

What Salmon Farming Licence Renewal Means to B.C.'s Coast

Summary Report | RIAS Inc.



**Coastal Communities
for Licence Renewal**

Why Licences Matter

To grow and sell farmed salmon, each BC salmon farm must be granted an Aquaculture Licence by Fisheries and Oceans Canada (DFO). The conditions of these licences set out specific operational and reporting requirements to ensure that farms are operated in an environmentally sustainable manner that minimizes the risk to wild fish stocks and marine resources.

Licences for salmon farms can currently be issued for up to 6 years – with licence reissuance based on factors, including:

1. Recognition of Indigenous Rights and Title

To demonstrate their commitment to recognizing Indigenous rights and title, BC salmon farmers began forming partnership agreements with BC First Nations more than 20 years ago. BC salmon farmers now hold partnership agreements with 17 First Nations in BC. Each of these agreements is founded upon recognition a First Nations' right to exercise jurisdiction over the land, resources, and waters within its territories – rights that form the very core of the reconciliation process. These agreements have brought significant direct economic benefits, business opportunities, and jobs to Indigenous communities – many of which have struggled with economic hardship resulting from declines in resource industries.

2. Environmental Performance

To demonstrate their commitment to environmental responsibility, BC salmon farmers have undertaken a continual technological evolution to meet the most rigorous standards of environmental responsibility and integrity. BC salmon farming's high standard of environmental performance has been recognized by multiple independent global environmental certification systems. And the sector's focus on ensuring the sustainability of wild salmon populations has been recognized by 10 formal review processes and multiple scientific investigations. The consensus of these reviews has been that salmon farming in BC poses a minimal risk to wild Pacific salmon populations.

Impact of Failing to Reissue Licences in the Discovery Islands

Salmon farms operated in the Discovery Islands for more than three decades. Each of these farms was operated in partnership with the First Nation on whose territory it was located. And each farm had a stellar environmental record that included strong measures to minimize the farm's impact on wild salmon in the area. In fact, DFO scientists conducted nine full CSAS assessments of the risk that pathogens from the farms posed to wild salmon – and each assessment concluded that the risk was “less than minimal”.

Yet in December 2020, former DFO Minister Bernadette Jordan decided not to reissue the Discovery Islands licences. In making this decision, she ignored the scientific consensus of minimal risk, ignored the farms' contribution to reconciliation, and ignored the advice of her own department.

Since this region represented more than 24% of BC's farmed salmon production, the impact of Minister Jordan's decision has been devastating. A report by RIAS Inc. determined that the potential impacts will include:

- 1,535 BC jobs lost
- average loss of more than \$79,000 in salary and benefits per family
- \$387 Million in economic output lost
- \$139 Million in GDP lost
- \$21.5 Million in Annual Tax Revenue lost
- 267 Suppliers of Goods & Services impacted
- \$20 Million less spending on suppliers
- Up to 10.7 Million Salmon Euthanized
- a loss of \$170 million in value

A Flawed Decision Process

Minister Jordan stated that her decision was based on the lack of social acceptability for salmon farming. Yet the people and communities whose voices mattered most weren't considered.

First Nations that were active partners in farm operations, and whose communities relied on Discovery Islands farms for their socio-economic viability, weren't consulted.

Surrounding non-Indigenous communities – such as Gold River, Sayward, Campbell River, Port McNeill, and Port Hardy – whose economies were devastated by the decision to eliminate the Discovery Islands farms weren't consulted.

Canadians, in general, weren't consulted. A recent survey conducted by independent researchers at Dalhousie University found that most Canadians prefer to eat farmed Atlantic salmon over all species of wild salmon. And most of them prefer to eat farmed salmon raised in ocean-based farms rather than land-based tanks because they view ocean-based aquaculture as a sustainable way to raise and harvest salmon.

Ongoing Uncertainty

While salmon farmers, their First Nations partners, and the BC communities they operate in struggle to deal with the severe hardship caused by the Discovery Islands decision, an even greater challenge looms: 79 federal aquaculture licences will expire on June 30, 2022. The new Minister of DFO, Joyce Murray, is expected to make her decision regarding reissuance of these licences as early as March or April 2022.

Environmental stewardship and compliance, and recognition of First Nations rights and titles, no longer guarantees licences will be reissued. Furthermore, the strong support of Canadians is not considered a measure of social acceptance.

The question is: On what criteria and assumptions will Minister Murray base her upcoming licence reissuance decisions?

What's at Stake?

According to the RIAS Inc. Raising Opportunity report, prior to the Discovery Islands decision, licences facilitated the production of over 80,000 tonnes of high quality, low-carbon footprint salmon, valued at \$772 million. Farmed salmon ranked as the province's #1 seafood export and #1 agri-food export. In fact, in 2019, farmed salmon was the province's 10th most important export commodity.

In 2019, the total direct, indirect, and induced economic impact of farmed salmon production across BC amounted to:

- \$1,615 million in total output
- \$576.8 million in total GDP
- 6,370 total full-time equivalent positions
- \$89 million in total federal, provincial, and municipal taxes

In addition to significant financial contributions to the provincial economy, the sector has been the socio-economic backbone of many rural coastal communities in BC. The sector supports small- and medium-sized businesses, provides full-time well-paying jobs, and offers highly educated young people a family-supporting career they can be proud of.

If Minister Murray fails to reissue all 79 licences – or if “temporary” licences are issued (i.e., a return to one-year licences) – BC will lose all investment in the sector. Operations will have no choice but to wind down, resulting in devastation to coastal Indigenous and non-Indigenous communities across BC. This will affect more than 4,700 workers and \$1.2 billion in economic activity in BC each year – as well as an additional \$200 million in economic activity and 900 jobs across the country.

The table below shows the total economic losses by region (direct, indirect and induced impacts) within BC if licences are not reissued.

Potential Economic Losses within BC if Licences are Not Reissued (\$ millions)

Region	Output	GDP	Labour Income	Employment
Courtenay/Comox/Cumberland	\$48	\$17	\$14	193
Port Hardy/Port McNeil	\$135	\$47	\$38	512
West Coast NVI	\$47	\$16	\$13	181
Sunshine Coast/Metro Vancouver	\$326	\$122	\$101	1,373
Other*	\$585	\$205	\$84	2,244
Total	\$1,196	\$427	\$267	4,718
Estimated losses already taking place in the Broughton and Discovery Islands	\$419	\$150	\$238	1,652

Source: RIAS Inc.

Salmon Farming Licences: A Bridge to the Future

Reissuing licences would drive economic recovery

Reissuing long-term (6-year) licences would re-establish stability and security for the industry. BC salmon farmers would be ready to invest \$1.4 billion over the next 30 years. By 2050, this new investment would increase economic output in BC by \$2.345 billion per year, increase GDP by \$857 million per year, sustain an additional 9,400 jobs in the sector, and add \$131 million in tax revenues per year (Raising Opportunity report).

While these economic impacts would be felt throughout the province, this impact would be most evident in BC's Indigenous and non-Indigenous coastal communities.

Reissuing licences would deliver on Indigenous reconciliation

With licence reissuance, BC salmon farmers anticipate that more than 50 additional First Nations partnership agreements will be negotiated over the next 30 years. Even more agreements would need to be negotiated if new marine tenures are identified.

Reissuing licences would support the restoration of wild salmon populations

Reissuing licences would give BC salmon farmers confidence to continue to invest in cutting-edge technologies and innovations that focus on understanding and further reducing risk to surrounding ecosystems with wild salmon being the top priority. Investment would fund transformational infrastructure and innovations such as:

- Ocean-based semi-closed and closed containment systems
- Offshore containment systems
- New sea lice prevention and mitigation innovations
- New vaccine development
- New production methods reducing the time farmed salmon spend in the ocean
- Increased reliance on clean energy

Reissuing licences would enhance Canada's food security and sustainability

Reissuing licences would ensure that even more Canadians have secure access to affordable, high-quality protein. Consumption of salmon already approximates 33% of all seafood consumption for Canadians with consumption spiking to 40% during the COVID-19 pandemic.

Also, two of the biggest salmon-farming companies operating in BC topped the latest global Collier FAIRR Protein Producer Index that ranks the best sustainable-protein producers in the world. The index authors stated that "Aquaculture companies – primarily salmon companies – continue to perform better than animal protein producers on all risk factors, especially deforestation and biodiversity, and the use of antibiotics."

Reissuing licences would enhance Canada's contribution to climate change mitigation

Farmed salmon is the lowest carbon-emitting major farmed animal protein. According to The High-Level Panel for a Sustainable Ocean Economy, "The largest potential carbon reduction gains for global food production lie in the sustainable expansion of marine aquaculture."

Reissuing licences aligns with the Government of Canada's agenda

The federal government's 2021 Speech from the Throne focused on the need for "action on reconciliation, action on our collective health and well-being, and action on climate change". By saying 'yes' to licence reissuance, the Government of Canada will be gaining a partner that can deliver on these promises. BC salmon farmers remain passionate and committed to furthering Indigenous reconciliation, expanding the production of low-carbon healthy food sustainably and responsibly, and providing economic development and career opportunities in BC's rural, coastal communities.

Licence Reissuance Means:

- Meaningful **Reconciliation**
- Enhanced **Economic Resilience**
- Accelerated **Climate Change Mitigation**



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