stocks and could send the wrong signal about stock health.

In general, there have been changes in gear, vessels and technology that have improved lobster fishing efficiency in many LFAs. Because there is a 'rush to fish', fish harvesters benefit by being more efficient, i.e. investing in better boats and technology such as using wire traps rather than wooden, as well as improving their effort, i.e. increasing the number and size of their traps and hauling them more frequently.

Despite this general trend the situation in LFA 12 may be slightly different. Unlike in some other lobster fishing areas, LFA 12 has not seen huge changes in terms of larger boats and new technology. The main change has been a shift to wire traps, which are generally much larger and therefore more efficient than traditional wooden traps (pers. comm. M. Way). Moreover, as previously mentioned, local harvesters have increased effort mainly *because* they have seen large increases in lobster numbers so they may be fishing more intensively and longer during the season. This LFA had not historically been a lobster fishing area, partly because of an abundance of other species, but also partly because of relatively poor lobster fishing (pers comm. M. Way). Recent dramatic increases in landings for LFA 12 then, may be the result of both increased effort and efficiency and increased stock size.

Recent research partnerships between Memorial University researchers and the Fish, Food and Allied Workers Union (FFAW) have resulted in studies seeking to document the effectiveness of some of the lobster conservation measures introduced in recent years. To date, the results from a study on v-notching have indicated that this practice can

have a positive impact on the number of larger, more fecund females in the population and leaving these in the water can dramatically affect the reproductive value of the stock (total number of eggs). The number of eggs produced increases exponentially with the age of the female, meaning that a small percentage of older lobsters produce a much higher proportion of eggs overall (Schneider 2010). Other research has also shown that egg production per female is higher in areas closed for fishing, such as MPAs and other kinds of closed areas, than in adjacent areas where fishing occurs. (Schneider 2010). Other ongoing research is looking at the potential benefits of releasing larger lobsters (maximum size limits), as well as the effectiveness of Marine Protected Areas. (http://www.curra.ca/documents/Presentation_Dave_Schneider_Nov_5_2010.pdf) (http://www.curra.ca/documents/Goetting-Effects_of_V-Notching-web_version.pdf)

Until 2010, lobster harvesters were not required by DFO to keep logbooks. However, the FFAW Lobster Science Program, in which a limited number of harvesters participate, has had logbooks in place for several years. Up to 2010, this was the only logbook information available to science. In 2010, all lobster harvesters were required by DFO to record the date, the number of pots hauled, the number of commercial lobsters kept, the estimated weight of lobster kept and the number of lobster they have v-notched for each day of the season. This will make it more feasible to monitor catch rates in the future at the level of each LFA.

5.3 Economic Issues

As a whole, the lobster industry is the most lucrative sector of the seafood industry in Atlantic Canada and is a billion dollar export industry (DFO 2009b). However, in Newfoundland and Labrador, lobster generally has less significant economic value than other species. Overall, shellfish is the largest generator of wealth in the seafood industry contributing 83.3% of total landed value in 2009 (DFA 2009). Although a major species, lobster contributed only 5% of this total at $18.1 million. In certain areas however, lobster is economically important for harvesters.

Because of the closure of local cod fisheries in 1994 and 2003, and very low Total Allowable Catches for the area during other years, lobster has, in recent years, been the

main source of fishing income for many fishers in LFA 12. As a result, problems with the lobster fishery (reduced landings, low prices, increasing costs or some combination of the three) have the potential to jeopardize the future of small scale, inshore fishing households on the southwest coast and elsewhere in Newfoundland and Labrador.

Fishers have been negatively affected by decreases in the market price for lobster over the past few years. Between 2007 and 2010, the price to fish harvesters for lobster steadily declined from an average of over $5/lb to a little over $3/lb (DFO 2010b). This decline has been attributed to the high value of the Canadian dollar as well as the recent global recession, which affected lobster demand in the United States (pers. comm. K Sullivan). The average gross sales for a harvester in LFA 12 for 2009 totalled $21,700 (based on average landings per harvester multiplied by average price). This is a decrease from just 2 years before despite higher average landings. In 2007, the average harvester earned $27,300 in gross sales from lobster.

The impact of lower prices has been offset somewhat by increased landings/enterprises in LFA 12. However, although landings are currently high, there is fear these might suddenly decrease as has happened in other LFAs (pers. comm. Roger Fowlow). In addition, fishing costs have gone up. Two main factors have contributed to increased costs: the cost of fuel and the shift to purchasing wire traps. Wire traps are, however, more efficient and reduce the time needed for repairs.

Because of the seasonal nature of the fishery, many harvesters are dependent on Employment Insurance income in the off season. Low fishing incomes can negatively affect their EI eligibility because they must make at least $11,382 in insurable earnings

to be eligible for maximum EI benefits and lower harvesting incomes can mean lower EI benefits. Lower prices and higher costs mean harvesters must increase their fishing effort and, often find another job, which may mean travel outside the province to look for work (pers. comm. M Way).

The current structure of the lobster industry affects the ability of harvesters to sell some of their lobster locally for additional income and perhaps at higher prices than they can get from the buyers and the processors, as this is prohibited by provincial regulation. Although some fishers do make some sales in this way because of minimal enforcement, these sales are not EI insurable, and are therefore only useful when the catches are high enough to ensure they meet the minimum for a successful EI claim. Because of isolation, many are restricted to selling to only one buyer, and must take whatever price is offered. They generally do not have the ability to 'shop around'. However a recent project by the FFAW has given harvesters more knowledge and negotiating power. During the season the union sends the weekly price for lobster in areas in other Atlantic provinces to the harvesters and suggest a minimum price for Newfoundland lobster. This means harvesters have a better idea of what might be a fair price that week (pers comm. K Sullivan).

6.0 Marketing Options

Alternative marketing options exist for the lobster industry, and they differ in terms of scale, potential benefits and challenges to implementation. Presented here are examples that range from local sales and direct marketing, to various kinds of consumer labeling that might be useful in the local lobster industry. The information presented is based on research as well as workshop presentations and discussion.

6.1 Direct Marketing and Local Sales

What is direct marketing?

In the case of direct marketing schemes, the attention is focused on finding ways to increase the ability of harvesters to sell further up the marketing chain, to customers such as retailers or individuals, rather than to a buyer or processor. Examples of direct marketing enterprises include sales made directly to a local fish market or restaurant,

from a roadside van, at a community market, on the internet, through a buyers' club or through a community supported fishery. With direct marketing, harvesters can set up individual businesses, or sell through organizations such as cooperatives or fisher associations.

Local sales entail situations where the buyer, the harvester or a processor deliberately targets some of their product to local domestic buyers, reducing their reliance on more distant domestic and export markets. Direct marketing and local sales often go hand in hand. However, there are examples elsewhere where, due to regulations, harvesters sell to their local buyer or processor, who then sells some of that product to a local niche market (such as a Community Supported Fishery or local restaurants), usually with a price premium based on the fact that the products were produced locally and on claims about freshness and quality.

Below are descriptions of a number of direct marketing and local sales methods that are having success in other fishing communities. Some fishers in these schemes only make part of their income from these methods. They often continue selling to their local buyers, and then for additional income they take part in direct marketing projects. However, some fishers make most of their income from such initiatives.

Community Supported Fisheries

An innovative scheme that has recently emerged for some small scale fishers is Community Supported Fisheries or CSF. It is growing quickly in the New England states, and two such schemes now also exist in Canada. Modeled after a similar concept in agriculture (CSA), a CSF is a 'share' system in which fish harvesters sell to subscribers, who are local consumers, retailers or restaurants.

Customers (subscribers) sign up at the beginning of the season to become members and purchase a share in the CSF. They pay at the beginning of the season and then receive weekly deliveries of fish. The purpose is to provide a secure livelihood for fishers while providing fresh local fish to customers. The environmental sustainability of the fishery and an opportunity to get to know the fish harvester and to know where their

fish comes from are also key aspects of CSFs. These fisheries often use less destructive harvesting methods, and/or go beyond environmental regulations already in place.

In the United States, the Northwest Atlantic Marine Alliance (NAMA) has been instrumental in helping to set up and provide resources for new community supported fisheries particularly in the New England states. Each one is unique in some ways but each follows the same basic concept.

For example, two CSFs are offered by the Yankee Fisherman's Cooperative in New Hampshire, one sells shrimp and the other sells whole fish and lobster. The coop includes 61 commercial fishermen who catch a variety of fish. Subscribers can pay for a full ($280) or a half share ($140) for 8 weeks. A full share is 8 – 12 lbs of fish a week and a half share is 4-6 lbs. For lobster, a full share is $400 for 10 lbs a week and a half is $200. Subscribers can also alternate and have lobster one week and whole fish the next (www.yankeefish.com).

Another very successful CSF in New England is *Cape Ann Fresh Catch* in Gloucester, Massachusetts. Cape Ann was originally set up by the Gloucester Fishermen's Wives Association as they became increasingly frustrated in their struggle to make a living as small scale fishing enterprises. They now have hundreds of subscribers in many different communities (Emily Currier, personal communication, September 2010).

Off the Hook CSF, Halifax

The first CSF in Atlantic Canada is Off the Hook, which supports a small cooperative of ground fish fishing families in the Bay of Fundy in Nova Scotia. Sadie Beaton, who currently works for the Ecology Action Centre as the CSF coordinator gave a presentation at our workshop in November. She indicated that through a strong partnership with the Ecology Action Centre (EAC), five fishermen formed a cooperative in June 2010, with the EAC

responsible for coordination and marketing on a fee-for-service basis. The fishers make up the board of the cooperative, and provide direction to Sadie as the coordinator. The current arrangement is a 2 year contract.

The Ecology Action Centre was a natural partner for this initiative because they have had a long-standing relationship with a number of fishing associations since the mid-1990s, working on issues such as protection and restoration of the marine environment and the revitalization of coastal communities. In particular they are connected with the hook and line fishers and groups such as the Fundy Fixed Gear Council, as their practices were seen as more environmentally sound.

The idea for a community supported fishery came about after the Ecology Action Centre did a study on seafood direct marketing in Nova Scotia funded by the provincial fisheris department. It included a consumer survey in which most consumers expressed a strong willingness to pay more for direct marketed seafood if the premium went to support the fishers and the environment. After speaking with representatives from a number of community supported fisheries in New England, they engaged in discussion with fishermen in the Bay of Fundy about the feasibility of doing something similar. They also spoke with people involved in Community Supported Agriculture programs in Nova Scotia to get some advice.

The Ecology Action Centre applied for and secured provincial (Seafood Sector Renewal Program) and federal funding (Rural Secretariat Program for Innovative Cooperatives) in order to support staff, business development and marketing. For their first season (Summer 2010), they signed up 99 customers who are all in the Halifax area. Finding customers was fairly easy with a little marketing effort including social media such as Facebook. The fishermen are located a few hours by ferry and car from customers, so one of the fishers was also hired as a delivery person to bring in the catch each week to a drop off point in Halifax. They set up tents and tables and then as customers arrive they weigh out the fish

Their current scheme has two options: a full share or a half share. The half is a one time payment of $260 which pays for 8 weeks of 4-6 lbs of fish per week. The full share is a one time payment of $500 for 8-12 lbs per week. All fish is sold gutted, on ice, however they are not allowed to fillet the fish for the customers. It works out to approximately $6.50/lb, of which $3.00 is paid to the fishers and the rest goes back to the cooperative. At the moment the income from the CSF is not EI insurable.

One of the biggest issues in the endeavour was setting a fair price for the weekly share. The top priority was to set a decent price for harvesters at the same time as ensuring affordability for a range of customers. They also did not want to set a price so low that it would undercut any new CSF endeavours. They were also concerned that customers would not want to purchase whole fish, however this was less of a problem than they had anticipated. Some of this concern may have been offset because they organized filleting demonstration days during the first two weeks of the CSF. During these demonstrations, the fishers also did some public education around worms and parasites in the fish, letting customers know that they were harmless from a health point of view.

At the workshop in Port aux Basques, one of the fishermen involved in Off the Hook talked about what it has meant for his enterprise. Although they are starting small, he is very enthusiastic about how it has worked so far and has hopes for how it will develop in the future. The coop purchased about 1/5th of the fish he caught during the summer season, but it contributed about 1/3rd of his total income because the price was so much better than at the wharf. He would much rather be able to catch less and make more per pound.

Buyers' Clubs

Another innovative example of local sales is a buyers club, which is similar to a Community Supported Fishery but has some differences. The Fundy North Fishermen's Association is currently working on a such a scheme, which is very small at the moment, with only about 20 people on the list but they would like to expand next year to have about 50 – 100 customers. Maria Recchia from this group gave a presentation to the November workshop about its history to date and some of the opportunities and challenges she sees.

The buyers club is a little different from a CSF, in that they have a list of customers who, rather than getting a share of fish every week are sent instead a list of available fish for the week. Customers like the fact that they can place an order for the type and quantity of fish they would like to order that week. The Fishermen's Association then delivers the fish to individual customers. They offer a variety of seafood including halibut, haddock and shad, as well as some shellfish including lobster, shrimp and scallops. Fishers receive a higher price than they would normally get from selling to a regular buyer. Sometimes the price is just a little higher (for example, rather than 50 cents a pound for shrimp, the club paid 75 cents a pound), however, sometimes the price difference is much greater, such as when they paid fish harvesters $5.50/lb for fillets when they would normally receive 60 cents/lb for whole fish.

Seafood Events

The Fundy North Fishermen's Association also organizes a second alternative marketing scheme. Maria indicated in her presentation that they organize an annual Christmas event where fishermen sell lobster straight from the wharf with a large scale advertising campaign beforehand. Customers are able to get an 'authentic' experience of buying lobster directly from a fisherman. Their first event was extremely successful, with huge line ups and people waiting for hours to get their lobster. This type of event is most

successful when catches are high so that fishers have enough extra to sell to the public. Another similar event that they tried in June, right before Father's Day, wasn't as successful so they are going to try another one at Christmas again.

One event that is gaining popularity in fishing areas in New England is the Seafood Throwdown. Although not technically a seafood marketing event, it does provide an opportunity to showcase, celebrate and build support for local seafood and fishers. Organized by the Northwest Atlantic Marine Alliance, in partnership with local hosts, Seafood Throwdowns take place at farmers' markets along the coast.

Two chefs are invited to take part in a competition where they bring along three ingredients and then are presented with a surprise seafood. They are given $25 and 15 minutes to shop at the market for other local products and another hour to create a delicious seafood dish, while being cheered on by market customers. It provides an opportunity for chefs to show people how to work with whole, fresh seafood, as well as educate consumers about fisheries issues.

Direct Marketing and Local Sales Benefits and Challenges

Various forms of direct marketing or local sales for seafood products offer the potential to provide more price stability and a price premium for harvesters, contributing to sustainable livelihoods among harvesters and to the sustainability of local fisheries upon which buyers, processors and local communities depend.

Initiatives such as buyers clubs and community-supported fisheries schemes are experimental, however, and are therefore encountering new challenges as they develop. Lessons are being learned and most people involved are happy to share their experiences. Benefits for harvesters can be many, including economic stability and a secure price, however there are also disadvantages.

A recent study in Nova Scotia looked at emerging trends in direct marketing for small scale fishers (Anchor 2010). Results indicate that small scale direct marketers were

motivated to sell directly to customers rather than to primary processors because of frustrations with the global commodity market, as well as with buyer consolidation. They felt that direct marketing could provide them more control over their livelihoods and the ability to ask for a better price for their catch.

A Community-Supported Fishery can provide a higher than average, stable price for a harvesters' catch. With a regular customer base and payments up front, they always know where their income is coming from. It can also allow them to sell underutilized species which may not be commercially viable otherwise, as well as allow fishers to move away from a constant dependence on and pressure to overfish certain popular species.

In addition to these economic benefits, the CSF provides opportunities for direct communication with customers, allowing for education on fisheries issues and contributing to the development of an environmentally-minded, socially conscious population. The Fundy North Fishermen's Association also found a main benefit from their marketing endeavours was a higher profile for fishermen in the area, which is one of their main goals. Although there is quite a large fishery in the Saint John area there is little knowledge about it among the general population and many consider the fishery to be an industry of the past. From the work that the Association has done, including the lobster sale events and the buyers club, the community has more knowledge of the industry and is more empathetic towards fishermen's issues. They therefore have more political clout with the public support they have achieved through connecting the consumer with local fishers.

Another advantage is that generally there is lots of consumer demand for these schemes. A new CSF that is opening in Cape Cod in New England in fall 2010 called Cape Weir Harvest initiated a survey to consumers in order to determine whether there was enough local demand and the response was extremely positive. Consumers were willing to pay more to ensure that more dollars stayed in the local system and supported harvesters. The Fundy North Fishermens' Association and the Off the Hook CSF have also both encountered strong public support and consumer demand. Fundy North has also experienced a positive response from certain restaurants because they can now provide details about the fisherman and the boat that caught the fish on the menu.

As previously mentioned, a recent survey initiated by the Ecology Action Centre found that customers in Nova Scotia are generally willing to pay a price premium for directly purchased seafood, especially if the extra cost means support for harvesters, communities or the environment (Anchor 2010 – available on the CURRA website). However, although there are a number of enterprises selling seafood directly in Nova Scotia, efforts are generally not coordinated and stakeholders feel that the policy environment is geared towards larger, industrial fleets producing for the export market. Because many aspects of the fishery are under federal jurisdiction, similar policy barriers may also exist in Newfoundland and Labrador.

These benefits must be weighed against some of the obstacles. A CSF can be challenging to start. There are many upfront costs. There needs to be enough funding and human resources to support local marketing, project coordination, seafood delivery and so on.

Some of the main challenges for most CSFs are those related to the regulatory system because there are processing requirements for seafood, as well as a number of different permits and licenses required. For one CSF in New England that is starting up this fall, regulations are similar to those in Newfoundland and Labrador in that seafood must be sold through a seafood market or dealer before it reaches the customer. This CSF has therefore partnered with a local seafood market, which has become the pickup point for customers.

The buyers club in Fundy North had to get a special exemption from the regulations in the new seafood processing act. They got this exemption because fishermen in New Brunswick are allowed to sell from their boats at the wharf and the buyers' club is considered an extension of this type of sale. They also have an exemption from Department of Health regulations relating to the sale of seafood to the public. Technically, harvesters are not allowed to sell to the public in New Brunswick but because in their case, they are dealing with a collection of individuals who have signed up to purchase the fish in advance, these are not considered to be sales to the public.

One of the other issues for the buyers club in Fundy North is that the fishermen have to supply their commercial buyers first. This means that, if the catch is low, there is very little left for the buyers club. This year in particular catches were low so they ran into this issue often.

Some CSFs have experienced some reluctance on the part of customers to purchase whole fish, because they then have to fillet it themselves. In Fundy North there are no longer any fish processing facilities, so it is difficult to get the fish processed. The fishermen are allowed to process it on their boats but they aren't able to do enough to meet the demand. The Off the Hook CSF has dealt with this issue successfully by offering filleting demonstrations to customers to make them more comfortable with processing the fish themselves.

One of the other problems for most CSFs is setting a price for the seafood that suits everyone's needs. The customers expect affordable prices, they want to pay fishermen fairly, but they also don't want to undercut the local buyers or any new CSFs that start up. Supplying restaurants can also be a challenge because they need a consistent and large supply. In Fundy North, the best success has come with serving small restaurants that give a high priority to local food.

Discussion

In Newfoundland and Labrador, prices for lobster are largely beyond the control of harvesters, processors and local buyers because they are competing in distant markets where prices may be largely controlled by retailers and where the costs of shipping and other factors (such as seasonality) may undermine the competitiveness of products from certain sectors (a small scale fishery) and areas (Newfoundland).

Promoting more local sales through direct sales and through developing niche markets has the potential to somewhat reduce regional dependence on export markets, generate a price premium for some of the lobster and potentially other fish products, and to thereby increase the potential for more of the wealth generated from the lobster fishery to remain in the southwest coast region and in the hands of local harvesters and, where they are involved, buyers and processors and tourism operators. As suggested by examples given at the workshop, these sales could also contribute to employment creation and to the local capturing of wealth outside of the fishery by improving tourism, etc.. Aside from economic benefits for harvesters, it was indicated at the workshop that another broader societal benefit of increased local sales would be the potential to contribute to food security by providing the local population with a local source of healthy, fresh food.

As noted above, there are regulatory barriers to direct local sales of seafood products by harvesters in NL. Provincial regulations (under the *Fish Inspection Act*) currently prohibit fish harvesters from selling directly to anyone except a licensed buyer or processor (DFA 2008). This means that they are generally not allowed to sell directly to restaurants, retail stores or individual customers such as groups organizing lobster dinners for charitable and other purposes. There is also a freeze on new processor and buyers' licenses in the province (DFA 2008) which could prevent the formation of, for example, a new cooperative enterprise run by harvesters or a consortium of local groups if existing processors and buyers are not interested in working with harvesters to develop these new initiatives. However, as was mentioned at the workshop by Wilson Goosney of DFA, the current regulation is now under review and recommendations for potential

changes may be available before the beginning of the next fishing season (Wilson Goosney, personal communication, November 2010).

It is unknown the extent to which buyers and processors in southwest Newfoundland have tried to maximize local sales of lobster products, whether or not they can get a price premium for local sales and, if so, if that premium is passed on to harvesters. In Bonne Bay, CURRA discussions suggest that there has been little in the way of formal coordination between fisheries and tourism operators around maximizing synergies but certainly seafood moves into the tourism sector.

Local markets are small in areas like the Southwest coast but there is a large tourism trade and it might be possible, through creative marketing and appropriately placed outlets and events, to promote local marketing at the regional scale or to build a wider market for sales as has been done for cod-potted cod from Fogo which is now sold in a restaurant in St. John's and one in Ottawa. As expressed at the workshop, Port aux Basques is strategically located in terms of capturing tourism dollars because of the ferry terminal. At the same time it is not too distant from larger centres such as Stephenville and Corner Brook. There may be an opportunity to tap into consumers and tourists in those areas who would like to purchase local seafood. A recent study done in Nova Scotia by the Ecology Action Centre found that there was overwhelming support by the public indicating they were willing to pay higher prices for local seafood if the price premium went to support harvesters and the environment (Anchor 2010). It would be useful to find out if Newfoundland consumers also have such a desire to support local food producers.

One alternative, and perhaps the easiest, might be to collaborate with local buyers who would work with the fishermen to develop this local, direct sales market and provide a premium price to the fishermen for their engagement in marketing and other support activities.

As it stands right now, a regulatory change would be required for harvesters to legally engage in direct sales of lobster and fish in NL. Alternatively, if harvesters formed a

cooperative and the freeze on buyers' licenses was lifted or waived or they could access an existing license, the cooperative could engage in direct sales. There would be costs entailed, skills development would be needed and the cooperative would have to meet the other regulatory requirements such as those related to food safety.
Thus, the potential benefit of a greater share of the profit through direct sales comes with some risk. Direct marketing will also likely mean more work for harvesters, as there is more responsibility in operating a business, engaging in marketing and managing customer relationships, among other responsibilities. In rural areas, selling directly can have challenges if the customer base is small. It may be necessary to try to expand into larger markets, which would entail storage and transportation costs.

There is also the issue of EI eligibility – the need for some mechanism to ensure that direct sales are counted towards EI eligibility. It is important to note that revenue generated by the Off the Hook community supported fishery in Nova Scotia is not EI insurable for the fish harvesters (Beau Gillis, workshop presentation and discussion, November 2010). Working with the buyers would address the EI eligibility issue and could potentially address the concern of workshop participants that direct sales would negatively affect plant workers who also need work. It would take into account the reality that most harvesters will continue to need to market most of their catch (particularly lobster) through buyers, into the export market. This may also present an opportunity because the current economic situation for lobster is manageable – although prices are low, harvesters are still able to make a living. However, the situation with groundfish is much worse according to participants at the workshop. Prices are very low at the wharf and fishermen are not making much money. But buyers might not be willing to pay a premium price for some parts of the catch.

One of the presenters, Maria Recchia from the Fundy North Fishermens' Association, indicated that the work they are doing is intended to benefit everyone. Their concern is to make more local seafood available to the local population and it is hoped that this will support not only the fishermen, but others in the industry as well. If buyers have more retail outlets, for example, this could provide a way to get more local seafood from the harvester to the buyer and to local customers. As noted at the workshop this may become a more desirable option for buyers in the future if oil prices continue to rise because it may not be as profitable to export most of their seafood. It may become more economically practical to look at a larger number of smaller, more local markets and higher value niche markets.

As suggested by some participants at the workshop, one of the options for the southwest coast would be to try a pilot CSF involving a small number of harvesters. If buyers were on board, a system could be set up where harvesters sold to buyers, who in turn sold to a set number of customers each week either in the local area, or in larger towns like Stephenville or Corner Brook. Alternatively, these harvesters could set up a cooperative and ask to have the direct sale regulation waived.

Because most harvesters have multi-species licenses, a variety of fish might be able to be offered each week. A spring season and a fall season could be offered as well, similar to the Off the Hook CSF in Halifax. Participating in such an endeavour may not initially (or maybe ever) provide a full income for harvesters, but it could help. As indicated above, at the workshop we heard from Beau Gillis, a fisherman with Off the Hook. In his first season with the CSF, the revenue he generated was 1/3rd of his income for that season, despite being only 1/5th of his catch. He still sold the majority of his catch to his regular buyers, but he earned a much better price for the seafood he sold to the Off the Hook cooperative, and therefore earned more money for less product.

There was some interest among workshop participants in looking at the idea of a local cooperative that could potentially do a small pilot project similar to a community supported fishery or buyers club, as is currently being done in Nova Scotia and New

Brunswick. The cooperative would need to be able to get a buyers' license or include a buyer in order to purchase and sell seafood.

In the Bonne Bay area fish harvesters and tourism operators will be meeting with the director of the NL Federation of Cooperatives, Glen Fitzpatrick, in order to discuss how to develop a cooperative and its potential. One of the other ideas they are considering is exploring whether there could be an exemption from the regulations to allow harvesters to sell directly to tourism operators or to tourists as part of an experiential tourism package. Another is the possibility of setting a cooperative involving harvesters, processors and tourism operators that would find markets for and direct tourists to local fisheries experiential tourism and other local initiatives where they could, for example, catch a fish with a harvester, have it processed by the harvester or at the plant and then eat it for dinner at the restaurant. If there was enough interest in the Port aux Basques area, a similar meeting could be set up. Patsy Brownrigg with the Marine and Mountain Zone Corporation is willing to help set up such a meeting if fish harvesters would like to move forward in that way.

6.2 Ecolabelling

Ecolabelling is another marketing tool that may have advantages for fish harvesters. It is becoming increasingly common at the international scale, particularly through one ecolabel called the Marine Stewardship Council.

What is Ecolabelling?

Ecolabelling is a market-based system whose purpose is to encourage the purchase of ecologically sustainable consumer products (Ward and Phillips 2008). Ecolabels often take the form of logos on individual products and are intended to provide assurance to the customer that the item was produced according to certain environmental criteria. Eco-labelling programs focus mainly on the environmental aspects of fisheries. However,

there are also a number that attempt to address some of the social impacts (WWF 2010).

Since the first ecolabel in 1977, there has been a large increase in the number and type of ecolabels available (Ward and Phillips 2008). There are a number of ecolabelling options for the seafood industry, including for marine, freshwater and aquaculture fisheries, and their numbers are growing (Ward and Phillips 2008). They range from labeling for a single attribute such as dolphin-friendly, to multi-attribute labeling, such as that provided by the Marine Stewardship Council (Thrane, Ziegler and Sonesson 2009).

Because of the rapid increase in ecolabelling schemes, the FAO released a series of voluntary minimum guidelines in 2005 for seafood ecolabelling systems. These guidelines call for accountability and transparency, as well as science based standards (FAO 2005).

The best known seafood ecolabel is the label of the Marine Stewardship Council (MSC), which addresses multiple environmental issues relating to wild capture fisheries. It is currently the most widely used ecolabel for seafood at the international level. The MSC was originally established in 1997 as a partnership between the World Wildlife Fund, a nonprofit environmental organization and Unilever, a multinational corporation heavily engaged in fisheries. The MSC is now an independent registered charity based out of the United Kingdom (Howes 2008).

Marine Stewardship Council
Certified sustainable seafood

Other examples of eco-labels include national labels in places such as in Iceland and Japan; state level labels such as in Alaska; eco-labels operated by non-profit organizations such as Friend of the Sea, amongst many others. The proliferation of seafood labels in recent years has led to some concerns about consumer confusion.

In some areas where there is a large dependence on lobster, such as the Gulf of Maine in the United States and in Atlantic Canada, industry and government are considering

options such as ecolabelling, which could bring potential benefits to the industry and to lobster harvesters (Goyert, Sagrin, and Annala 2010). Currently DFO is providing support for the lobster industry to increase its sustainability through the Atlantic Lobster Sustainability Measures program (DFO 2009c). Such support can pave the way to eco-certification. Increased data collection has already been put in place in this province through the implementation of the logbook program. This could help in the certification process (pers. comm. K Sullivan).

Because of the conservation measures and highly regulated management systems that are common in the lobster fishery, and recent science on the effectiveness of local conservation initiatives (Whiffen 2010), there is the potential to use environmental sustainability-related claims to improve marketing and potentially achieve a price premium. The magnitude and distribution of the potential benefits from eco-labelling (both in terms of environmental sustainability and sustaining harvester incomes) need, however, to be carefully investigated. Because ecolabelling is a relatively new concept, there has been little research to date on its long term impacts on various fisheries.

Examples of Ecolabelling Systems

Marine Stewardship Council

The MSC provides certification for wild capture fisheries, and there are now 93 different fisheries around the world with MSC certification and another 119 currently under assessment (MSC 2010). A recent independent assessment of seven different ecolabels worldwide evaluated the MSC as the most effective, according to criteria based on items such traceability, ecological sustainability and standard setting procedures (WWF 2009).

However, as pointed out by Jacquet and Pauly (2008), because small scale fisheries are often data deficient, there is an unintentional bias in MSC certification towards large scale industrial fisheries and towards fisheries in developed countries. Some work is currently being done to address this gap, which may allow for the certification of more small scale or data deficient fisheries.

MSC certification is a voluntary process, but can be quite lengthy and expensive, depending on the size and complexity of the fishery under assessment. Costs can range from approximately $20,000 to half a million dollars. MSC does not directly certify fisheries itself but rather creates the standards as well as the labeling scheme which are used by accredited third party certification bodies. This ensures credibility of the system, as MSC does not have any financial interest in the process.

The three main principles that are the foundation of the MSC standards include the following:

1) Sustainable fish stocks
2) Minimal impact on surrounding ecosystem
3) Effective, legally based management systems in place that maintain stock sustainability

MSC Process

An MSC certification starts with a client representing a fishery applying to the MSC and paying to have their fishery pre-assessed by an accredited third party certification body, using the MSC standards. The client can be a government, a company, an organization or other body. For example, in Newfoundland and Labrador, the Association of Seafood Producers was the client for the MSC-certified northern shrimp fishery.

Pre-assessments are conducted to test the likelihood of the fishery achieving certification. This part of the process can be kept confidential between certifier and client. If it is deemed unlikely that the fishery would pass certification in its current form, the client can decide to make improvements and then decide to undergo a full assessment; or it may simply forego certification (Howes 2008).

If a client decides to pursue certification after the pre-assessment, a full assessment is then carried out. Assessments are only done up to the point where the fish are landed, rather than for the entire life cycle of the product (ie. transportation, packaging and processing).

A traceability audit is also carried out, called a Chain of Custody, which ensures that the fish can be traced back from the consumer to the MSC certified fishery that it came

from. Any buyer, retailer, wholesaler or other entity along the marketing chain must apply for Chain of Custody certification. The Chain of Custody can prevent fraudulent labeling (Howes 2008).

If the fishery passes certification it can then apply to the MSC to use their logo on their products. Certification lasts for five years, but clients must undergo an annual audit. After five years, the fishery must be re-certified and a loss of certification may happen but, as of yet, this has not happened to any fishery. Lobster fisheries that have already been certified by MSC include the Eastern Canada offshore lobster fishery; the Western Australian rock lobster fishery; and the Baja California lobster fishery. Some of the other MSC certified fisheries in the Northwest Atlantic include the Atlantic deep sea crab, the northern prawn, the offshore scallop, Gulf of St. Lawrence shrimp and the harpoon swordfish fisheries.

Canadian Northern Shrimp, MSC certification 2008

The first Canadian fishery to be certified was the Canadian northern prawn trawl fishery, which takes place off the coast of Newfoundland and Labrador. It is the largest coldwater shrimp fishery to be certified by the MSC, with annual landings of about 68,000 tonnes (MSC 2010b). It achieved certification in August 2008 after approximately 2 years in the assessment process. The client for the fishery was the Association of Seafood Producers, which represents seafood processors throughout the province. They received $50,000 from the government of Newfoundland and Labrador to help them pay for the certification (Government of NL 2008). This was a small proportion of the actual certification costs (pers. comm. D Butler)

Certification was sought because of a demand for MSC-sourced seafood from their main buyers, mainly European retailers. Close to 80% of their product was being exported to the United Kingdom at that time (MSC 2010b). In order to retain access to these markets, it was essential to react to this demand and this has been achieved, although no new markets have opened up as a consequence (pers. comm. D Butler). In fact, an

even larger percentage of product is now being exported to the UK, as some markets have shifted away from the US. American consumers and retailers have not demanded MSC certified seafood to as great an extent as in Europe, however, this is slowly changing. The cost of certification was high and price premiums have not been obtained (pers. comm. D Butler).

Overall there has been relatively little direct impact on fish harvesters as a result of the northern prawn MSC certification. Rather, some of the main changes that occurred relate more to improved higher level management processes, including planning for the protection of species at risk such as wolfish (pers. comm. D Butler).

Other Eco-Labels

A number of other eco-labels exist on the market with different objectives and geographical foci from those of the MSC. Some of these, such as the national labels for Japan and Iceland were created as a reaction against the MSC label. A national eco-label is very unlikely in Canada as the recommendation for one was recently rejected by the federal government (Government of Canada 2009). Other eco-labels were created by non-profit organizations or by industry. Some of these encompass a myriad of issues along with environmental sustainability including occupational health and safety and food safety (WWF 2010).

Southern Australian Rocklobster, Clean Green eco-label

The southern rock lobster industry in Australia created this label itself to address a multitude of issues in the fishery including environmental impacts, food safety and workplace health and safety. It was piloted in 2004 with just three fishers, and now over 400 industry members have gone through the system.

The program is owned by Southern Rocklobster Limited, which is a national body owned by licence holders. It is a supply chain management strategy that uses an Environmental Management System based on industry best practice standards. Products are certified by a third

party agency (Conformity Assessment Body) and are also a part of the traceability program, which means lobster can be traced back to individual fishermen.

The Clean Green program is the foundation for the Clean Green brand and the goal was to open new markets in the United States for certified lobster. Clean Green uses the ideas of 'clean' (safe and healthy) and 'green' (environmentally friendly) as a way to improve their overall image. Along with improving operational practices in environmental management and occupational health and safety, they also claim to have gotten substantial price premiums in niche markets in the United States (SRL 2010). However, in general, harvesters have been disappointed with the lack of financial benefit from this label, as it has not opened the expected markets. Most of the product is destined for Asian markets, mainly China, where there is very little demand for eco-labelling. The main benefit for harvesters in this case was the OHS training that was available through the program (pers comm. H Parsons).

Benefits and Challenges of Ecolabelling

From a harvester's point of view there can be advantages as well as disadvantages to pursuing eco-certification. The decision often lies in the balance between the costs of certification weighed against the presumed financial and other benefits that could be gained. For MSC, costs also include pre-assessment and full assessment fees paid to the certifier, as well as the cost of any changes that must be made to the fishery in order to gain certification. The magnitude of the effects on the fishers depends on who shoulders the certification costs, as well as whether any financial and other benefits accrued will be experienced by harvesters.

Economic Benefits

According to Goyert, Sagarin and Annala (2010), some of the presumed economic benefits of certification include price premiums and gaining or maintaining access to markets. Even if some of these benefits are gained, the question remains whether they will trickle down to the harvesters' level.

i) Consumer Demand and Price Premiums

Overall, MSC products are sold in 24 countries and the largest consumer demand is in Europe. However, MSC certified fish still make up a relatively small percentage of overall fish purchased (Roheim and Sutinen 2006). Empirically, there is little known about consumer demand for ecolabelled products because, as yet, there have been no peer reviewed studies based on market data. However, some studies have been conducted asking consumers whether they would hypothetically be willing to pay more for ecolabelled products. These suggest that often consumers prefer ecolabelled products over non-labelled products, as long as the price premiums are not too high (Johnston et al. 2001).

Consumers are however not willing to switch from a favourite type of fish based on ecolabelling alone (Johnston and Roheim 2006). Consumer demand is expected to increase as larger fisheries are now becoming certified by the MSC, increasing the profile of the logo, and providing more options for consumers. Consumer education and strong marketing are key to the growth of consumer demand (Wessells, Johnston & Donath 1999), and some MSC certified fisheries, such as the western Australian rock lobster fishery, have struggled because of a lack of advertising (Goyert et al. 2010)

Although consumer demand is currently fairly low, the range of MSC-certified products continues to increase and is being driven mainly by large retailers both in Europe and North America, who are increasingly becoming interested in sourcing from MSC certified fisheries. Wal-Mart has committed to purchasing 100% of its wild caught seafood for the US from MSC sources by 2011.[1] It is likely that these large buyers are motivated by pressure to demonstrate corporate social responsibility, as they can gain financial benefits from the image of being a green corporate citizen (Roheim 2008).

In general, it is very difficult to demonstrate that price premiums are achieved through ecolabelling because of the complexity of factors affecting seafood prices (Roheim and Sutinen 2006). In a study exploring MSC certification for the Gulf of Maine lobster

[1] http://walmartstores.com/Sustainability/9173.aspx

fishery, Goyert et al. (2010) conclude that price premiums may not necessarily materialize from certification. Overall, price was considered the most significant decision making factor when buying seafood, and was rated higher than other factors such as freshness, taste, health benefits and harm to the environment.

Furthermore, the entry of large retailers into the certified seafood market could potentially erode any possible price premiums to companies and to harvesters, as a high quality niche market becomes more commoditized, as has happened in organic agriculture (Kaiser and Edwards-Jones 2006). Large retailers are able to demand lower prices from their suppliers, thereby driving down the price for all producers. In some cases, even without a price premium, ecolabelling may become essential to hold onto a market.

ii) Access to Markets

As larger buyers begin to demand MSC-certified products, some fisheries could potentially be shut out of the market if they are not certified. On the other hand, an MSC certified fishery could enjoy relative market security if competitors remain uncertified. This security could be lost as more fisheries gain certification but, as Roheim (2008) points out, it is unlikely that all fisheries for a given species will become certified, meaning that some will retain their competitive edge.

In the case of the American lobster however, MSC certification is becoming much more widespread, and it is possible that all fisheries will become certified or pursue certification within the near future (pers. comm. K Sullivan), particularly with current support from the Department of Fisheries and Oceans. The pursuit of certification in this case may be more a matter of keeping up with competitors than a way to gain a competitive edge and price premium in the market.

Environmental Benefits

Improvements in ecological sustainability could potentially result from MSC certification, thereby benefiting the harvesters if the resource remains stable or recovers. Certification

can be the impetus for improving some aspects of harvesting methods. However, certification under an ecolabel does not necessarily guarantee a sustainable resource. As Pelletier and Tyedmers (2008) point out, the criteria of many ecolabelling schemes, including the MSC, focus only on harvesting methods and exclude a broad range of biophysical and socioeconomic impacts caused by the full life cycle of the seafood from ocean to plate. The negative effects of transportation, processing, packaging and other stages are not usually assessed in eco-labelling.

A study conducted by Ward (2008) concluded that eco-labelling did not significantly contribute to marine conservation or the resolution of other environmental problems. Jacquet and Pauly (2007) found that ecolabelling has as yet not been able to stop the decline in fish stocks. Certification alone however cannot address such large scale problems, and as Gulbrandsen (2008) states, it may still be too early to assess environmental impacts of such schemes. As more fisheries become certified and indeed re-certified, the impacts will be easier to analyze.

Other Benefits

Some claim other types of benefits from eco-labelling for fishers, particularly those in small scale fisheries (Lopuch 2008). Going through the MSC certification process itself may be beneficial in that it subjects the fishery to a third party assessment, which may identify important knowledge gaps and therefore be the catalyst for improved data collection and management.

For the Baja California Lobster fishery in Mexico, MSC certification has also brought benefits in the form of increased government attention and support for the fishing cooperatives and communities dependent on the resource. They have both achieved a better image and reputation, as well as gained

the capacity for effective political lobbying (Phillips, Bourillon and Ramade 2008).

Additionally such a process could give more voice to small scale fishers. For example, if they have witnessed a problem that is not currently being addressed under the local management system, the MSC process provides the opportunity to discuss it publicly within a credible, internationally recognized system. One of the strongest conclusions that can be made regarding the impact of the MSC is that it can contribute to more open and inclusive management processes (Ward and Phillips 2008).

MSC certification may also be beneficial in that it could be used to further marketing and branding on a smaller scale. As mentioned, there is the potential to open new markets globally, but also available may be smaller local markets that are looking for locally, sustainably caught seafood. As outlined further in the report (see section on direct marketing), a number of smaller marketing schemes are starting up particularly in New England that are finding markets using local, eco-friendly claims.

Photo credit: Nicole Purchase

Discussion

As yet, there is little evidence to conclude definitively that ecolabelling schemes contribute to considerable economic benefits for harvesters or in the environmental sustainability of fisheries. Most ecoloabelling schemes, including the MSC, do not specifically concern themselves with the social and ethical dimensions of fisheries. The MSC asserts the importance of considering the livelihoods of those dependent on the fishery, but does not have specific criteria in place to assess the social impacts of fisheries (WWF 2010). More long term research needs to happen in order to make claims about these benefits. One conclusion that has been made, however, is that going through the assessment process can contribute to improved fisheries management (Ward and Phillips 2008; Jacquet and Pauly 2008). In the case of the southwest coast lobster fishery, management systems are already in place with the advisory committee structure for each LFA. However, going through an assessment process may open doors for improved management.

Despite uncertainty about benefits, in some fisheries, ecolabeling is becoming a requirement for market access. It appears as though MSC certification is becoming another cost of doing business. As Ward and Phillips point out (2008), MSC may not always be the preferred label for small scale fisheries, however, in the case of the American lobster industry, it seems that fisheries may have to pursue MSC certification in order to retain markets or remain competitive.

6.3 Fair Trade Labeling

What is fair trade?

Fair trade is a trade system that strives to ensure that producers can maintain a sustainable livelihood through the sale of their products. This often means guaranteeing a 'fair' price or a living wage for producers, but can also mean providing job security through long term contracts, ecologically sustainable production, and democratic participation, often through cooperatives (Transfair Canada 2010).

Fair trade labels identify products that originate from farms where there are strict environmental, economic and social standards in place. Consumers often pay a price premium for fair trade products which can support the producers and their communities. Often a percentage of sales is returned to the community for projects that benefit everyone, rather than just the individual producers.

Fair trade currently happens primarily with imported goods that are not locally available in North American or Europe. For a number of decades, products such as coffee, tea, tropical fruit, cocoa and sugar have been available with a Fair Trade label until very recently there has been no fair trade labeled fisheries. There is currently only one label worldwide that certifies a fishery in Senegal to fair trade standards – this seafood is sold exclusively to a market in Switzerland (Fair Fish 2007).

A new form of fair trade for developed countries (i.e. in North America and Europe), called domestic fair trade, has recently begun that is relevant for producers such as farmers and fishers. Although most of the work has occurred in agriculture, there may be potential to make connections to fisheries.

Domestic Fair Trade

Domestic fair trade is a new concept, however it is one that is gaining momentum as it connects with other popular movements that support locally grown, environmentally sustainable foods. There are a number of efforts throughout North America and worldwide to bring in a system of Domestic Fair Trade, modeled after the current international fair trade system. These could be applied to products from agriculture and fisheries. Currently, most of the emphasis is on agricultural products.

Domestic fair trade programs arose from within the organic agricultural industry, as those involved began to demand a set of standards that examined not only the environmental aspects of organic farming but also the social aspects. One result of this was the establishment of the Agricultural Justice Project which worked to create a set of standards similar to international fair trade standards in which they assess the *relationships* between producers, buyers and others along the supply chain.

In the United States a recently formed member-based organization called the Domestic Fair Trade Association is working to create a system that would provide fair trade certification to domestic products. It has developed a set of principles (such as fair and stable pricing, rights of labour, family scale production), which could provide the foundation for a fair trade scheme.

Recently, some Canadian groups have begun to introduce a fair trade system into Canadian agriculture in an effort to help save family farm operations and promote the

viability of organic farms in particular. In June 2010, the Farmer Direct Cooperative in Saskatchewan became the first organization in North America to have their products certified as fair trade. It is a cooperative consisting of 70 certified organic family farms. The cooperative sells their products throughout North America and internationally. They were certified under the system created by the Agricultural Justice Project in the US.

The fair trade certification system is similar to a number of eco-labelling schemes in that a third party carries out an assessment based on a set of standards. Farmer Direct Cooperative, on behalf of its members, paid an organization to carry out an assessment of the cooperative, which purchases products from farmers based on a negotiated price. Among other aspects, the assessment examines the relationships between the buyer (the cooperative) and the farmers to make sure that farmers are able to secure a fair price and can negotiate on a level playing field. When consumers buy these products with a price premium they can be confident that an assessment was carried out, letting them know that all along the supply chain, producers and others were treated fairly.

In PEI there is a project working to create another system of fair trade that is locally developed and works for the needs of Atlantic Canadian producers. It has been spear-headed by the National Farmers Union and the Cooper Institute. At our workshop, we spoke with Ann Wheatley of the Cooper Institute and Reg Phelan with the National Farmers Union. At the beginning of their project, they held public consultations and did background research on ways other organizations and jurisdictions had developed fair trade systems. Most recently, the PEI project established a working group of 20 people to draft a plan that could act as the foundation for a domestic fair trade system. Those involved in this project are now seeking funding to create an organization that would be able to move forward on this plan.

According to their plan, the PEI-based fair trade system would:
a) be based on a set of values: **economic, social and ecological**;
b) use a set of **standards;**
c) use a **peer certification system** based on meetings and farm visits;
d) develop a fair trade **label;**
e) include processes for calculating the **cost of production** and **price premiums;**
f) use an **orderly marketing system** (ie. something similar to the Canadian Wheat Board); and, g) engage the **public**.

Fair Trade Certification and the Fishery

Like eco-labelling, fair trade labeling is a way to differentiate a product on the market and to appeal to a certain segment of consumers concerned about social justice and willing to pay a price premium. The success of fair trade certification depends on customers having access to these products, as well as an awareness of what the label means. As with ecolabelling, there are costs associated with the certification, which need to be paid upfront before it is known what economic benefits will accrue. Currently there are no certifiers in North America with the capacity to certify a fishery as fair trade.

Although agriculture has been the focus of most fair trade schemes, there is the potential to include the fishing industry in such agricultural schemes or to create independent fisheries fair trade systems, particularly in areas where there is a large number of fishers. If the PEI project is successful, there would be an opportunity in PEI and potentially elsewhere, to expand the project to include fish harvesters and their products. One of the project leaders, Ann Wheatley with the Cooper Institute has indicated an interest in working with small scale fishers. It is worth discussing the difference it would make if small scale fish harvesters were involved in the certification process from the design stage.

7.0 Summary Discussion: Opportunities and Challenges for Moving Forward

Of the options that were discussed at the workshop and based on the background research for this report, it seems that some of the direct marketing and local sale options are of the most interest to those harvesters who attended the workshop.

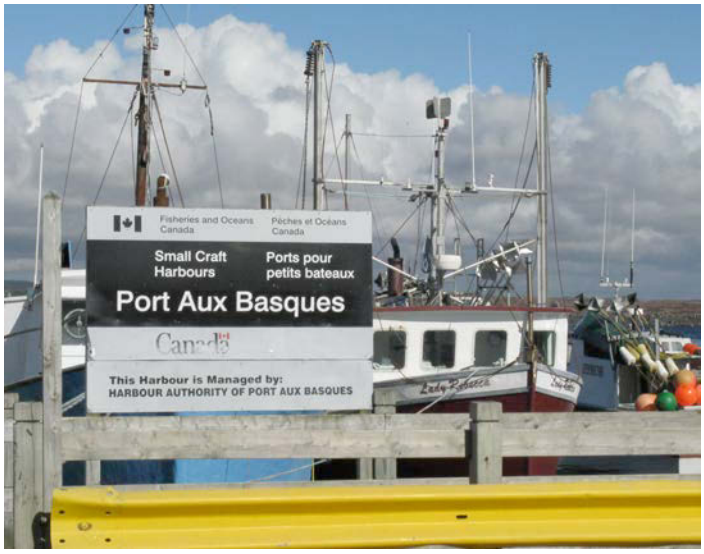
One type of marketing is through schemes such as community supported fisheries, buyers clubs and seafood events. Their purpose is to tap into a local market for seafood and to ensure that there is a price premium for harvesters. These alternative kinds of marketing could happen in collaboration with local buyers and processors or through some kind of harvester-led direct marketing initiative. No buyers or processors were at the workshop so we did not have their input into the discussion.

In Newfoundland and Labrador, harvesters are not legally supposed to sell directly to the public, although a community-supported fishery in which local consumers are technically investing in the fishing enterprise and receiving fish in exchange might be legal under the current framework. This is something that should be verified.

Furthermore, rules may change in the near future so it may be worthwhile to examine the feasibility of such schemes, particularly if buyers and processors are not interested in these options or not willing to pay premium prices as they appear to have the most to offer harvesters in terms of control of the fishery and economic security. As noted at the beginning of this report, in the absence of improved prices to harvesters, it is unlikely that the small scale fishery in the region will be sustained beyond the current generation and could easily decline in the nearer future if prices remain low and catches decline.

As outlined above, ecolabelling, more specifically Marine Stewardship Council certification, appears to already be under development for lobster fisheries in Newfoundland and Labrador. The main focus of ecolabelling schemes is environmental sustainability, so benefits to harvesters are not guaranteed. In following the lead of fisheries in other areas, MSC certification may allow the lobster industry to keep up with competitors, as well as improve some of the management systems that are in place. Price premiums are unlikely, however, and should not be expected to necessarily accompany this process.

Fair trade certification is another labelling system that has the advantage of requiring attention not only to environmental sustainability but also to ensuring a fair share of profits go to the primary producer. At the current time, fair trade labelling is unavailable to fisheries in North America. However, the Cooper Institute in Prince Edward Island is trying to develop a domestic Canadian fair trade mechanism that could include fisheries in the future. There are costs associated with fair trade labelling, as with MSC certification and these would need to be taken into account in weighing the potential costs and benefits of this approach. However, if markets are found, a price premium can usually be guaranteed for a fair trade label.



During the workshop discussion, harvesters were somewhat divided regarding the need to identify alternative marketing options for their fish and lobster and regarding the feasibility of the different options. Although prices for lobster are currently low, some participants are content with the current situation because they are making a decent living with their lobster due to high landings and because the current situation also ensures they have access to processors who, in turn, provide local

employment. Others would like to plan for the medium and long term rather than gambling on the continued reliability of the resource. Some participants felt they should learn lessons from the past because over the years they have experienced many ups and downs within the fishery. If they can somehow earn a good living with lower landings and from a variety of species, it may help the fishery become both more economically and environmentally sustainable.

Currently the two local buyers, King Fisheries and Codroy Seafoods employ many plant workers, and some of the participating fish harvesters did not want to negatively affect either these buyers or the plant workers. As was discussed, however, there may be ways to work with the buyers within the current regulatory system as has been done in other areas. Seafood that is sold in a local marketing scheme, for example, could still be processed through the fish plants, but some of the price premium could be guaranteed to come back to the harvesters. Moving forward on this option would require consultation with the processors.

This approach would be beneficial for buyers as well if it allows them to diversify their markets, supports the recruitment of new local fishermen into the industry so that they have a future local supply of resources, and helps them to develop the retail side of their business. International markets are tightly controlled by retailers and there is lots of lobster in the market. These realities plus the fact that oil prices will certainly continue to rise mean that buyers and processors are also often interested in finding ways to market more of their product locally (particularly when they are dealing in small volumes) and into higher priced niche markets such as those that could be provided through community-supported fisheries, the tourism trade and fair trade labelling. The small population of the area will be a challenge when it comes to local marketing (although in addition to local residents there is a large population of tourists and others who pass through the region on their way to and from the province).

Fish harvesters and buyers are aging and this may mean that they may be less interested in investing time and money into a venture that they may not see the benefit from in the future. On the other hand, if the current situation doesn't change, there may

well be no fishing industry in the region because most local harvesters will be retiring in the not too distant future and might have difficulty finding a buyer for their licenses.

Another challenge is finding someone to head up the next steps of a potential project. The fishing coop in Nova Scotia was able to partner with the non-profit organization, the Ecology Action Centre in Halifax which does all of their business development, marketing and coordination. If a project was started in Port aux Basques they would need to find a coordinator or an organization with the right resources and some start-up funding. Although this may be a challenge, it was pointed out by a government official working with INTRD who attended the workshop, that if they have a good project they may be able to find funding to support a pilot. The current steering committee with representatives from the FFAW, the local economic development board and Memorial University might be able to tap into this potential funding source to help find the skills, resources and knowledge to develop a feasibility study for one or more of the local marketing options outlined in this report.

Some workshop participants noted that one of the advantages in working together is the small geographical area and the small number of fishers who have similar livelihoods and income levels in this region. It may be easier to work together if there are no large differences to overcome. Another advantage is that harvesters in this area are able to think and plan long term, because they are not in desperate economic situations. They can appreciate the current high landings of lobster while preparing for any changes that may occur in the future including in price and markets, costs and resource availability.

Another resource available in this region is the very high quality seafood products that result from the region's fisheries. If marketed in the right way harvesters and processors might be able to earn a much higher price for their products and promote local food security. Because of the conservation measures in place for lobster, as well as the fact that cod fishing in this area is done using the less environmentally destructive practice of hook and line fishing, they may be able to make environmental claims to appeal to a certain population.

Some of the science required for such claims (in the case of the lobster fishery) were presented at the workshop and more research results related to the effectiveness of lobster conservation initiatives in the region will be available from Dr. Schneider's project in the near future. Fish harvesters can be proud of their product and the fact that they are stewards of the ocean. At the same time, there is increasing interest both provincially and nationally in food security and the ability to feed ourselves. Marketing local seafood locally could potentially tap into the goal of increasing local food security. It could also contribute to local awareness of the importance of the fishery to the regional economy and its history by promoting, for example, fish and lobster sales in local schools and other institutions (hospitals) and better quality and more sustained sales of seafood in local restaurants. .

The project steering committee is continuing to meet and is discussing the outcomes of the research and the workshop discussion and considering the best way to move forward. Those who have read this report and are interested in this work and want to get involved or want more information are encouraged to contact Professor Barbara Neis at bneis@mun.ca or by phone at 709-737-7244 or Mandy Ryan (FFAW) at mandy.ryan@nf.sympatico.ca or by phone 709-660-3265 for more information. More information about the CURRA can be found at www.curra.ca or by contacting Anita Best at the Bonne Bay Marine Station at abest@mun.ca.

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Appendix A
Workshop Agenda

Workshop: Opportunities for Sustainable Livelihoods in Newfoundland's Southwest Coast Lobster Fishery

Friday November 5, 2010 – Hotel Port aux Basques
8:30 a.m. – 5 p.m.

Final Program

MORNING SESSIONS

Facilitator: Dr. Barbara Neis

8:30 a.m.: Arrival (coffee, tea, muffins)

9 a.m.: Welcome and Introduction

9:15 a.m.: Overview of Lobster Industry
Panel Discussion: Don Ball, DFO; Wilson Goosney, DFA and Kevin Hardy, FFAW/CAW

In order to provide the context for the day, representatives from the Department of Fisheries and Oceans, the Department of Fisheries and Aquaculture and the Fish, Food and Allied Workers Union will give an overview of the southwest coast industry including their respective roles in regulating the industry and trends related to landings, numbers of harvesters, costs and earnings and challenges.

10 a.m.: Break

10:05 a.m.: Effectiveness of Lobster Conservation Methods
Video Presentation – Dr. David Schneider, Biology Professor, Memorial University

Dr. Schneider will present ongoing research related to testing the effectiveness of a number of conservation methods used in the lobster fishery, such as v-notching, marine protected areas and maximum size limits.

11 a.m. Break

11:10 a.m.: Alternative Marketing Options
Presentation - Katie Temple, CURRA Fisheries Research Intern

Over the past 2 months, Katie has looked into a number of seafood marketing options being used in other jurisdictions, from eco- and fair trade labeling to community supported fisheries and buyers clubs. She will give an overview of these options as a way to provide some background information for the afternoon presentations.

12 p.m. Lunch

AFTERNOON SESSIONS

Facilitator: Dr. Ratana Chuenpagdee

12:45 p.m.: Seafood Marketing Options in Atlantic Canada

(Each participant will be given a sheet with the small group discussion questions so that they can jot notes during the presentations)

Video Presentations:
1) Off the Hook Community Supported Fishery (Sadie Beaton and fish harvester)
2) Domestic Fair Trade, Cooper Institute, PEI (Ann Wheatley and Reg Phelan, farmer)
3) Buyers Clubs and Seafood Events, Fundy North Fishermen's Association (Maria Recchia)

2:45 p.m.: Break

2:55 p.m.: Small Group Discussion (2-3 groups each with facilitator)

(In groups, each individual can take a few minutes to jot down some additional thoughts on these questions. The group facilitator will then go through the questions with the group)

1) What ideas in today's presentations peaked your interest? Why?
2) Which of these initiatives could work on the southwest coast?
3) What are the first steps that need to happen to begin such initiatives?
4) What role can you play in moving an initiative like this forward?

3:45 pm: Large Group Discussion – Next Steps

Discussion on next steps
Are there participants willing to continue to work on this project?

4:30 pm: Summary

Appendix B
Summary of Evaluation Forms

There were **26 people in attendance** at the workshop, including the organizers, presenters and participants. Half of these individuals filled out evaluation forms.

1) There were a variety of motivations for attending the workshop including:

a) interest in looking at developing the lobster fishery;
b) improving lobster marketing;
c) looking at ways of finding higher prices for fishermen;
d) general interest in research and other aspects of lobster fishery;
e) finding ways to act at local level and;
f) appreciating the opportunity to have interactions between fishermen and government officials.

2) Overall Impression of the Workshop
Good – 8
Excellent – 5

3) For the most useful part of the workshop, most people mentioned the presenters who talked about **marketing options that they were trying in other provinces.** Other useful parts included:

a) discussion at end of workshop
b) hearing perspectives of fishers in other areas
c) presentation on conservation measures
d) the opportunity to have everyone's input
e) the variety of harvesters in attendance

4) Suggestions for improving the workshop include:

a) hearing more from the fish harvesters
b) less powerpoint and more video interaction
c) more opportunity for discussion
d) have the buyers there

5) Comfortable and appropriate facilities:
Excellent – 7
Good – 5
Average – 1

Opportunity to Participate in Discussion
Excellent – 6
Good – 6
Average – 1

6) Other comments or suggestions:

a) could have been shorter

b) Lobster Direct: The idea has good potential. Look at business case. There are a lot of good examples throughout Atlantic Canada of niche enterprises that have proven successful. Obviously a need for an existing organization to undertake a pilot project. Can a buyer's licence be purchased? At what price? Don't give up on ideas!

c) Should have had personnel from the current buyer/processor component of the western NL fishery (particularly from the area).

d) Need more fishing industry and fishers educated to the idea and possibilities out there and ways things can be accomplished.

e) Some of the ideas discussed are going to be difficult in this area because of low population.

f) Great day

g) Thought skype worked well.

h) Keep up the good work. This is cutting edge thinking.